FARGO TAX EXEMPT REVIEW COMMITTEE Tuesday, July 23, 2019 – 1:00 p.m. City Commission Chambers, Fargo City Hall

AGENDA

Approve Tax Exempt Review Committee meeting minutes of 6/25/2019

 June 25, 2019 minutes [Page 1-4]

2. Summary of PILOT Applications

a. Application for 10 year Payment in Lieu of Tax [Page 5]

3. PILOT Application by DFI BJ, LLC (Kilbourne)

- a. Application for 10 year Payment in Lieu of Tax [Page 6-12]
- b. PILOT "But For" Financial Analysis [Page 13-20]

4. **PILOT Application by Aldevron**

a. 10 year Payment in Lieu of Tax [Page 21-27]

5. Applications for PILOT Transfer to Tzadik Sioux Falls Portfolio III on Woodrow Wilson Apartments

- a. Application for Transfer of PILOT on 1222 4 Ave. N.[Page 28-32]
- b. Application for Transfer of PILOT on 315 University Dr. N.[Page 33-37]

6. Applications for PILOT Transfer on Block 9 Project

- a. Application for Transfer of PILOT to Block 9 SRO, LLC [Page 38-43]
- b. Application for Transfer of PILOT to Block 9 RDO, LLC [Page 44-49]
- c. Application for Transfer of PILOT to Block 9 Retail, LLC [Page 50-55]
- d. Application for Transfer of PILOT to Block 9 Hotel, LLC [Page 56-61]

TAX EXEMPT REVIEW COMMITTEE Fargo, North Dakota

Regular Meeting

Tuesday, June 25, 2019

The June meeting of the Tax Exempt Review Committee of the City of Fargo, North Dakota was held in the City Commission Room at City Hall at 1:00 p.m., Tuesday, June 25, 2019.

The committee members present or absent are:

Present: Dave Piepkorn, Mayor Tim Mahoney, , Bruce Grubb, Kent Costin, Jim Buus, Jessica Ebeling, John Cosgriff, Jim Gilmour, Ben Hushka, Erik Johnson, Jackie Gapp

Absent: Mark Lemer, Joseph Raso

Others Present: Commissioner Tony Grindberg, Representing the Renaissance Zone Authority were Deb Mathern, Bruce Furness, Cari Luchau, Steve Swiontek, Dean Bresciani, and Chad Peterson. Larry Nygaard representing Roers Development, Mike Allmendinger representing Kilbourne Group, Holly Hagen

Commissioner Piepkorn called the meeting to order at 1:00 p.m.

A motion was made by Jim Buus to correct the date on and approve the minutes from the January meeting held on January 22, 2019. Bruce Grubb seconded. Motion carried.

Tax Increment Financing Application by Roers Development

Jim Gilmour introduced the application submitted by Roers Development, Inc. for tax increment financing. Mr. Gilmour began by summarizing the TIF policy, Payment In Lieu of Tax (PILOT), and Renaissance Zone program. Roers Development is requesting \$950,000 TIF assistance for project, beginning Fall of 2019 and completed in 2021, that consists of 85 rental units and 7 townhomes in connection with the Newman Center (faith-based housing project). The Newman Center project would not receive TIF assistance. The TIF would freeze the value of the block that Roers currently owns (\$1.55 million) for a maximum of 10 years. Mr. Gilmour requested direction from the committee on whether to create a TIF district on Roers property only with the TIF note returned to developer or to include entire block in TIF district (including faith-based housing), but return any tax increment above what would be paid to Roers and use that to support neighborhood housing projects in Roosevelt neighborhood.

Larry Nygaard with Roers Development clarified that Roers is requesting TIF assistance for only their portion in the development of lots 2 & 3 to consist of 85 apartment units and 7 townhomes to be sold in the \$275,000 price range. Mr. Nygaard explained that there has been much discussion to ensure that the neighborhood needs are being accommodated, and that this project has been deemed acceptable by all parties. He also wished to clarify that the Newman center has started their portion of the project, but Roers has not started their portion of the project. Mr. Nygaard explained the terms of financing, that although financing has not been finalized yet, they would like to get a 5 year term loan that is 2 years interest only with the balance amortized over 30 years.

Commissioner Grindberg asked for further explanation or additional information from Jim Gilmour for using a larger TIF district to find resources to remove blighted houses in Roosevelt neighborhood. Mr. Gilmour explained that TIF money is eligible for acquisition and demolition of properties and could be used to acquire and demolish dilapidated homes in the Roosevelt neighborhood and make the lots available for new homes to be built. He explained that this used to be a fairly regular practice with the Neighborhood Revitalization Initiative, but has not been active recently due to lack of funds; he hopes that this might be an opportunity to get some funds over the next 10-15 years to take on some of these projects to benefit the neighborhood. Mr. Gilmour said that there is also a possibility of acquiring the townhome lots with a land trust.

Commissioner Piepkorn reminded the committee, from the PFM evaluation, that the developer bears all risk involved with the project and that they've concluded that the project would not be feasible without public assistance.

Jim Buus asked Mr. Nygaard about the site plans for Lot 4. Mr. Nygaard explained that they have committed to building 7 townhomes on lot 3 to be sold and that they are unsure of the demand in that neighborhood in that price range. They left the option to build 4 more town homes on lot 4 if they are successful with the 7 that they have already committed to building.

Chad Peterson asked if this project is necessary based on his understanding of the current vacancy rate. Mr. Nygaard responded that they keep a close eye on and consider vacancy over 30 year period. They are confident that this model of faith-based housing will be successful. Mr. Peterson then asked if the project is successful and vacancy rate is 0%, do we really need to be giving away money to these kind of projects. Commissioner Piepkorn clarified that no money is being given away, but rather taxes are being deferred. Mayor Mahoney asked Dean Bresciani if there has been trouble filling student housing, specifically referencing an apartment building by the Shack. Mr. Bresciani responded that that project is an anomaly in that it wasn't completed on time, but other student housing options closer to campus have sold out before they were even completed.

Mr. Gilmour reviewed the TIF options for either the Roers owned property or to expand the TIF district and use TIF money above and beyond what is returned to the developer to be used for neighborhood improvement projects.

Jim Buus asked about how large the TIF district would be for option 2. Gilmore responded that it would encompass the Roosevelt neighborhood. Commissioner Piepkorn expressed his discomfort at including faith-based housing in TIF district and would prefer to limit the TIF area to the Roers development. Mayor Mahoney brought up that option 2 would be innovative in taking TIF money and improving neighborhood. Jessica Ebeling asked if there was any more information about option 2. Mr. Gilmour said that nothing has been written up but that it would include acquiring more properties. Commissioner Piepkorn stated that the discussion should be about TIF and nothing else. Jim Buus agrees with Mr. Piepkorn that the discussion should regard specific focus of the project and that option 2 is undefined.

