

Renewal and Development Plan Examples

Fargo

Mapleton

Wahpeton

**North Dakota League of Cities
August 24, 2010**

RENEWAL PLAN

TAX INCREMENT FINANCING DISTRICT NO. 2007-03

CITY OF FARGO, NORTH DAKOTA

August 8 , 2007

RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2007-03

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RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2007-03

Subsection 1.1. Definitions.

For the purposes of the Renewal Plan, the following terms shall have the meanings specified below, unless the context otherwise requires:

"City" means the City of Fargo, a municipal corporation under the laws of the State of North Dakota.

"City Commission" or "Commission" means the Fargo City Commission.

"Comprehensive Plan" means the City's Comprehensive Plan, including the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City as and when such plan is adopted and finalized.

"County" means Cass County, North Dakota.

"Development" means the construction of new buildings, structures, or improvements; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures or improvements; the acquisition of equipment; and the clearing and grading of land on industrial or commercial property in the Renewal Area.

"Renewal Area" means the property described in Subsection 1.4 of this Plan.

"Renewal Plan" or "Plan" means this Plan adopted by the Commission for the Renewal Area.

"State" means the State of North Dakota.

"Tax Increment Financing Act" or "TIF Act" means North Dakota Century Code, Section 40-58-20, as amended.

"Tax Increment Bonds" means any general obligation or revenue tax increment bonds or notes issued by the City to finance the public costs associated with the TIF District as stated in this Plan, or any obligations issued to refund the Tax Increment Bonds.

"Tax Increment Financing District" or "TIF District" means Tax Increment Financing District No. 2007-03.

"Urban Renewal Law" means North Dakota Century Code, Chapter 40-58.

Subsection 1.2. Statutory Authority.

The creation of the Renewal Area and the establishment of Tax Increment Financing District No. 2007-03 are authorized by the Urban Renewal Law. Specifically the creation of the

Renewal Area is authorized under North Dakota Century Code, Sections 40-58-01.1(7) and (14), which provide that the local governing body may designate industrial or commercial property, a slum or blighted area, or combination of these properties as appropriate for a development or renewal project.

The Urban Renewal Law provides that communities develop a "workable program" for the use of public and private resources to facilitate the development of industrial or commercial properties, eliminate and prevent the development or spread of slums and urban blight, encourage needed urban rehabilitation, provide for the redevelopment of slum and blighted areas, or undertake these activities or other feasible municipal activities as may be suitably employed to achieve the objectives of the workable program. North Dakota Century Code, Section 40-58-04.

Subsection 1.3. Statement of Public Purpose.

In adopting the Renewal Plan for TIF District No. 2007-03, the City Commission intends to make the following findings:

- (a) The Renewal Area includes a blighted area.

Factual basis: The Renewal Area is blighted due to the presence of two buildings that are deteriorated and this condition has substantially impaired the redevelopment of the City in this area, and has slowed the provision of appropriate housing in this area.

- (b) The Renewal Area includes industrial or commercial property.

Factual basis: The renewal area is used for commercial uses. As retail property, it is commercial for tax purposes.

- (c) The Renewal Area is appropriate for a development or renewal project.

Factual basis: The property within the area is underdeveloped for the location. The property consists of two warehouse-style buildings (primarily metal) behind which are located numerous boats, cars, motorcycles and other vehicles in varying states of repair/disrepair. Some appear to have leaked fluids. Currently there is no storm water retention, and this will be addressed with the proposed development. The site, with its close proximity to North Dakota State University, is appropriate for higher density development including housing.

- (d) The Plan conforms to the Comprehensive Policy Plan for the City as a whole.

Factual basis: The City Commission has found that the proposed development is consistent with the goals that are embodied in the Comprehensive Policy Plan. The proposed use of the property is generally consistent with zoning, adjacent land use, and transportation facilities. The new development will be apartments designed for the student market.

Subsection 1.4. Description of TIF District.

The development site is located on the SE corner of 12th Ave N and Dakota Drive N. An aerial photo and map of the TIF district is attached as Appendix B.

The property has recently been re-zoned MR-3 (Multiple Dwelling) and was previously LI (Limited Industrial). A zoning map is attached as Appendix C.

Adjacent land uses to the development site are North Dakota State University agricultural land to the north, housing to the east, railway uses to the west, and housing to the south.

The developer has purchased the two properties that make up the plan area.

The existing development includes a motorcycle dealership in two buildings. The proposed development will include one apartment building containing 58 units. Appendix D shows the redevelopment plan for the property.

TIF District No. 2007-03 consists of the parcels legally described in Appendix A. A map of the approximate boundaries of the TIF District is attached hereto as Appendix B.

Subsection 1.5. Land Acquisition, Development, Demolition and Removal of Structures, Redevelopment, Improvements, or Rehabilitation.

The Development of the Renewal Area includes the following activities:

Site Work – estimated @ \$125,000.

Soil Correction – estimated @ \$100,000

Demolition – estimated @ \$130,000

Water Retention – estimated @ \$70,000

Lights/Landscaping on 12th Av – estimated @ \$25,000

Other Costs – Other TIF costs include administrative costs. These are estimated to be \$25,000 in administrative costs for the City of Fargo, based on a required 5% administration fee.

These costs represent estimated costs for planning purposes, and may be different when this plan is implemented with a development agreement. The development agreement costs will be determined after a review by City financial advisors. The maximum allowed costs will be specified in the development agreement.

Subsection 1.6. Land Use Attributes.

- (a) Zoning or Planning Changes. There are no planning or zoning changes in process. The property was recently re-zoned MR-3, which allows the proposed use of 58 residential apartment units.
- (b) Maximum Densities. Maximum unit density in the MR-3 zone is 24 units per acre. At 2.6 acres, the allowable number of units is 62. The proposed 58-unit building therefore falls within this allowable range.
- (c) Building Requirements. All properties within this district are subject to the provisions of the City of Fargo Building Codes and the Land Development Code. Design standards will be included in the development agreement to implement the high quality design proposed by the developer.
- (d) Plan relationship to land use objectives (land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public imp.) The improvements outlined in the plan will meet critical needs required for the redevelopment of this property, and provide the developer with a sufficient return on the development. The redevelopment will be compatible with adjacent land uses.

Subsection 1.7. Estimate of Development Costs.

The City anticipates development of the Renewal Area will involve certain public costs. Under North Dakota Century Code, Sections 40-58-20 and 40-58-20.1 allow the use of funds received from tax increments to be applied to certain specified costs. The City will provide for certain costs as listed below in a development agreement. The primary costs involved in the development are sitework, soil correction, demolition, water retention, lights/landscaping and administration..

Sitework	\$125,000
Soil Correction	\$100,000
Demolition	\$130,000
Water Retention	\$70,000
Lights/Landscaping	\$25,000
Administration	\$22,500
<hr/>	
TOTAL	\$472,500

The City and Developer may also obtain reimbursement of interest between the time project costs are incurred and the date the Tax Increment Revenue Note is issued such interest being capitalized and added to the foregoing costs.

Subsection 1.8. Estimate of Bonded Indebtedness.

The City intends to finance certain costs of the Development through the issuance of a Tax Increment Financing Note to the Developer. In addition, the City may use general obligation bonds, special assessment warrants, or refunding improvement bonds pursuant to North Dakota Century Code, Section 40-58-20 (9), and the City may specially assess all or a portion of the costs of development and apply funds received from tax increments to payment of the special assessments and other bonds. The total estimate of the indebtedness is \$472,500 as outlined in subsection 1.7.

Subsection 1.9. Tax Increment Financing.

