



RECEIVED
CASS COUNTY COMMISSION

MEMO

MAR 27 2018

County Administrator

Robert Wilson
701-241-5770

wilsonro@casscountynd.gov

TO: Cass County Board of Commissioners
FROM: Robert Wilson
DATE: March 27, 2018
SUBJECT: Opportunity Zone Letter of Application

At the Meeting on March 19th I briefed the Commission on Opportunity Zones, an economic development incentive available to states through the Tax Cut and Jobs Act of 2017 passed by Congress late last year.

The legislation identified 45 low income census tract areas in North Dakota. Local jurisdictions then had the opportunity to apply to Governor Burgum to designate 25 of the tracts as Opportunity Zones. The attached map of Cass County highlights the census tract areas in pink and green.

On March 19th I informed the Commission that the timeframe for the initial application deadline was extremely short—the application was due that day. And to preserve the Commission's ability to continue the application process I, with the help of County Planner Hali Durand, submitted applications for two Opportunity Zones in Cass County.

There is an additional step in the application process. A letter of support from the County Commission must be received by the ND Department of Commerce by April 13th.

On Monday, April 2nd, the Commission will consider authorization to submit the attached letters in support of the designation of Opportunity Zones in Cass County. Please note the City of Fargo has submitted applications for census tracts within the city.

Respectfully Submitted,

Robert W. Wilson
County Administrator

Suggested Motion:

Authorize the Commission Vice Chair to sign letters of support to designate eligible census tract #38017040100 and #38017040400 as Opportunity Zones as defined in the Tax Cut and Jobs Act of 2017.

Box 2806
211 Ninth Street South
Fargo, North Dakota 58103

www.casscountynd.gov

April 2, 2018

The Honorable Doug Burgum
Office of Governor, State of North Dakota
600 East Boulevard Avenue
Bismarck, ND 58505-0100

Re: Letter of Support for Opportunity Zone Application for Tract 38017040100

Governor Burgum:

On Monday, April 2, 2018 the Cass County Commission voted to formally support the application to designate tract 38017040100 as an Opportunity Zone.

This tract is located in the western third of Cass County and includes the cities of Alice, Buffalo and Page. This area could benefit significantly from this designation.

Sincerely,

Mary Scherling
Cass County Commissioner – District 5

April 2, 2018

The Honorable Doug Burgum
Office of Governor, State of North Dakota
600 East Boulevard Avenue
Bismarck, ND 58505-0100

Re: Letter of Support for Opportunity Zone Application for Tract 38017040400

Governor Burgum:

On Monday, April 2, 2018 the Cass County Commission voted to formally support the application to designate tract 38017040400 as an Opportunity Zone.