Jim Buus moved to approve TIF on Roers property only. Jessica Ebeling seconded. Motion carried.

PILOT Application by Great Plains Antique Holdings, LLC (Kilbourne)

Jim Gilmour presented the application for a 15 year PILOT based on 100% for first 5 years, 90% for years 6 & 7, then dropping 10% every year through year 15. The project is 65 apartment units, 90 parking spaces, 4 story structure, \$12.1 million construction cost; project to start in the fall and be completed December of 2020. Mr.Gilmour stated that the financial analysis said the project will not happen without assistance. He said they will continue to pay existing property taxes and PILOT will only apply to any additional property taxes on the improvements.

Ben Hushka explained the amortization calculations; that there are different calculations/tables if county opts out of all or part of the PILOT. He stated that the land is fully taxable, PILOT would apply to improvement value only.

Mayor Mahoney asked about vacancy in downtown Fargo and if there are too many apartments. Mike Almendinger responded that they have not experienced high vacancies in their projects. Mr. Almendinger referred to the InFocus downtown study that said the downtown could sustain 300 more units per year.

Chad Peterson asked how the city judges when these programs have "worked" and if we still need to give more incentives to be downtown. He stated that he supports 5 year incentives, but questions the need for 10-15 year incentives. Jim Buus responded that the Tax Exempt Review Committee discussed that issue quite a bit. He said that the consensus is that we're still not where we want to be yet. Mr. Buus said that the committee felt that we would continue the incentives in downtown for a few more years and then revisit the issue. Commissioner Piepkorn responded that we haven't met our goals for downtown yet and that downtown is what makes Fargo unique.

Nicole Crutchfield stated that according to the Downtown InFocus Plan, we are 1/3 of the way in terms of downtown jobs and households being added and the InFocus plan encourages more growth.

Jim Gilmour responded that a recent Harvard study stated more people over \$75,000 income want to rent. Commissioner Piepkorn noted that the developer bears all the risk regarding the project and cannot complete this project without the assistance.

Mayor Mahoney moved to approve PILOT application as proposed. Jim Buus seconded. Motion carried.

PILOT Application by Great Plains 1001 Holdings, LLC (Kilbourne)

Jim Gilmour gave an overview of the project. It is the former Nestor site at 10th St. & NP. There will be 5,500sf of commercial space on main floor, 160 apartment units on upper levels, 230 parking spaces, 4 story structure. The project will begin in fall with the first phase completed in late 2020 and the 2nd phase to be completed in early 2021. Mr. Gilmour said that the request is for the first 5 years getting the Renaissance Zone Exemption and the next 10 years at 90% exemption for two years and a 10% reduction each year down to 10% exemption in the last year.

Nicole Crutchfield presented that the project meets Renaissance Zone requirements meeting 93 rating points out of 100 for Renaissance Zone approval.

Mike Almendinger explained that this is Kilbourne's largest project thus far with retail or restaurant space on the main floor with 160 units on upper floors and 230 parking spaces total – 55 surface spots and the remaining underground. He said that are working to get retail and a restaurant on the main floor. Mr. Almendinger said they will continue to pay the current tax. He said they submitted all of their financial information for the financial review to determine if the project is feasible without the incentive. He said they feel they need the incentive for the project to be possible. Mr. Almendinger said of the 24 projects Kilbourn has done downtown, there were only three previous ones they asked for a PILOT or a TIF. He said they only ask for them if it is critical to make them happen.

Jessica Ebeling made a motion to approve the application for PILOT subject to the Assessor coordinating with the applicant on the payment calculations prior to Commission action. Bruce Grubb seconded. Motion carried.

PILOT Application by DFI Kesler, LLC (Kilbourne)

Application has been continued to the July meeting.

Chad Peterson brought up the fact that he doesn't agree with the long term incentives granted for apartments causing others taxes to increase. He said there is going to be a void during that term because there will need to be additional police and fire protection.

Jessica Ebeling said that the Tax Exempt Review Committee is helping to be a tool to carry out the overall strategic plan of the City. Ms. Ebeling said that until that vision changes, she will continue to vote in support of the forward progress of the City' of Fargo. If that vision changes, that should be a top-down approach.

Bruce Grubb moved to adjourn. Jim Buus seconded. Motion carried.

TAX EXEMPT REVIEW COMMITTEE APPLICATION SUMMARY

Scheduled Meeting Date: 7/23/2019

APPLICATION #1

Applicant	DFI Kesler, LLC (Kilbourne)
Address	617 & 621 1 st Ave N.
Parcel Number	01-2382-00330-000 & 01-2382-00420-000
Project Type	Apartments, retail, and parking
Project Timing	Commencement of operations April 2021
Request	10 Year PILOT on increased value of project
Comments	PILOT Payment structured to retain tax amount currently being paid.
	Meets existing policy for downtown apartments & significant development

APPLICATION #2

Applicant	Aldevron
Address	4055 41 Ave S
Parcel Number	01-2382-02530-000 & 01-2382-02745-000
Project Type	Apartments and commercial development
Project Timing	Commencement of operations late 2020 – early 2021
Request	15 Year PILOT on increased value of project
Comments	Project meets the criteria for primary sector. Received 142.8 points out of required 100 for recommended approval. Standard term for primary sector is 5 years. Applicant is requesting a 10 year term.

APPLICATION #3 & #4 (Transfer of existing PILOT to new owner group)

Applicant	Tzadik Sioux Falls Portfolio III, LLC
Address	1222 12 Ave. N. & 315 University Dr. N.
Parcel Number	01-2382-04450-000
Project Type	Apartments, commercial, and parking
Project Timing	Original PILOT approved 8/17/2015
Request	Transfer existing PILOT to new owner.
Comments	20 year PILOT was granted to each building with varying payment schedules.
	PILOT schedule will begin after expiration of Renaissance Zone exemption.

APPLICATION #5, #6, #7, & #8 (Transfer of existing PILOT to new owner groups)

Applicants	Block 9 SRO LLC, Block 9 RDO LLC, Block 9 Retail LLC, Block 9 Hotel LLC
Address	215 Broadway
Parcel Number	01-1520-00823-001, 01-1520-00823-002, 01-1520-00823-003,
	01-1520-00823-004, 01-1520-00823-005
Project Type	Commercial office, corporate headquarters, hotel, & retail
Project Timing	Original PILOT approved 5/23/2016
Request	Transfer existing PILOT to new owner.
Comments	20 year PILOT was granted.