The County Auditor of the County is requested to compute, certify and remit tax increments resulting from the Development within the Renewal Area.

The original assessed value of the property within the Renewal Area, as last assessed and equalized before the date of this Plan, is outlined on Attachment A.

Each year the County Auditor will compute the amount of tax increment generated within the Renewal Area in accordance with the TIF Act. Any year which there is an "incremental value" as provided in the TIF Act, an increment will be payable to the City and deposited in the fund created by the County Auditor for that purpose. Any year in which there is "lost value" pursuant to the TIF Act, no increment will be payable to the City.

Subsection 1.10. Estimate of Tax Increment.

It is anticipated that the Development will result in an increase in true and full value of the Renewal Area redevelopment site to \$3,254,900. The present value of the development site within the TIF district is \$488,800, so the increase in value will be approximately \$2.75 million. Under the mill rate in effect as of the date of this Plan, the Renewal Area will generate tax increment each year in the estimated amount of \$60,000.

Subsection 1.11. Duration of the TIF District.

The City anticipates that the TIF District will continue until all development costs are reimbursed through the receipts of tax increment. The estimated time period would be approximately 11-12 years.

APPENDIX A

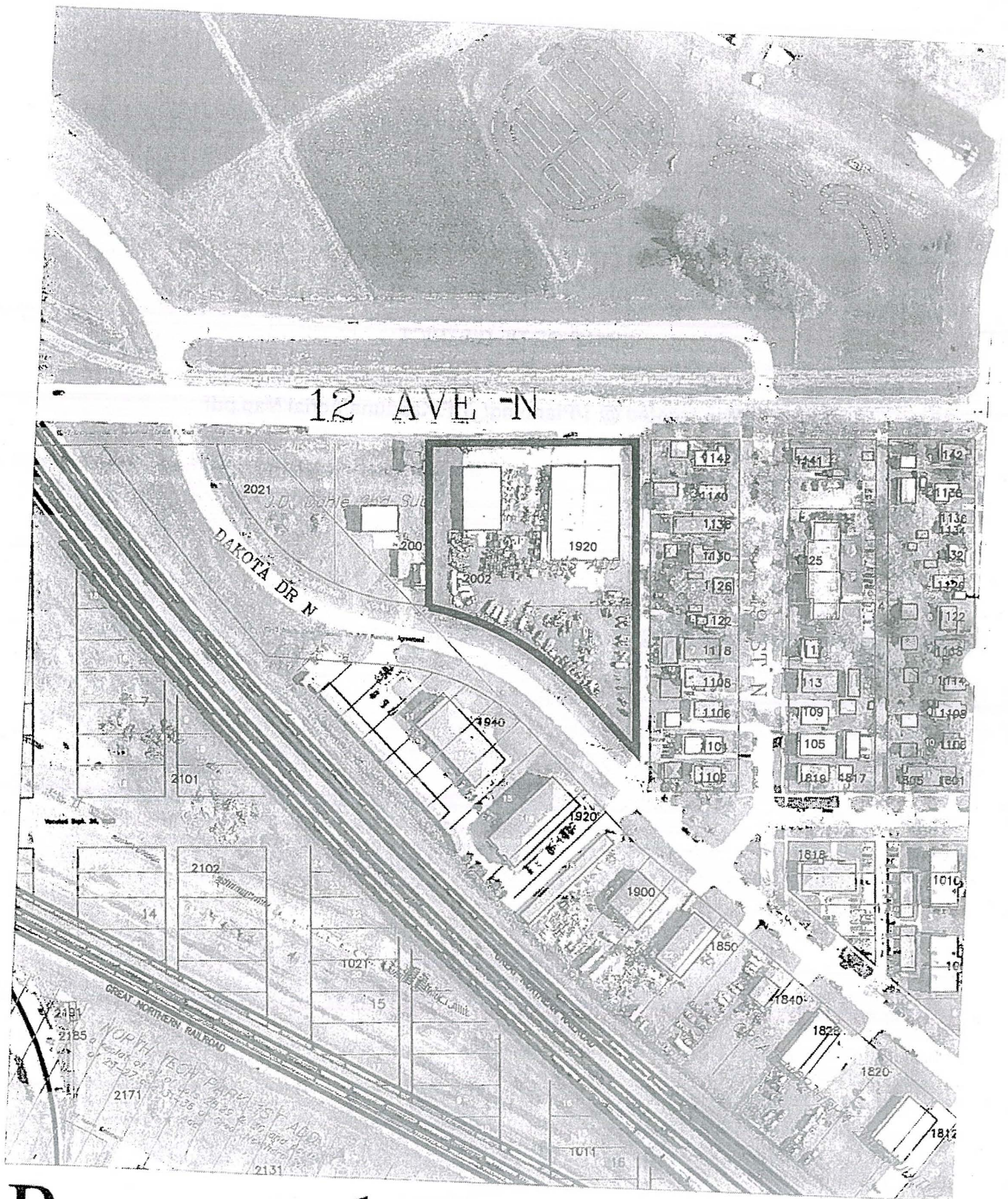
LEGAL DESCRIPTIONS OF PROPERTY

The property includes lots 3, 4 and 5 of Blk 1 in the Kapauns Addition in the City of Fargo.