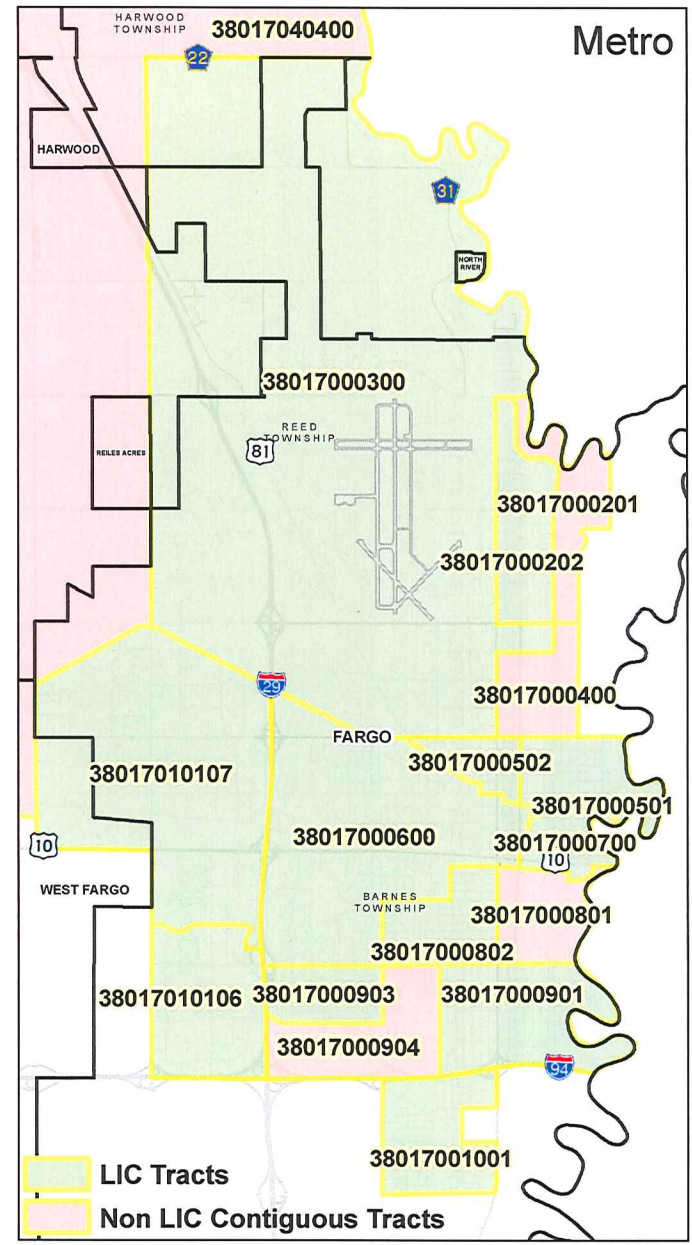
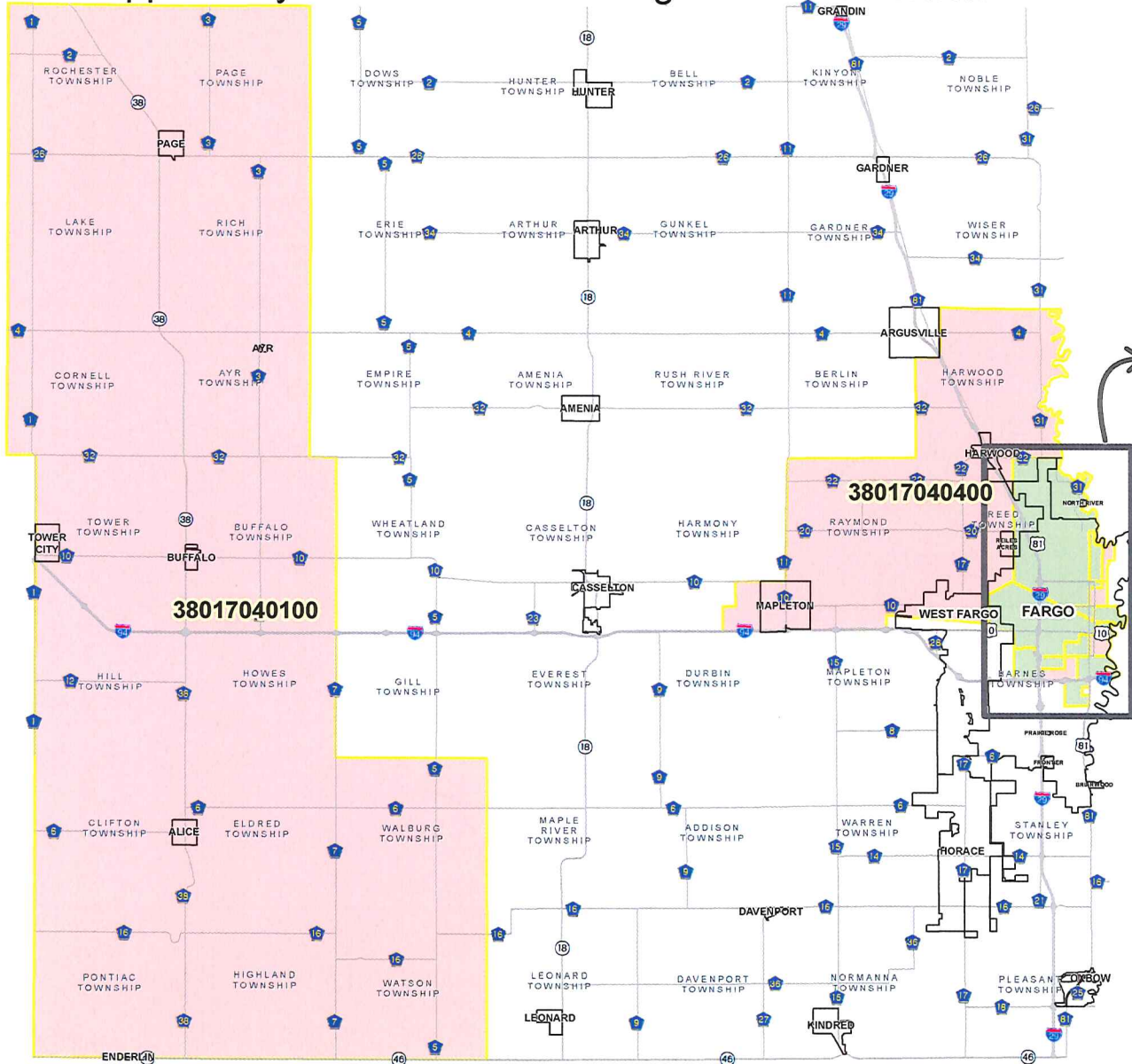
This tract is located northwest of the City of Fargo and includes the City of Mapleton and a portion of West Fargo, as well as Raymond and Harwood Townships. This area could benefit significantly from this designation.