		* REVISED *
	Application For Property Tax Incentives For New or Expanding Businesses	RECEIVED
	N.D.C.C. Chapter 40-57.1	JUL-1 5 2019
	Project Operator's Application To Fargo	FARGO ASSESSOR BY EMAIL FROM JIM
F	ile with the City Auditor for a project located within a city; County Auditor for location	s outside of city limits.
	A representative of each affected school district and township is include non-voting member in the negotiations and deliberation of this applications and deliberation of the second scheme sch	ed as a ation.
	This application is a public record	
Identi	fication Of Project Operator	
[
1.	Name of project operator of new or expanding business DFI BJ LLC	
2,	Address of project 621 1 AVE N - 617 1 AVE N	
	City Fargo County Cass	
3.	Mailing address of project operator 210 Broadway Suite 300	
	City Fargo State ND	Zip 58102
4.		dividual proprietorship mited liability company
5.	Federal Identification No. or Social Security No. 81-3520268	
6.	North Dakota Sales and Use Tax Permit No.	
7.	If a corporation, specify the state and date of incorporation	
8.	Name and title of individual to contact	
	Mailing address 210 Broadway Suite 300	
	City, State, Zip Fargo, ND 58102 Phon	e No

Project Operator's Application For Tax Incentives

9,	Indicate the tax incentives applied for and terms. Be sp	pecific.	
	Property Tax Exemption		Payments In Lieu of Taxes
	Number of years	2027	Beginning year 2036 Ending year
	Percent of exemption	X	Amount of annual payments (attach schedule if payments will vary)
10.	Which of the following would better describe the projection	ect for whic	this application is being made:
	🗹 New business project		Expansion of a existing business project

Description of Project Property

Ð

11. Legal description of project real property see attached	
2. Will the project property be owned or leased by the	e project operator? 🛛 Owned 🗌 Leased
If the answer to 12 is leased, will the benefit of any Yes No If the property will be leased, attach a copy of the benefits.	v incentive granted accrue to the project operator? lease or other agreement establishing the project operator's
13. Will the project be located in a new structure or an	existing facility? 🛛 New construction 🛛 Existing facility
If existing facility, when was it constructed?	
If new construction, complete the following:	
a. Estimated date of commencement of construction	on of the project covered by this application 10/1/2019
parking. This project will be built on three diff **PILOT application would only apply to the	
 c. Projected number of construction employees du 14. Approximate date of commencement of this projection 	
 Estimated market value of the property used <u>for</u> this project: 	16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:
a. Land\$_176,000	a. Land (not eligible)
b. Existing buildings and structures for which an exemp- tion is claimed	b. Eligible existing buildings and structures\$ 0
 c. Newly constructed buildings and structures when completed\$ 7,975,350 	c. Newly constructed buildings and structures when completed\$ 7,975,350
d. Total\$ 8,151,350	d. Total taxable valuation of property eligible for exemption (Add lines b and c)\$ 7,975,350
e. Machinery and equipment \$ 0	e. Enter the consolidated mill rate for the appropriate taxing district
	f. Annual amount of the tax exemption (Line d multiplied by line e)\$ 117,623.00

Description of Project Business				Page 8
Note: "project" means a newly establ include any established part of an exi	ished business or the ex sting business.	pansion portion of	an existing busi	ness. Do not
17. Type of business to be engaged in:	□ Ag processing	🔲 Manul	facturing	Retailing
	Wholesaling	📋 Wareh	ousing 🗌	Services
18. Describe in detail the activities to be manufactured, produced, assemble	e engaged in by the proj	ect operator, includi	ng a description	of any products to
Leasing of residential apartments and co			• •	
(
			3447. * e - 14	
 Indicate the type of machinery and n/a 	equipment that will be in			
40/4				
20. For the project only, indicate the pr new business or the expansion itsel	ojected annual revenue, of for each year of the real	expense, and net inc	ome (before tax)	from either the
		-		
New/Expans Project onl	-	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
Year (12 mo. periods) Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue 1,398,100	1,991,300	2,031,100	2,071,700	2,113,114
Annual expense 471,600	481,000	490,600	500,400	510,408
Net income 926,500	1,510,300	1,540,500	1,571,300	1,602,706
21. Projected number and salary of perso	ons to be employed by th	e project for the firs	t five years:	
Current positions & positions added the	* 15			
	v Positions New Positio .01-\$15.00 \$15.01-\$20		New Positions \$28.01-\$35.00	New Positions Over \$35.00
Year (Before proje	ect) Year 1	Year 2 Year	<u>3</u> Year 4	Year 5
No. of Employees (1) n/a	<u></u>			_
(2)				
Estimated payroll (1) <u>n/a</u>				
(2)				
(1) - full time (2) - part time	2)			

22.	Is the project operator succeeding someone else in this or a similar business? \Box Yes \Box No
23.	Has the project operator conducted this business at this or any other location either in or outside of the state?
	🗆 Yes 🛛 No
24.	Has the project operator or any officers of the project received any prior property tax incentives? 🛛 Yes 🗌 No
	If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach
	additional sheets if necessary). RZ: DFI Loudon 2015; DFI St Marks 2015; DFI 1213 2016; DFI BE (123 Broadway) 2016; DFI Roberts 2017; ; DFI BA (113 BW) 2020; DFI BC (119 BW) 2020 DFI RZ/PILOT: DFI Woodrow 2016; DFI Black 2020; Block 9 Partners 2021
Busin	ess Competition
25.	Is any similar business being conducted by other operators in the municipality?
	If YES, give name and location of competing business or businesses -Other-mixed use projects located in Fargo-
	Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition 100%
Prope	rty Tax Liability Disclosure Statement
26.	Does the project operator own real property in North Dakota which has delinquent property tax levied against it? Yes No
27.	Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property?
	If the answer to 26 or 27 is Yes, list and explain

Use Only When Reapplying

28. The project operator is reapplying for property tax incentives for the following reason(s):
□ To present additional facts or circumstances which were not presented at the time of the original application
☐ To request continuation of the present property tax incentives because the project has:
\square moved to a new location
had a change in project operation or additional capital investment of more than twenty percent
had a change in project operators
To request an additional annual exemption for the year of on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)
Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, Michael Allmendinger , do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

Minnr.