APPENDIX B

MAP OF TIF DISTRICT

Aerial Map located @ T/Planning/_TIF/Kapauns/Aerial Map.pdf



Requested TIF District

APPENDIX C

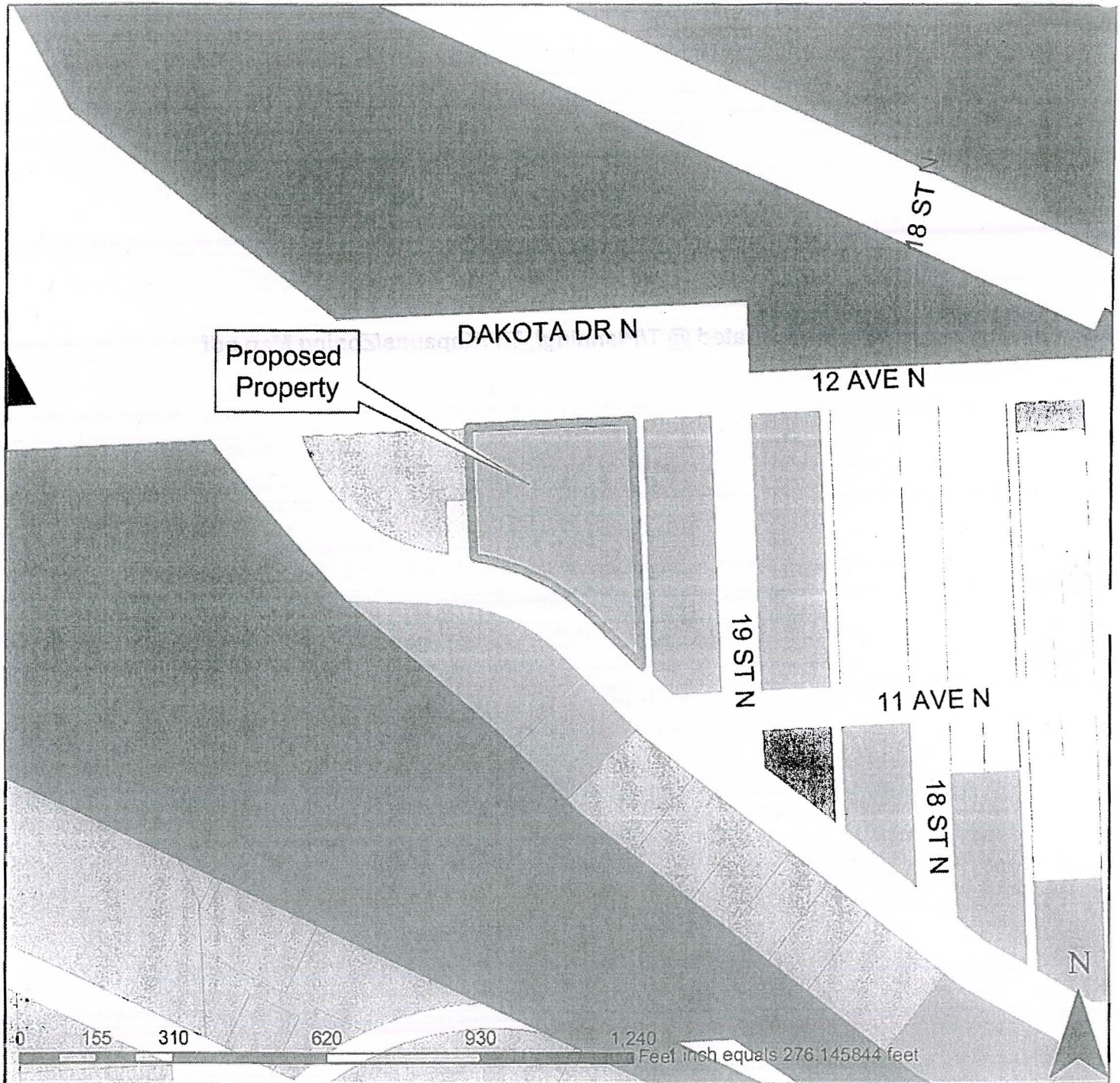
ZONING MAP

Zoning Map located @ T/Planning/_TIF/Kapauns/Zoning Map.pdf

TIF

Kapuns Addition

1920 & 2002 12th Ave



Legend

AG	MR-2	LI	SR-3
DMU	MR-3	MHP	SR-4
GC	NC	MR-1	SR-5
GI	NO		
GO	P/I		
LC	SR-2		
		City Limits	
		Proposed Property	

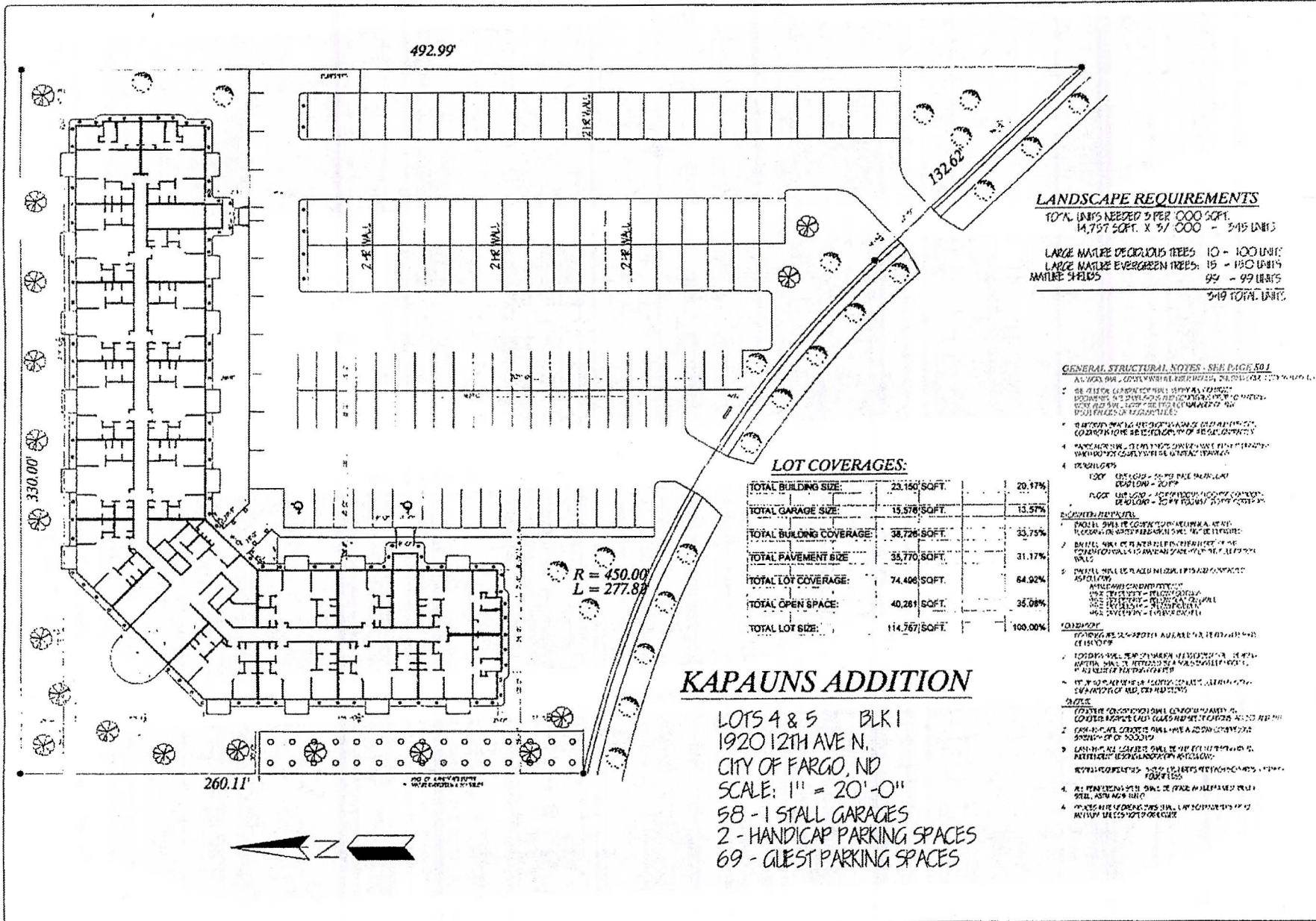
CITY OF
Fargo

**Tax Increment Financing
Request**

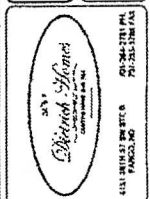
APPENDIX D
PLAN FOR REDEVELOPMENT

1920 12TH AVE N.
CITY OF FARGO, ND

[illegible]



PROJECT	APART	REVISION
NO.	E.B.	0000
DATE	6/1/87	0000
BY	B.R.M.R.	0000
CHECKED		0000
DATE		0000
BY		0000
CHECKED		0000
DATE		0000