Sincerely,

Mary Scherling
Cass County Commissioner – District 5

Cass County, ND

Opportunity Zones Incentive: Eligible Census Tracts



LIC Tracts
 Non LIC Contiguous Tracts

Funds

What are Opportunity Funds?

Opportunity Funds are a new class of private sector investment vehicles authorized to aggregate and deploy private investment into Opportunity Zones.

Opportunity Funds allow U.S. investors holding unrealized gains in stocks and mutual funds to pool their resources in projects located in Opportunity Zones, which will be invested in rebuilding low-income communities.

Opportunity Funds pool investments in Opportunity Zones.

U.S. investors are eligible to receive:

- A temporary tax deferral for capital gains invested in an Opportunity Fund.
- A step-up in basis for capital gains reinvested in an Opportunity Fund.
- A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in a qualified opportunity zone fund if the investment is held for at least 10 years.

If you are interested in being a potential investor or opportunity fund manager, please contact **John Schneider**, *Director of Economic Development and Finance*, North Dakota Department of Commerce. 701-328-5300

Enter the census tract number of the area seeking Opportunity Zone designation. Example: 2011-2015 Census Tract

38017040400

Describe the census zone tract. Include a brief description of the tract and note whether it is predominantly commercial, industrial, residential or a mix? (ie. If mix, estimate percentage of commercial, industrial, residential.)

This census zone tract is agriculture (50%) in the unincorporated areas with commercial, industrial, mixed dwelling, etc. (50%) in Harwood, Mapleton, and part of West Fargo.

Does the census zone tract include main street, renaissance zone or potential infill? If so, briefly explain and provide list of types and locations.

Speaking for the rural areas alone, no.

Does this census zone tract have any environmental, health or safety issues or other limiting factors which need to be resolved prior to commercial or housing development? Could those issues be resolved through development? Briefly explain.

The majority of this area is affected by flooding issues (floodplain) which are being addressed by the FM Diversion. Once, and as the diversion is constructed, development can then be encouraged in certain areas that will be protected and outside of the staging area.

Are there any local city, county or tribal regulations that could possibly deter private investment? If yes, please explain.