President

7.9.19

Signature

Title

	KESLER PRO	DJECT - SOUTH	PARCEL	
Project	DFI BJ LLC		Units	Parking
Project Value	\$7,975,350		41	30
Land Value	\$176,000		Commercial	
Mills	0.2886		5,620	
	Land Taxes	New Taxes	Incentive	Proposed Schedule
Year 1	\$2,414	\$0	PILOT	\$2,908
Year 2	\$2,414	\$0	PILOT	\$2,908
Year 3	\$2,414	\$0	PILOT	\$2,908
Year 4	\$2,414	\$0	PILOT	\$2,908
Year 5	\$2,414	\$0	PILOT	\$2,908
Year 6	\$2,414	\$0	PILOT	\$2,908
Year 7	\$2,414	\$0	PILOT	\$2,908
Year 8	\$2,414	\$0	PILOT	\$2,908
Year 9	\$2,414	\$0	PILOT	\$2,908
Year 10	\$2,414	\$0	PILOT	\$2,908

DFI BJ	
Parcel Number	01-2381-00330-000 01-2381-00420-000
Address	617/621 1 Ave. N.
Date Application Received	6/4/2019 / 6/10/2019
1st Publication Date	6/17/2019
2nd Publication Date	6/24/2019
TRC Meeting Date	6/25/2019
Commission Hearing Date	7/15/2019
Notice Delivery To School/County	6/13/2019
School/County 30-Day Response	7/13/2019
Exemption Type	PILOT
Estimated Improvements Value	\$7,975,350
Building Value to Remain Taxable	\$28,000
Current Land Value	\$176,000
County Share of Levy (%)	17.3%
Anticipated Tax Growth	0.0%
Current Mill Levy	288.6
Number of Years Granted	10
Discount Rate (for Present Value)	4.50%
Total Gross Estimated Benefit	\$1,146,803
Present Value of Benefit	\$750,700

Sed Ex FLUI Fymt Full Bing Tax Benefit FV 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 100% \$404 \$115,084 \$114,680 110,084 \$114,680 \$114,680 \$114,680 100% \$404 \$115,084 \$114,680 110,084 \$114,680 \$114,680 \$114,680 100 \$4			\$2,540	\$404 Current Land Tax	\$404	Building Tax To Rem	Building T
% BG EX FLCI Fynt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$15,084 \$ <		\$907,400	\$1,146,803	\$1,150,843	\$4,040		TOTALS
% BG EX FLICT Pymt Full Bidg Tax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$15,084 \$							
% BG EX FLICT Pymt Full Bidg Tax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$15,084 \$							
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$15,084 \$ <							
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$15,084 \$ <							
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ \$404 \$115,084 \$ \$ \$404 \$115,084 \$ \$ \$404 \$15,084 \$ \$							
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$ \$100% \$404 \$115,084 \$							
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$							
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$							
% BG EX FILCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$							
% BG EX FLC/F Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$							
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$		\$73,800	\$114,680	\$115,084	\$404	100%	10
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$		\$77,200	\$114,680	\$115,084	\$404	100%	9
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$		\$80,600	\$114,680	\$115,084	\$404	100%	8
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$		\$84,300	\$114,680	\$115,084	\$404	100%	7
% BG EX FLCI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$		\$88,100	\$114,680	\$115,084	\$404	100%	6
% BG EX FLC/F Pymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$		\$92,000	\$114,680	\$115,084	\$404	100%	5
% BG EX FLUI Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$		\$96,200	\$114,680	\$115,084	\$404	100%	4
% BG EX FILO I Fymt Full Bidg Iax 100% \$404 \$115,084 \$ 100% \$404 \$115,084 \$		\$100,500	\$114,680	\$115,084	\$404	100%	3
\$404 \$115,084 \$		\$105,000	\$114,680	\$115,084	\$404	100%	2
Full Blog lax		\$109,700	\$114,680	\$115,084	\$404	100%	1
	PILOT &	PV of Benefit	Benefit	Full Bldg Tax	PILOT Pymt	% Bd Ex	

				etely Opted Out	If County Completely Opted Out
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
\$22,772	\$94,875	\$115,108	\$19,898	\$19,829	\$70
Benefit PILOT & Tax	Benefit	Full Impr Net Tax	Co Share Impr Tax	County % PLT County AddI PLT Co Share Impr Tax	County % PLT

NOT STARTED

			CALCULATION O	CALCULATION OF ADDITIONAL TAX DUE TO COUNTY	TO COUN	TY I	
Land Value	Improvent Value	Year	Mill Levy	CO Levy	%	Full Impr Net Tax	Co Share Impr Tax
\$176,000	\$7,975,300	2021	288.66	49.90	17.3%	\$115,108	\$19,898
\$176,000	\$7,975,300	2022	288.66	49.90	17.3%	\$115,108	\$19,898
\$176,000	\$7,975,300	2023	288.66	49.90	17.3%	\$115,108	\$19,898
\$176,000	\$7,975,300	2024	288.66	49.90	17.3%	\$115,108	\$19,898
\$176,000	\$7,975,300	2025	288.66	49.90	17.3%	\$115,108	\$19,898
\$176,000	\$7,975,300	2026	288.66	49.90	17.3%	\$115,108	\$19,898
\$176,000	\$7,975,300	2027	288.66	49.90	17.3%	\$115,108	\$19,898
\$176,000	\$7,975,300	2028	288.66	49.90	17.3%	\$115,108	\$19,898
\$176,000	\$7,975,300	2029	288.66	49.90	17.3%	\$115,108	\$19,898
\$176,000	\$7,975,300	2030	288.66	49.90	17.3%	\$115,108	\$19,898

Parcel #: 01-2381-00420-000

Address: 621 1 AVE N

Lot: T Block: 2 ROBERTS - HAGAMANS SUB LOTS T & U BLK 2 EXC E 8"" OF S 100' OF LOT U TOGETHER WITH A STRIP OF LAND 3' WIDE IMMEDIATELY ADJ & RUNNING A LG ENTIRE W SIDE LOT T & STRIP OF LAND 10' WIDE IM MEDIATELY ADJ & RUNNING ACCROSS ENTIRE N END LOTS T & U

Parcel #: 01-2381-00330-000

Address: 617 1 AVE N

Lot: 10 Block: 2 ROBERTS W50' LOTS 10-12 BLK 2 A ND ROBERTS - HAGAMANS SUB E 8" OF S 100' LOT U BLK 2

City of Fargo, North Dakota

Payment in Lieu of Taxes Program "But-For" Report

624 2nd Avenue North

617/621 1st Avenue North

Downtown District





June 4, 2019



Table of Contents

<u>Page</u>

1.	Purpose	1
2.	Project	2
3.	Project Financing	3
4.	Return Analysis	4
5.	Conclusion	6

Purpose

The purpose of this report is to establish and determine the allowable value of the payment in lieu of taxes (PILOT) tax exemption for DFI Kesler, LLC (the "Developer") (Kilbourne Group).