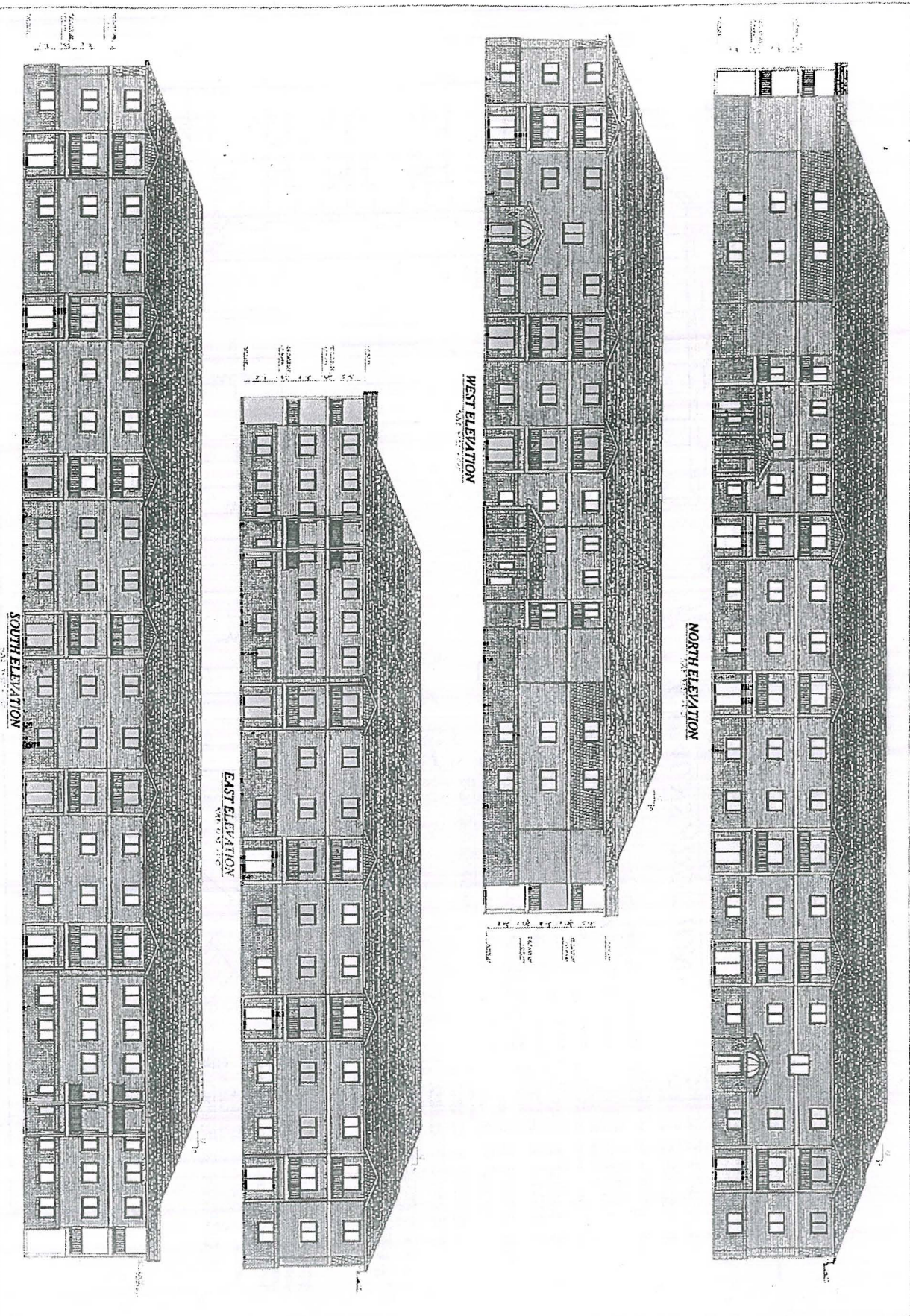
GENERAL STRUCTURAL NOTES - SEE PAGE 50.1
 1. ALL WALLS SHALL BE CONCRETE ON GRADE.
 2. ALL FLOOR SLABS SHALL BE 12" THICK CONCRETE ON GRADE.
 3. ALL ROOF SLABS SHALL BE 12" THICK CONCRETE ON GRADE.
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 10. ALL ROOF SLABS SHALL BE 12" THICK CONCRETE ON GRADE.

EAST BRIDGE APARTMENTS

ATTENTION

ALL UTILITIES SHOWN ARE BASED ON RECORD DRAWINGS AND FIELD SURVEY. THE USER OF THIS PLAN SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO CONSTRUCTION.

1.1



EAST BRIDGE APARTMENTS

ATTENTION

BEFORE CONSTRUCTION, CONSULT WITH ARCHITECT, OR CONTRACTOR
 REGARDING THE PLANS, AND BE SURE TO OBTAIN THE NECESSARY
 PERMITS FROM THE CITY AND COUNTY OF NEW YORK.

1921
Charles H. Jones
Architect
100 Nassau Street
New York City

APART	NO.	DATE	REVISION
1	1	1921	1
2	1	1921	1
3	1	1921	1
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100	1	1921	1

GENERAL DEVELOPMENT PLAN FOR THE CITY OF MAPLETON

INTRODUCTION

The City of Mapleton, in recognition of its commitment to its citizenry to provide for the health, safety, morals, and welfare of its citizenry, as well as the need to provide for economic growth and development, adopts this general plan of development in order to accomplish the above goals. The City of Mapleton recognizes that there exists dangers of slum or blighted areas which would interfere with the sound economic growth and general health and safety of its citizenry and as such contemplates the development, rehabilitation, conservation, or redevelopment of those areas. The City of Mapleton also contemplates the need and desirability of providing for sound economic growth in order to provide an additional basic need of its citizenry, that being well paying employment.

Therefore, it is the intent of the City of Mapleton to eliminate slum or blighted areas and provide for the residential, industrial and commercial development of the City and further find that the development, rehabilitation, conservation, or redevelopment, or a combination thereof, is necessary in the interests of the public economy, health, safety, morals, or welfare of the citizens of the City of Mapleton.

STATEMENT OF OBJECTIVES

The City of Mapleton, in developing this general plan, states that its objectives through this plan are as follows:

1. To protect the health, safety, and general welfare of the residents of the City of Mapleton.
2. To preserve existing property values within the boundaries of the City and to endeavor to improve and protect the same.
3. To remove environmental deficiencies that deter development and inhibit rehabilitation or redevelopment of the renewal or development areas.

4. To eliminate substandard and obsolete buildings, blighting influences, and environmental deficiencies which presently detract from the functional unity, aesthetic appearance, and economic well-being of the identified areas of the City, and to establish conditions which will prevent the recurrence of blight and blighting conditions.
5. To strengthen the economic well-being of the development and renewal areas of the City by increasing industrial and retail activity, taxable values, and job opportunities.
6. To eliminate blighting influences such as incompatible land use relationship.
7. To provide for parcels of sufficient size to permit and attribute economic and sound new development.
8. To provide efficient use of underutilized land.
9. To assure development of high standards in site planning, compatibility, buildings, and creation of an environment that will promote new development in areas.
10. To attract and retain businesses that pay favorable wages to benefit our citizens and to prevent overburdening public social service agencies.
11. To attract and retain businesses that do not damage the physical environment, for this is a social and economic burden to all.
12. To address the development imbalance between residential and nonresidential uses which exists in Mapleton by expanding or diversifying the tax base.
13. To spend public economic development dollars and resources wisely.
14. To provide for adequate public infrastructure improvements such as sewer, water, storm sewer, pedestrian facilities and street conforming to good

design and coordinated to facilitate development or redevelopment.

15. To provide for adequate project sign improvements such as grading, drainage, landscaping, infrastructure, and other necessary site improvements.
16. To provide underground public and private utility services when practicable.
17. To provide for safe, efficient and attractive vehicular access to and circulation within the renewal or development areas.
18. To promote development or redevelopment which will be consistent with the City's general plan and ordinances.

DESCRIPTION OF URBAN RENEWAL AND DEVELOPMENT AREA

The area which has been identified as the City of Mapleton's development and renewal area is shown on the attached map hereto as Exhibit A.

WORKABLE PROGRAM

The City of Mapleton hereby establishes the following workable program to carry out its objectives and to provide for:

1. The development of industrial or commercial properties;
2. The prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards;
3. The rehabilitation or conservation of slum and blighted areas or portions of those areas by replanning, removing congestion, providing parks, playgrounds, and other public improvements, by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures;

4. The clearance and redevelopment of slum areas or portions of those areas; and
5. For utilization of appropriate private and public resources, including those provided for in the North Dakota Century Code urban renewal law.