In the unplatted areas of the county, the subdivision ordinance and highway access ordinance may require certain parameters rather than deter private investment.

Describe any recent development activity, such as business or housing developments or other investments in the area, or any anticipated new developments or investments?

In the county, no new subdivisions or investments have occurred.

Has the census tract area experienced any significant layoffs due to business closures or relocations? If yes, when? Provide information regarding the layoffs, i.e., number of jobs, business type, etc.

There have been no layoffs of significance in the county.

Describe the type of industry/business you anticipate may be interested in developing this census zone tract. Is there a niche market opportunity, specialized workforce available, housing development opportunity or other infrastructure advantage?

Solar energy facilities have been interested in developing in and near this area as well as new residential opportunities. Recreational facilities have been brought forth as well, especially combined with the diversion path. There are also opportunities for industrial park developments.

Please list all known entities that have expressed interest in managing or investing in an Opportunity Fund.

None to date.

Who is the contact person that will manage the Opportunity Zone?

TBD

Briefly explain why it would be important for your community/region to be designated as an Opportunity Zone.

Being designated as an Opportunity Zone would provide resources for the area, and especially due to the population increases, add more amenities to the cities to attract residents; increase intergovernmental cooperation dedicated to building the economy, school districts, downtowns, park districts, etc.; support food systems; create accessibility to jobs, housing, and services; and maximize the rural character, historic natures, and critical economic role of the county and communities.

Enter the census tract number of the area seeking Opportunity Zone designation. Example: 2011-2015
Census Tract

38017040100

Describe the census zone tract. Include a brief description of the tract and note whether it is predominantly commercial, industrial, residential or a mix? (ie. If mix, estimate percentage of commercial, industrial, residential.)

This census zone tract is primarily agriculture (85%) with residential and some commercial (15%) in the smaller municipalities.

Does the census zone tract include main street, renaissance zone or potential infill? If so, briefly explain and provide list of types and locations.

The municipalities all have potential infill and would benefit from the main street initiative. The city of Buffalo has a historic school that could be expanded upon.

Does this census zone tract have any environmental, health or safety issues or other limiting factors which need to be resolved prior to commercial or housing development? Could those issues be resolved through development? Briefly explain.

There are no environmental, health or safety issues limiting the development of the land. The cities all have access to solid transportation routes and since population has declined for the majority of the cities, the possibility of creating a main street and adding small amenities would help sustain the economy and drive the potential for future housing.

Are there any local city, county or tribal regulations that could possibly deter private investment? If yes, please explain.

No regulations are in place that would seem to deter private investment.

Describe any recent development activity, such as business or housing developments or other investments in the area, or any anticipated new developments or investments?

Buffalo continues to work towards obtaining funds to renovate the historic school. Tower City has added safe routes to school measures and has added new subdivisions. Enderlin has entertained the idea of more emergency service locations.

Has the census tract area experienced any significant layoffs due to business closures or relocations? If yes, when? Provide information regarding the layoffs, i.e., number of jobs, business type, etc.

There have been no layoffs of significance.

Describe the type of industry/business you anticipate may be interested in developing this census zone tract. Is there a niche market opportunity, specialized workforce available, housing development opportunity or other infrastructure advantage?

Due to it's location near the interstate, Tower City has the ability to expand its industry sector, potentially with more mixed use and retail/service stores.

Please list all known entities that have expressed interest in managing or investing in an Opportunity Fund.

None to date.

Who is the contact person that will manage the Opportunity Zone?

TBD

Briefly explain why it would be important for your community/region to be designated as an Opportunity Zone.

Being designated as an Opportunity Zone would provide resources for the area, and especially due to the population decreases, add more amenities to the cities to attract residences; capitalize on car pooling and senior transportation to allow more to travel to larger metro areas as needed; develop community gardens, for example, to give each city a sense of community and increase access to local foods. Becoming an Opportunity Zone would only enhance the very priorities of the county, livability, resilience, and regionalism.