PFM first reviewed the application/proforma to ensure that appropriate assumptions regarding property value, rent, vacancy, and expenses were used by the Developer. Based on those assumptions, PFM projected a 15-year cash flow, calculating an internal rate of return. The following report details PFM's analysis and conclusions concerning the viability of the proposed project without the subsidy. The proposed project will be an investment of the Developer so PFM also calculated an internal rate of return for the project.



Project

The project being proposed by DFI Kesler, LLC includes constructing 95 market rate apartment units, retail space, and structured parking at 624 2nd Ave N and 617/621 1st Ave N. The apartments will range from studio units at approximately 575 square feet to three bedroom units at approximately 1,340 square feet. There will also be structured parking available, as well as retail space. As noted in the previous section, the proposed project is to be an investment property for the Developer.

The Developer has stated that the construction will be completed by April 2021 with occupancy immediately following. The Developer has requested PILOT financing assistance in an amount in excess of \$2.23 million on a present value basis to complete the project. This amount is based on projections of the future tax payments less the projected PILOT payments. Both the estimated tax payments and estimated PILOT payments assume a property value increase of 1.70% per year. This amount assumes five years of 100% exemption, followed by 10 years of 64% exemption.



Project Financing

The Developer is investing 26% equity, or \$5,570,985, and will be privately financing \$15,750,936. The Developer is additionally requesting PILOT assistance through annual property tax savings. The private financing is estimated to be a 25-year loan at a 5.85% interest rate resulting in an annual principal and interest payment of \$1,243,785.



Return Analysis

In calculating the internal rate of return, PFM first analyzed the Developer's assumptions including expected monthly rent, vacancy rate, and the operating expenses. The Developer is proposing a rent of \$970 per month for studio units, \$1,300 per month for one bedroom units, \$1,850 per month for two bedroom units, and \$2,100 per month for three bedroom units. The Developer provided estimates of annual operating expenses, as follows; General and Administrative - \$14,396, Marketing - \$71,981, Repairs/Maintenance - \$122,368, Utilities - \$187,151, Property Tax - \$279,835, Insurance - \$4,319, and Management Fee - \$71,384. The total expenses, assuming the Developer pays full real estate taxes, are approximately 38% of gross operating income. PFM used the given assumptions for Year 1 and, using a 2% inflationary factor for expenses and 1.70% for revenues, developed a 15-year cash flow. PFM assumed Year 1 vacancy rate would be 35% for 10 months of the year assuming an April 1 occupancy and 5% beyond Year 1.

The second step in determining the internal rate of return is to determine the earned incremental value of the property over the 15-year period. That value, along with the net operating income cash flows, was used to calculate the internal rate of return. PFM determined that without PILOT assistance the Developer would have about a 7.33% internal rate of return. The Developer would have about a 9.99% internal rate of return if it received the public assistance for the full 15 years. A reasonable rate of return for the proposed project is 10% - 15%.

Another measure of feasibility and project viability is the debt coverage ratio. PFM has projected a maximum debt coverage ratio of 1.29x without assistance in the first 15 years with a Year 4 coverage of 1.00x. If the City provided assistance to the project the maximum debt coverage is projected to be 1.36x with a Year 4 coverage of 1.23x. The minimum coverage of 0.69x occurs in Year 1 when the project is still assumed to be in the rent-up period. Debt coverage is important to developers when securing financing for their projects. Many times banks will require a minimum coverage in the range of 1.10x – 1.50x.

Using PFM's "without assistance" cash flow as the base scenario, PFM ran sensitivity analyses in order to determine if the project would be likely to occur without public assistance. For the first sensitivity analysis, PFM analyzed how much project funds would have to decrease in order to produce a reasonable internal rate of return. We also looked at how much the rental rates would have to fluctuate in order to achieve a reasonable internal rate of return. Lastly, we looked at a combination of the two scenarios. For the sensitivity analyses, we assumed a minimum debt coverage of 1.20x and a minimum internal rate of return of 10.00%.

Sensitivity Scenario 1 - Project Costs

The project would have to be reduced by \$2,201,921 or 10.3% in order for the project to become viable without assistance. This reduces the amount to be financed from \$15,750,936 to \$14,124,332 and reduces the annual debt service payment from \$1,243,876 to \$1,115,421. It is somewhat unlikely that a reduction in project costs of this magnitude would occur at this stage in the process.

Sensitivity Scenario 2 - Rental Rates

In order for the project to be viable without public assistance, the rental rate would have to increase by more than 14.6%. This increases annual revenue from \$2,868,887 to \$2,342,694 in Year 5. PFM believes this is a large increase to rents and is unlikely to occur.

Sensitivity Scenario 3 – Combination of Project Costs and Rental Rates

The final scenario looks at both a reduction of project costs and an increase in rental rates. The analysis showed that project costs would have to be reduced by \$1,121,921 or 5.3% and rental rates would have to increase by 7.2%. Both of these options occurring is unlikely, but it is possible so it should be considered.



The above scenarios show the circumstances in which the project would become viable without public assistance. Based on the information provided PFM's analysis demonstrates that the project as currently anticipated is unlikely to occur "but-for" the public assistance.



Conclusion

The Developer will bear all the risk involved with the project. The Developer is dependent on a number of factors before and after the project is completed, including project costs, occupancy of the units, the rental market, and monthly expenses. Both the internal rate of return without assistance and the debt service coverages are low. The base scenario without assistance along with the sensitivity analyses demonstrate that the project would likely not be feasible without assistance.

PFM determines that with public assistance, based on 5 years of 100% property tax exemption followed by 10 years of 36% exemption, the Developer's internal rate of return, based on the assumptions outlined in this report, would be 9.99%. Furthermore, the Year 4 debt coverage ratio increases from 1.00x to 1.23x when assistance is provided. Based upon the information provided, the project would not be feasible "but-for" public assistance as it is currently shown by the Developer.



Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To City of Fargo

City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1.	Name of project operator of new o	or expanding business Aldevron			
2.	Address of project Lot 3, Block 1,	Woodhaven Plaza Addition			
	City Fargo	Cot	unty Cass		
3.	Mailing address of project operator	r 4055 41st Ave S			
	C	ity Fargo	State ND Zip 58104		
4.	Type of ownership of project Partnership Corporation	Subchapter S corporationCooperative	 ☐ Individual proprietorship ✓ Limited liability company 		
5.	Federal Identification No. or Social Security No. 45-0451327				
6.	North Dakota Sales and Use Tax Pe	ermit No. 166066			
7.	If a corporation, specify the state as	nd date of incorporation			
8.	Name and title of individual to con	atact Brian Walters			
	Mailing address 4055 41st Ave S				
	City, State, Zip Fargo, ND 58104		Phone No. 701-499-7314		

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be	specific. PILOT based on 5 years at 100%, 5 years at 50%
	Property Tax Exemption	✓ Payments In Lieu of Taxes
	Number of years	2021 Beginning year 2030 Ending year
	Percent of exemption	Amount of annual payments (attach schedule if payments will vary)
10.	Which of the following would better describe the pro ✓ New business project	ject for which this application is being made: É Expansion of a existing business project

RECEIVED JUL 10 2019 FARGO ASSESSOR

Page 21

Description of Project Property

Page 22

	Lot 3, Block 1, Woodhaven Plaza Addition, a Replat of Block 2 of Prairie Tech Addition to the City of Fargo, Cass					
	County, North Dakota					
12.	Will the project property be owned or leased by the pro-	oject operator? 🖉 Owned 🗌 Leased				
	If the answer to 12 is leased, will the benefit of any inc \Box Yes \Box No If the property will be leased, attach a copy of the lease benefits.	centive granted accrue to the project operator? e or other agreement establishing the project operator's				
13.		sting facility? 🛛 New construction 📝 Existing facility				
	If existing facility, when was it constructed? 2018					
	If new construction, complete the following:					
	a. Estimated date of commencement of construction o	f the project covered by this application08/15/2019				
	b. Description of project to be constructed including si Aldevron will construct a 180,000 square foot, manufacturing facility. The facility will be a cor include a 20,000 square foot expansion to our site.					
	c. Projected number of construction employees during	the project construction 100				
14.	Approximate date of commencement of this project's of	operations Estimated Q1 of 2021				
15.	Estimated market value of the property used <u>for</u> <u>this project</u> :	16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:				
	a. Land\$ <u>3,000,000</u>	a. Land (not eligible)				
	b. Existing buildings and structures for which an exemp- tion is claimed	b. Eligible existing buildings and structures\$ 0				
	c. Newly constructed buildings and structures when completed\$ 43,000,000	c. Newly constructed buildings and structures when completed\$ 2,150,000				
	d. Total\$ <u>46,000,000</u>	d. Total taxable valuation of property eligible for exemption (Add lines b and c)\$ 2,150,000				
	e. Machinery and equipment \$ 26,000,000	e. Enter the consolidated mill rate for the appropriate taxing district				
		f. Annual amount of the tax exemption (Line d multiplied by line e)\$ 620,490				