URBAN RENEWAL AND DEVELOPMENT TECHNIQUES

Several techniques are proposed to accomplish the workable program for urban renewal and development areas. The identified techniques are as follows:

1. Land Acquisition

Property may be acquired in the urban renewal or urban development areas for private development and needed public facilities. Portions of some of the properties in these areas may be dedicated for street right-of-way.

2. Public Construction

Public construction is allowed to provide needed sewer, water, storm drainage and storm sewer, streets, and other essential public facilities and services.

3. Clearance

Removal of dilapidated or obsolete structures is allowed.

4. Site Preparation

Preparation of sites within the project area for private construction is allowed.

5. Tax Increment Financing

Tax Increment Financing will be used to provide funds for land acquisition, public construction, clearance, and site preparation over the above normal development costs. All or a portion of the public Construction costs normally assessed to private development may be allowed under Tax Increment Financing. Those costs not provided

for under Tax Increment Financing shall be paid through special assessments to the private development.

POWERS OF THE CITY OF MAPLETON TO EFFECT AND CARRY OUT THE PURPOSES AND PROVISIONS OF THE GENERAL PLAN

The City has all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this plan, including the power:

1. To authorize or undertake and carry out development or renewal projects within its area of operation; to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this chapter; and to disseminate industrial or commercial development, slum clearance, and urban renewal information.
2. To provide, arrange, or contract for the furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities for or in connection with a development or renewal project; to install, construct, and reconstruct streets, utilities, parks, playgrounds, and other public improvements; and to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a development or renewal project, and to include in any contract let in connection with the Project, provisions to fulfill those conditions as it may deem reasonable and appropriate.
3. Within its area of operation, to enter upon any building or property in any development or renewal area in order to make surveys, appraisals, soundings, or test borings, and to obtain an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted; to acquire by purchase, lease, option, gift, grant, bequest, devise, eminent domain, or otherwise, any real property or personal property for its administrative

purposes together with any property improvements; to hold, improve, clear, or prepare for development or redevelopment any such property, to mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real property; to insure or provide for the insurance of any real or personal property or operations of the municipality against any risks or hazards, including the power to pay premiums for the insurance; and to enter into any contracts necessary to effectuate the purposes of this plan; provided, however, that no statutory provision with respect to the acquisition, clearance, or disposition of property by public bodies restricts a municipality or other public body exercising powers under this plan, in the exercise of those functions with respect to a development or renewal project.

4. To invest development or renewal project funds held in reserves or sinking funds or any of those funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to redeem bonds issued pursuant to NDCC 40-58-10 at the established redemption price or to purchase bonds at less than redemption price, all bonds so redeemed or purchased to be canceled.
5. To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, the state, county, or other public body, or from any sources, public or private, for the purposes of this chapter, and to give such security as may be required and to enter into and carry out contracts in connection therewith. The City may include in any contract for financial assistance with the federal government for a development or renewal project any conditions imposed pursuant to federal law as the municipality may deem reasonable and appropriate and which are not inconsistent with the purposes of this chapter.
6. Within its area of operation, to make or cause to have made all plans necessary to the carrying out of the purpose of this plan and to contract with any person, public or private, in making and carrying out those plans

and to adopt or approve, modify, and amend those plans. The plans may include:

- a. Development or renewal plans.
 - b. Plans for carrying out a program of voluntary or compulsory repair and rehabilitation of buildings and improvements.
 - c. Plans for the enforcement of state and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements.
 - d. Appraisals, title searches, surveys, studies, and other preliminary plans and work necessary to prepare for the undertaking of development or renewal projects. The municipality may develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight, and to apply for, accept, and utilize grants of funds from the federal government for such purposes.
7. To prepare plans and provide reasonable assistance for the relocation of families displaced from a development or renewal area.
 8. To appropriate funds and make expenditures that are necessary to carry out the purposes of this chapter, and to levy taxes and assessments for those purposes; to close, vacate, plan, or replan streets, roads, sidewalks, ways, or other places; to plan or replan, zone or rezone any part of the municipality or make exceptions from building regulations; and to enter into agreements with a housing authority or an urban renewal agency vested with urban renewal project powers under NDCC 40-58-15, which agreements may extend over any period, notwithstanding any provision or rule of law to the contrary, respecting action to be taken by the

municipality pursuant to any of the powers granted by this plan.

9. Within its area of operation, to organize, coordinate, and direct the administration of this plan as those provisions apply to the municipality in order that the objectives of remedying slum and blighted areas and preventing the causes of those areas and facilitating the development of residential, industrial or commercial properties within the municipality may be most effectively promoted and achieved, and to establish new offices of the municipality or to reorganize existing offices in order to carry out that purpose most effectively.
10. To exercise all or any part or combination of the powers granted by this plan.

PREPARATION AND APPROVAL OF DEVELOPMENT OR RENEWAL PLANS

Specific plans for development or renewal shall utilize the following guidelines:

1. The City may not approve a development or renewal plan for a development or renewal area unless the governing body by resolution determines that the area is a slum or blighted area or consists of industrial or commercial property, or a combination of those areas or properties, and designates the area or properties as appropriate for a development or renewal project.
2. The City may prepare or cause to be prepared a development or renewal plan, or any person or agency, public or private, may submit a development or renewal plan to a municipality. Prior to its approval of a development or renewal plan, the City shall submit the plan to the zoning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. However, if the development or renewal plan relates only to proposed development of industrial or commercial property, the City is not required to submit the plan to the zoning commission

unless the proposed development is not consistent with the comprehensive city plan. The zoning commission shall submit its written recommendations with respect to the proposed development or renewal plan to the City within thirty days after receipt of the plan for review. Upon receipt of the recommendations of the zoning commission, or if no recommendations are received within the thirty-day period, the City may proceed with the hearing on the proposed development or renewal plan prescribed by subsection 3.

3. The City shall hold a public hearing on a development or renewal plan or substantial modification of an approved plan, after public notice of the hearing is provided by publication in a newspaper having a general circulation in the area of operation of the municipality. The notice must describe the time, date, place, and purpose of the hearing, generally identify the development or renewal area covered by the plan, and outline the general scope of the development or renewal project under consideration.
4. Following the hearing, the City may approve a development or renewal plan if it finds that:
 - a. A feasible method exists for the location of families who will be displaced from the development or renewal area in decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to those families;
 - b. The development or renewal plan conforms to the general plan of the municipality as a whole; and
 - c. The development or renewal plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development, rehabilitation, or redevelopment of the development or renewal area by private enterprise.
5. A development or renewal plan may be modified at any time; provided, that if modified after the lease or sale by the municipality of real property in the development

or renewal project area, the modification is subject to the rights at law or in equity as a lessee or purchaser, or the lessee's or purchaser's successor or successors in interest, is entitled to asset. Any proposed modification which will substantially change the development or renewal plan as previously approved by the City is subject to the requirements of this section, including the requirement of a public hearing, before it may be approved.

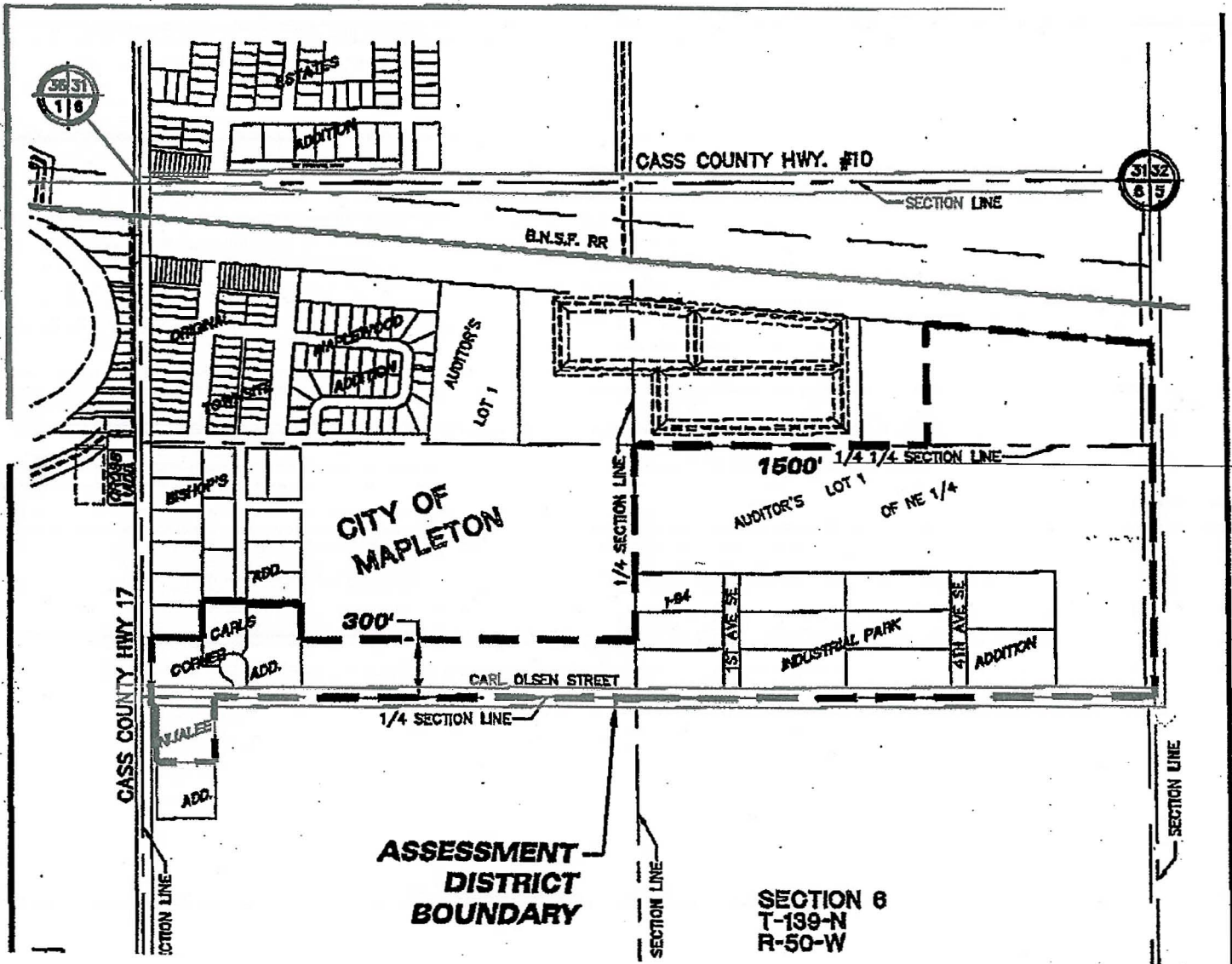
6. Upon the approval of a development or renewal plan by the municipality, the provisions of the plan governing the future use and building requirements applicable to the property covered by the plan control the future use of and building on the property.

OFFERED BY ALDERMAN _____ AND SECONDED BY ALDERMAN _____, the above General Development Plan of the City of Mapleton was offered, with all of the Aldermen present voting "aye" and none voting "nay," the above General Development Plan was adopted by the City of Mapleton this ____ day of _____, 2000.

Mayor

ATTEST:

City Auditor





DEVELOPMENT PLAN

TAX INCREMENT DISTRICT 2006-1

CITY OF WAHPETON,
NORTH DAKOTA

May 15, 2006
(as Amended by Council August 4, 2008)

OBJECTIVE

This Development Plan is intended to provide for the consistent application of Tax Increment Financing (TIF) within the 2006-1 district boundaries that is conducive to economic growth, private development and regional infrastructure improvements. Project developers and City government will use this plan as a guide to coordinate development and systematically evaluate projects to leverage private and public fiscal resources.

INTRODUCTION

Tax Increment Financing (TIF) is a method of financing improvements and development in an area of underutilized real property that is zoned and used as industrial or commercial, as defined by the criteria set forth in NDCC Chapter 40-58 and Chapter 16 of the Revised Ordinances of the City of Wahpeton. Project improvements are to be completed utilizing private investment, special assessments, revenue and or general obligation bonds or by granting a total or partial property tax exemption.

The original taxable value of a district is to be determined by the City or County assessor as of the last assessed and equalized value before the date of the creation of the TIF District. This valuation is termed the Tax Increment Base Valuation for the district, or simply the "base valuation." The base portion of the property taxes paid continues to be distributed to the taxing entities (i.e. State, County, City, School District and Park), the implementation of a TIF District maintains property tax collections to the other political sub-divisions at the established base value.

As development occurs, the assessed valuation within the district increases, the total property taxes paid by the owners of property in the district also increases accordingly. That increase in taxable valuation is the "increment." When the tax bills are paid, only that portion of the tax bill which results from the Base Valuation is paid to the taxing entities. The remainder of the tax bill, known as the tax increment, is deposited in a debt service fund to make bond payments on the debt incurred on behalf of real property improvements. It is anticipated that all properties in this proposed Tax Increment District will be used for commercial purposes and subject to property taxes.

All increases in assessed valuation within the TIF District will contribute to the increment. Only projects requesting TIF funding will be subject to the council TIF approval process.

The tax increment financing method is invaluable for encouraging growth, development, and re-development of distressed areas and underdeveloped areas. This development model is made effective by coordinating infrastructure with public and private investment using a project plan directly related to the increase in valuation which a given project or development will create.

Overview of the 2006-1 Tax Increment Financing District Plan:

Implementation of a TIF plan requires the following as identified in NDCC Chapter 40-58:

1. Findings and Declaration of Necessity;
2. Encouragement of Private Enterprise;
3. Improvements Eligible for Public Funding;
4. Development and Negotiation of Project Developer Agreements;
5. Initial Approval of Each Developer Agreement;
6. Public Hearing on Each Developer Agreement;
7. City Council Approval of Each Developer Agreement; and
8. Accountability

1. Findings and Declaration of Necessity:

There are three elements in the declaration of necessity:

A. The entire area lying within the Wahpeton City limits has been designated as part of an Urban Renewal District and the Wahpeton City Council has assumed the Urban Renewal powers granted under NDCC Chapter 40-58.

B. The Wahpeton City Council has adopted a general development plan for the organized and planned growth as identified in the Comprehensive Plan for the City of Wahpeton (Mort Mazaheri Associates February 1997).

C. The designated TIF district identified in Exhibit A is: currently underdeveloped; zoned business and or industrial; commercial and industrial development in this area is in the interest of economic growth and expansion; and no residences are located within the TIF District 2006-1.

2. Encouragement of Private Enterprise:

The City of Wahpeton will work directly with property owners to facilitate planned regional growth with adequate city services and appropriate zoning conducive to economic vitality. Annexation and development agreements will be constructed to leverage public monies for the construction of infrastructure of regional importance enhancing the accessibility and promulgation of private development.