17. Type of business to be engaged in: □ Ag processing □ Manufacturring □ Retailing 18. Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, a state of the art biologics manufacturing and including biologics. New Project operator, including a description of any products to be manufactured will include plasmid DNA, mRNA and proteins for a variety of clinical and commerical applications. 19. Indicate the type of machinery and equipment that will be installed Aldevron will install biologics manufacturing and analytical equipment including bioreactors, chromotograpy equipment, analytical instruments and genetic sequencers. 20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption. New/Expansion New/Expansion New/Expansion New/Expansion Project only Projec		Note: "project" means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.												
18. Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary). Aldevron will construct a state of the art biologies manufacturing facility to produce therepeutic products and reagents for biotechnology and pharmaceutical companies worldwide. Products to be manufactured will include plasmid DNA, mRNA and proteins for a variety of clinical and commerical applications. 19. Indicate the type of machinery and equipment that will be installed Aldevron will install biologies manufacturing and analytical equipment including bioreactors, chromotograpy equipment, analytical instruments and genetic sequencers. 20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion New/Expansion New/Expansin New/Expansion New/Expansion New/Expansion New/Expansi	17.	Type of b	usiness to b	e engage	d in: 🛛	Ag pro	ocessing		\checkmark	Manufa	acturing		Retailing	5
be manufactured, produced, assembled or stored (attach additional sheets if necessary). Aldevron will construct a state of the art biologics manufacturing facility to produce therapeutic products and reagents for biotechnology and pharmaceutical companies worldwide. Products to be manufactured will include plasmid DNA, mRNA and proteins for a variety of clinical and commerical applications. 19. Indicate the type of machinery and equipment that will be installed Aldevron will install biologics manufacturing and analytical equipment including bioreactors, chromotograpy equipment, analytical instruments and genetic sequencers. 20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption. New/Expansion New/Expansion New/Expansion New/Expansion New/Expansion Project only Project ON Project Project Project Project Prove Project						Whole	esaling			Wareho	ousing		Services	
Aldevron will construct a state of the art biologics manufacturing facility to produce therapeutic products and pragents for biotechnology and pharmaceutical companies worldwide. Products to be manufactured will include plasmid DNA, mRNA and proteins for a variety of clinical and commercial applications. 19. Indicate the type of machinery and equipment that will be installed Aldevron will install biologics manufacturing and analytical equipment including bioreactors, chromotograpy equipment, analytical instruments and genetic sequencers. 20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption. New/Expansion New/Expansion Year (12 mo. periods) Year 1 Year 2 Year 3 Year 6 2,560,952 2,817,049 3,098,754 3,408,629 3,749,492 21. Projected number and salary of persons to be employed by the project for the first five years: Current positions & doed the initial year of project # Ourset be repositions added the initial year of project Year (Before project) Year 1 Year 1 Year 3 Year 3 Year 4 Year 5 Annual revenue 13,478,702 14,826,572 16,309,226 17,940,152 19,734,163	18.				~		• •	*	· ·		-	cription of	of any proc	lucts to
plašmid DNA, mRNA and proteins for a variety of clinical and commerical applications. 19. Indicate the type of machinery and equipment that will be installed Aldevron will install biologics manufacturing and analytical equipment including bioreactors, chromotograpy equipment, analytical instruments and genetic sequencers. 20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption. New/Expansion New/Expansion Year (12 mo. periods) Year 1 Year 2 Year 3 Year 1 Year 2 Year 3 Year 4 Year 5 Annual revenue 13,478,702 14,826,572 16,309,220 17,940,152 19,734,162 Annual revenue 10,917,740 12,009,523 13,210,475 14,531,523 15,984,675 Net income 2,560,952 2,817,049 3,098,754 3,408,629 3,749,492 21. Projected number and salary of persons to be employed by the project for the first five years: Current positions & New Positions New Positions 19.015 1 3 22 25 48 6 Year Before project) <td< td=""><td></td><td>Aldevron w</td><td>ill construct</td><td>a state of</td><td>the art bio</td><td>ologics</td><td>manufact</td><td>uring fa</td><td>acility to</td><td>produce</td><td>therape</td><td></td><td></td><td></td></td<>		Aldevron w	ill construct	a state of	the art bio	ologics	manufact	uring fa	acility to	produce	therape			
Aldevron will install biologics manufacturing and analytical equipment including bioreactors, chromotograpy equipment, analytical instruments and genetic sequencers. 20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption. New/Expansion New/Expansion Year (12 mo. periods) New/Expansion New/Expansion New/Expansion New/Expansion Year (12 mo. periods) Year 1 Year 2 Year 3 Year 4 Year 5 Annual revenue 13,478,702 14,826,572 16,309,229 17,940,152 19,734,162 Annual expense 10,917,749 12,009,523 13,210,475 14,531,523 15,984,675 Net income 2,560,952 2,817,049 3,098,754 3,408,629 3,749,492 21. Projected number and salary of persons to be employed by the project for the first five years: Current positions New Positions New Positions New Positions Year New Positions New Positions New Positions New Positions New Positions Jopicted number and salary of persons to be employed by the project Year 1 3 22 25 48 6 Year												nufacture	ed will inclu	Jde
Aldevron will install biologics manufacturing and analytical equipment including bioreactors, chromotograpy equipment, analytical instruments and genetic sequencers. 20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption. New/Expansion New/Expansion Year (12 mo. periods) New/Expansion New/Expansion New/Expansion New/Expansion Year (12 mo. periods) Year 1 Year 2 Year 3 Year 4 Year 5 Annual revenue 13,478,702 14,826,572 16,309,229 17,940,152 19,734,162 Annual expense 10,917,749 12,009,523 13,210,475 14,531,523 15,984,675 Net income 2,560,952 2,817,049 3,098,754 3,408,629 3,749,492 21. Projected number and salary of persons to be employed by the project for the first five years: Current positions New Positions New Positions New Positions Year New Positions New Positions New Positions New Positions New Positions Jopicted number and salary of persons to be employed by the project Year 1 3 22 25 48 6 Year														
Aldevron will install biologics manufacturing and analytical equipment including bioreactors, chromotograpy equipment, analytical instruments and genetic sequencers. 20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption. New/Expansion New/Expansion Year (12 mo. periods) New/Expansion New/Expansion New/Expansion New/Expansion Year (12 mo. periods) Year 1 Year 2 Year 3 Year 4 Year 5 Annual revenue 13,478,702 14,826,572 16,309,229 17,940,152 19,734,162 Annual expense 10,917,749 12,009,523 13,210,475 14,531,523 15,984,675 Net income 2,560,952 2,817,049 3,098,754 3,408,629 3,749,492 21. Projected number and salary of persons to be employed by the project for the first five years: Current positions New Positions New Positions New Positions Year New Positions New Positions New Positions New Positions New Positions Jopicted number and salary of persons to be employed by the project Year 1 3 22 25 48 6 Year														
chromotograpy equipment, analytical instruments and genetic sequencers. 20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption. New/Expansion New/Expansion New/Expansion New/Expansion Project only Year (12 mo, periods) Year (12 mo, periods) Year 1 Year 2 Year 3 Year 4 Year 5 Annual revenue 13,478,702 14,826,572 16,309,229 17,940,152 19,734,162 Annual expense 10,917,749 12,009,523 13,210,475 14,531,523 15,984,675 Net income 2,560,952 2,817,049 3,098,754 3,408,629 3,749,492 21. Projected number and salary of persons to be employed by the project for the first five years: Current positions added the initial year of project # Current positions & positions New Positions New Positions New Positions New Positions 315 1 3 22 25 48 6 Year 2 Year 3 Year 4 Year 5 No. of Employees (n 298 348 378 403				•						nt inclu	idina hir	oreactor	·e	
new business or the expansion itself for each year of the requested exemption.New/Expansion Project only Year (12 mo. periods)New/Expansion Project only Year 1New/Expansion Project only Year 2New/Expansion Project only Year 3New/Expansion Project only Year 3New/Expansion Project only Year 3Annual revenue $13,478,702$ $14,826,572$ $16,309,220$ $17,940,152$ $19,734,163$ Annual expense $10,917,749$ $12,009,523$ $13,210,475$ $14,531,523$ $15,984,675$ Net income $2,560,952$ $2,817,049$ $3,098,754$ $3,408,629$ $3,749,492$ 21. Projected number and salary of persons to be employed by the project for the first five years:Current Positions & positions added the initial year of project $\frac{\# Current}{Under $13.00}$ New Positions $$13.01-15.00 New Positions $$15.01-20.00 New Positions $$20.01-28.00 New Positions $$28.01-35.00 New Positions $Over 35.00 315 132225486Year 4Year 5No. of Employees (0) 298 348 378 403 (2) $17.8mm$ $21.2mm$ $23.4mm$ $25.4mm$ $(2.4mm)$ (2) 480,000												5100000	0,	
new business or the expansion itself for each year of the requested exemption.New/Expansion Project only Year (12 mo. periods)New/Expansion Project only Year 1New/Expansion Project only Year 2New/Expansion Project only Year 3New/Expansion Project only Year 3New/Expansion Project only Year 3Annual revenue $13,478,702$ $14,826,572$ $16,309,220$ $17,940,152$ $19,734,163$ Annual expense $10,917,749$ $12,009,523$ $13,210,475$ $14,531,523$ $15,984,675$ Net income $2,560,952$ $2,817,049$ $3,098,754$ $3,408,629$ $3,749,492$ 21. Projected number and salary of persons to be employed by the project for the first five years:Current Positions & positions added the initial year of project $\frac{\# Current}{Under $13.00}$ New Positions $$13.01-15.00 New Positions $$15.01-20.00 New Positions $$20.01-28.00 New Positions $$28.01-35.00 New Positions $Over 35.00 315 132225486Year 4Year 5No. of Employees (0) 298 348 378 403 (2) $17.8mm$ $21.2mm$ $23.4mm$ $25.4mm$ $(2.4mm)$ (2) 480,000														
Project only Year (12 mo. periods)Project only Year 1Project only Year 2Project only Year 3Project only Year 3Project only Year 4Project only Year 5Annual revenue $13,478,702$ $14,826,572$ $16,309,229$ $17,940,152$ $19,734,163$ Annual expense $10,917,749$ $12,009,523$ $13,210,475$ $14,531,523$ $15,984,675$ Net income $2,560,952$ $2,817,049$ $3,098,754$ $3,408,629$ $3,749,492$ 21. Projected number and salary of persons to be employed by the project for the first five years: $Vear s$ $Vear s$ $Vear s$ Current positions & positions added the initial year of project# Current PositionsNew Positions $$13.01-15.00 $819.01-$28.00$ $828.01-$35.00$ $Over 35.00 315 1322 25 48 6 Year (Before project)Year 1Year 2Year 3Year 4Year 5No. of Employces(i) 298 348 378 403 (a) $480,000$ (b) $17.8mm$ $21.2mm$ $23.4mm$ $25.4mm$ (a) $480,000$	20.										ome (bet	fore tax)	from eithe	er the
Year (12 mo. periods) Year 1 Year 2 Year 3 Year 4 Year 5 Annual revenue $13,478,702$ $14,826,572$ $16,309,220$ $17,940,152$ $19,734,163$ Annual expense $10,917,749$ $12,009,523$ $13,210,475$ $14,531,523$ $15,984,675$ Net income $2,560,952$ $2,817,049$ $3,098,754$ $3,408,629$ $3,749,492$ 21. Projected number and salary of persons to be employed by the project for the first five years: Current positions & positions added the initial year of project # Current New Positions New Positions New Positions $828.01-$35.00$ Over \$35.00 315 1 3 22 25 48 6 Year 2 Year 3 Year 4 Year 5 No. of Employees (i) 298 348 378 403					-		-		~				-	-
Annual revenue 13,478,702 14,826,572 16,309,229 17,940,152 19,734,167 Annual expense 10,917,749 12,009,523 13,210,475 14,531,523 15,984,675 Net income 2,560,952 2,817,049 3,098,754 3,408,629 3,749,492 21. Projected number and salary of persons to be employed by the project for the first five years: Current positions & positions added the initial year of project # Current New Positions New Positions New Positions S13.01-\$15.00 S15.01-\$28.00 \$28.01-\$35.00 Over \$35.00 315 1 3 22 25 48 6 Year (Before project) Year 1 Year 2 Year 3 Year 4 Year 5 No. of Employees (1) 298 348 378 403		Year (12)	no. periods		•		•	ł		•	5		0	-
Annual expense 10,917,749 12,009,523 13,210,475 14,531,523 15,984,675 Net income 2,560,952 2,817,049 3,098,754 3,408,629 3,749,492 21. Projected number and salary of persons to be employed by the project for the first five years: Current positions & positions added the initial year of project # Current New Positions New Positions New Positions New Positions New Positions 95itions Under \$13.00 \$13,01-\$15.00 \$15,01-\$20.00 \$20,01-\$28.00 \$28,01-\$35.00 Over \$35.00 315 1 3 22 25 48 6 Year 1 Year 2 Year 3 Year 4 Year 5 No. of Employees (1) 298 348 378 403														
Net income $2,560,952$ $2,817,049$ $3,098,754$ $3,408,629$ $3,749,492$ 21. Projected number and salary of persons to be employed by the project for the first five years:Current positions & positions added the initial year of project		Annual revenue		13,47	8,702	14,826,572		1			17,940,152		19,73	4,167
1.10 mitorine21. Projected number and salary of persons to be employed by the project for the first five years:Current positions & positions added the initial year of project	23	Annual expense		10,91	7,749	12,	009,523	13,210,47		14,531,523		15,98	4,67 <mark>5</mark>	
Under the initial year of project Wew Positions & New Positions New Positions New Positions New Positions Statute Sta		Net income		2,560	,952	2,8	17,049	100	8,098,75	54	3,408	,629	3,749	,492
# Current Positions New Positions Under \$13.00 New Positions \$13.01-\$15.00 New Positions \$15.01-\$20.00 New Positions \$20.01-\$28.00 New Positions \$28.01-\$35.00 New Positions Over \$35.00 315 1 3 22 25 48 6 Year (Before project) Year 1 Year 2 Year 3 Year 4 Year 5 No. of Employees (1) 298 348 378 403	21.	Projected 1	number and	salary of	persons to	be em	ployed by	the pr	oject for	the firs	t five ye	ars:		
Positions Under \$13.00 \$13.01-\$15.00 \$15.01-\$20.00 \$20.01-\$28.00 \$28.01-\$35.00 Over \$35.00 315 1 3 22 25 48 6 Year (Before project) Year 1 Year 2 Year 3 Year 4 Year 5 No. of Employees (1) 298 348 378 403	Cu	ırrent positi	ons & posit	ions adde	d the initi	al year	of project	ļ						
315 1 3 22 25 48 6 Year (Before project) Year 1 Year 2 Year 3 Year 4 Year 5 No. of Employees (1) 298 348 378 403														
No. of Employees (1) 298 348 378 403 (2) 17									25		48			
(2) <u>17</u> Estimated payroll (1) <u>17.8mm</u> <u>21.2mm</u> <u>23.4mm</u> <u>25.4mm</u> (2) <u>480,000</u> (1) - full time		Year		(Before	project)	Ye	ar 1	Yea	r <u>2</u>	Year	3	Year 4	Y	ear <u>5</u>
Estimated payroll ⁽¹⁾ 17.8mm 21.2mm 23.4mm 25.4mm		No. of En	ployees	(1) 298		348	3	378		403				
(1) - full time				(2) 17										
(1) - full time		Estimated	payroll	(J) 17.8	mm	21.	2mm	23.4	mm	25.4m	ım			
				(2) 480,	000							-		
						_								