3. Improvements Eligible for Public Funding:

Tax Increment Funding will be considered for the following regional public improvements:

- Arterial and collector streets and street lighting
- Traffic signals
- Major storm sewers, legal drains, and regional storm water detention ponds
- Sanitary trunk sewers and interceptors
- Water transmission mains
- Shared use paths and lighting
- Public parks

Exhibit B illustrates potential regional improvements within the 2006-1 TIF District

Tax Increment Funding will be considered on a per project basis for the following improvements per NDCC Chapter 40-58-20.1(3):

- Land improvements/grading on commercial or industrial property
- Construction of streets, utilities and other improvements essential to development

4. Development and Negotiation of Project Developer Agreements:

The development of the TIF District will include multiple annexation and development agreements to ensure compliance with City ordinances and to promote orderly growth in conjunction with the Comprehensive Plan for the City of Wahpeton. The primary objective of the 2006-1 TIF District Plan is the development of industrial and commercial properties to facilitate economic growth and development of the city.

5. Initial Approval of Each Developer Agreement:

Development project plans will be submitted to the City Coordinator for compliance review of subdivision regulations, zoning ordinances, building codes, and the 2006-1 Tax Increment Financing Plan.

The Planning Commission will evaluate the project proposal for conformity with the Comprehensive Plan for the City of Wahpeton and this Development Plan.

5. Initial Approval of Each Developer Agreement cont.:

Upon approval of the compliance reviews and recommendation from of the Planning Commission, an individual developer's agreement may be drafted and negotiated by City staff with the developer for submission to the Council as provided for in paragraph 6 hereof.

Individual developers agreements are subject to North Dakota Open Records laws.

6. Public Hearing on Each Developer Agreement:

A public hearing will be held on each development project within the TIF district. The project developer will present to the Council and public the proposed project; residents, competitors and elected officials will have an opportunity to review the developer's agreement including potential funding formulas. The City Council will provide written notice of a public hearing to all potential competitors of any prospective commercial or industrial development project in the TIF district not less than 15 days prior to the hearing date.

Additionally, the notice will be published in the official newspaper and include the time, date, place and purpose of the hearing, generally identifying the proposal and outline the general scope of development under consideration. (N.D.C.C. 40-58-20.1)

7. Approval of Each Developer Agreement:

Following a public hearing the City Council may approve by resolution any developer agreement that includes the following:

1. A feasible method for the relocation of displaced families (if any), to be relocated without undue hardship;
2. The development agreement conforms to the Comprehensive Plan for the City of Wahpeton (*Mort Mazaheri Associates* February 1997) and this development plan;
3. Affirmation by Council motion (following the public hearing) that the developer's agreement and project will not result in unfair competition and is in the best interest of the community as a whole;
4. The project developer and its' principals must be taxpayers in good standing, and current on all municipal obligations; and
5. The development project provides maximum opportunity consistent with the needs of the City of Wahpeton for the improvement of the 2006-1 TIF District by private enterprise.

(See Exhibit C for project approval checklist.)

8. Accountability:

Public improvements within the district will be coordinated and implemented based upon a project specific development agreement between the City and developer(s). The City will monitor each project to meet accountability standards, compliance with ordinances and compliance with the Development Plan as approved.

Development Plan Amendments

The City Council may amend or modify this Development Plan, by Resolution; substantial change to this Development Plan will further require a public hearing. The conditions of future building use must remain compliant with the Development Plan.

Powers of the City of Wahpeton

The City Council will exercise the powers necessary and available as stated in N.D.C.C. 40-58-07, 08 & 09 and all city ordinances governing the same as amended to carry out and effectuate the purposes and provisions of this TIF District Plan and development.

Tax Increment Financing – Property Tax Abatement

Construction of approved infrastructure within the TIF district may also be funded by a partial property tax exemption. TIF Abatement proposals will be considered in accordance to N.D.C.C. Chapter 40, section 58-20 (11). The property tax exemption is limited to the incremental value (the value of the real property improvements) for improvements identified in this plan. The amount to be reimbursed, by tax exemption, to the project developer must be all or a portion of eligible public costs which have been paid by the project developer, plus interest on those costs at a rate not to exceed ten percent per annum. The amount of tax exemption must be an amount sufficient to reimburse the project operator for those eligible costs, amortized pursuant to the agreement between the project developer and the City of Wahpeton.

Issuance of Debt

The City of Wahpeton intends to issue special assessment municipal bonds to facilitate public infrastructure within the TIF District. Project specific developer agreements will define the intended use of the special assessment process and the anticipated pro rata formula for public monies (as generated by the tax increment) and private monies to be assessed to the benefiting properties. To ensure proper public process and authority the basic proceedings for improvements by special assessment will be applied to all TIF debt issues. See Exhibit C for basic proceedings for improvements by special assessment.

Repayment of Debt

Debt repayment schedules will be structured with accelerated repayment features when practical, to ensure timely use of the tax increment proceeds and to promote growth in the property tax base valuations. Tax increment funds will be segregated to a separate and distinct sinking fund for the retirement of bonded debt and obligations. When the sinking fund balance is sufficient to retire all principal, interest, administrative expenses of the district, and all costs of development reimbursable to the City - any excess deposits will be returned to the county treasurer for pro-rata allocation back to the political subdivisions.

Dissolution of the TIF District

When all financial obligations of the TIF district have been met, including implementation of adequate infrastructure of regional importance enhancing the accessibility and promulgation of private development, the TIF District will be dissolved by resolution of the city council. Notice will be sent to the county treasurer and county auditor to no longer segregate the tax increment from property tax collections.

Exhibit A TIF District Map

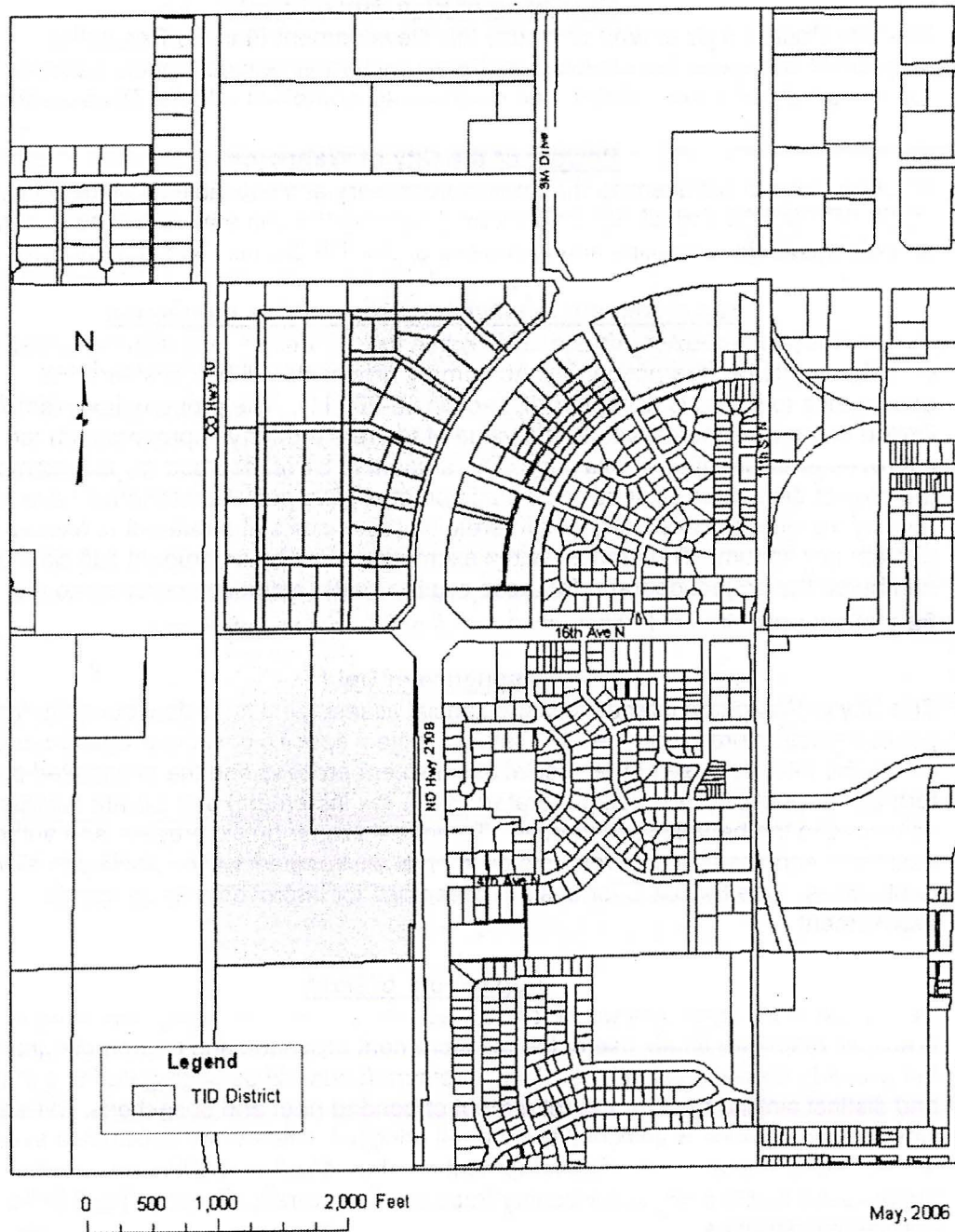
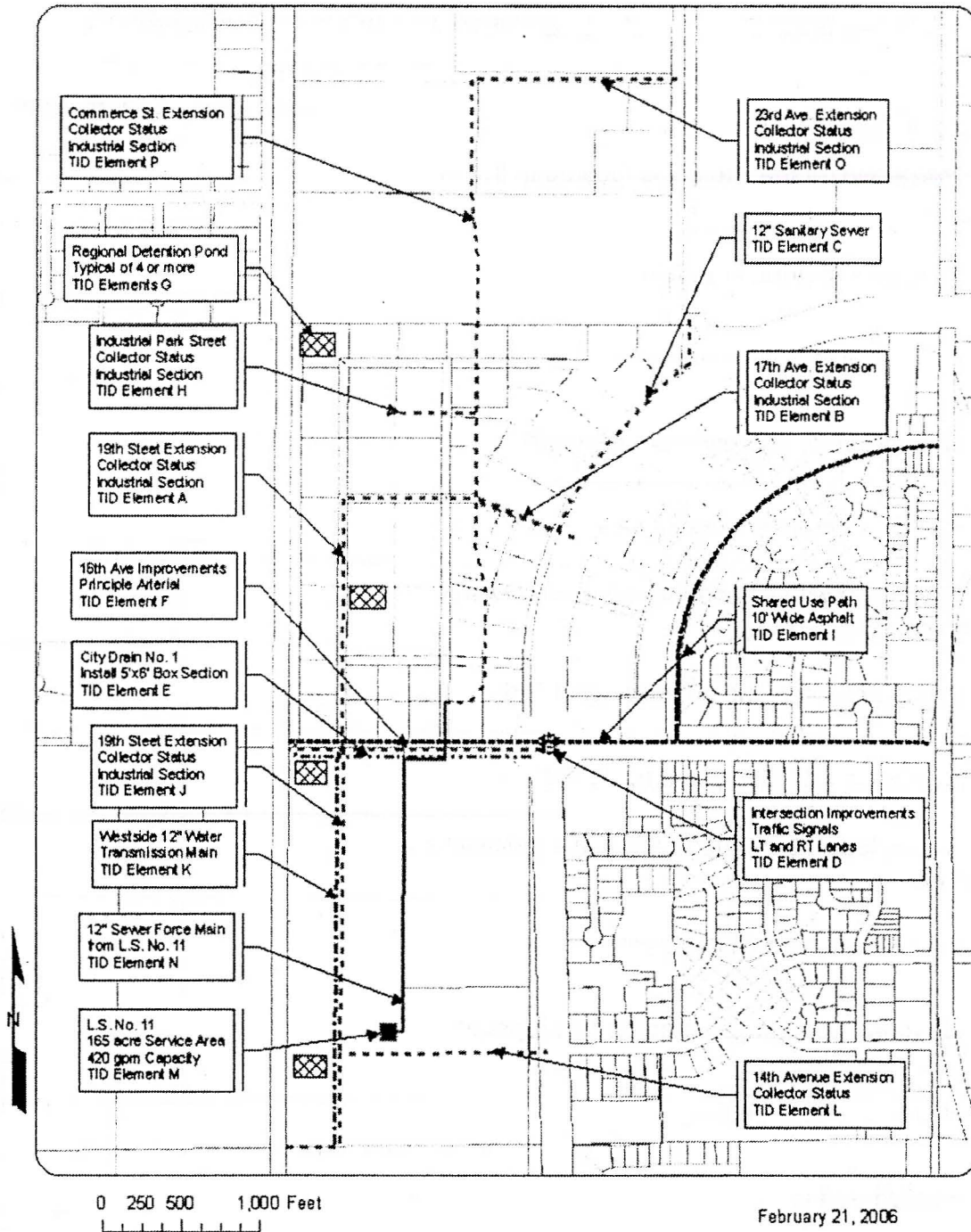




Exhibit B
Proposed TIF Improvements Map



February 21, 2006

		2006 TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROJECT REQUIREMENTS	
Requirement	Date Completed	Confirmation	Council Action
1. Parcel No. of the Project is located in the TIF District			
2. Taxpayer in good standing			
3. Current on all City obligations			
4. Real property improvement estimate			
5. Full time employment estimate			
6. Compliant with city ordinances (sub-division, planning, zoning, etc.)			
7. Prospective funding sources identified			
8. Conforms with Comprehensive Plan			
9. States feasible method of relocating displaced persons			
10. Written notice to all competitors			
11. No unfair competition created by proposal			
12. Notice of public hearing			
13. Public hearing			
14. Council motion approving plan			

	BASIC PROCEEDINGS FOR IMPROVEMENTS BY SPECIAL ASSESSMENT	
Requirement	Date Completed	Resolution No.
1. Resolution creating the district NDCC 40-22-08, 40-22-09, 40-05-01(60)		
2. Financing resolution NDCC 40-24-18, 19, 20, & 22		
3. Resolution directing preparation of engineer's Report & cost estimate NDCC 40-22-10		
4. Preliminary engineer's report NDCC 40-22-10		
5. Resolution approving engineer's report NDCC 40-22-10		
6. Resolution directing preparation of detailed plans NDCC 40-22-11		
7. Resolution approving engineer's plans, Specifications & estimates NDCC 40-22-11		
8. Resolution of necessity (may be waived by petition of NDCC 40-22-15 majority landowners) *not required for water and or sewer projects only		
9. Affidavit of publication for Resolution of Necessity (if resolution of necessity is required)		
10. Resolution determining insufficiency of Protest NDCC 40-22-17, 40-22-18		
11. Resolution directing advertisement of bids NDCC 40-22-19, 48-01.1 & 48-02		
12. Affidavit of publication for Advertisement of Bids		
13. Resolution awarding contract NDCC 48-01.1-02, 07; 40-22-29, 35, 36, & 37		
14. Resolution approving contractor's bond NDCC 48-02-06.2		
15. Initial resolution of refunding NDCC 40-27		