22.	Is the project operator succeeding someone else in this or a similar business? \Box Yes \Box No
23.	Has the project operator conducted this business at this or any other location either in or outside of the state?
	🛛 Yes 🗌 No
24.	Has the project operator or any officers of the project received any prior property tax incentives? 🛛 Yes 🗌 No
	If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach
	additional sheets if necessary). Presently operating at 3233 15th St S. 3239 15th St S. 3301 S University, 4837 Amber Valley Parkway and 4055 41st Ave S in Fargo as Aldevron. Tax exemption for 4055 41st Ave S received in 2016.
Busin	ess Competition
25.	Is any similar business being conducted by other operators in the municipality?
	If YES, give name and location of competing business or businesses
	Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition %
Prope	rty Tax Liability Disclosure Statement
26.	Does the project operator own real property in North Dakota which has delinquent property tax levied against it?
27.	Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property?
	If the answer to 26 or 27 is Yes, list and explain
Use	Only When Reapplying
28.	The project operator is reapplying for property tax incentives for the following reason(s):

To present additional facts or circumstances which were not presented at the time of the original app	lication
---	----------

	To request continuation	of the present	property ta	x incentives	because	the project has:
--	-------------------------	----------------	-------------	--------------	---------	------------------

- \square moved to a new location
- had a change in project operation or additional capital investment of more than twenty percent

Title

had a change in project operators

To request an additional annual exemption for the year of	on structures owned by a governmental
entity and leased to the project operator. (See N.D.C.C. § 40-57	(.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, Brian Walters **m**, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted. Deh ...

C	ł	ā			- 1	ь.		~
-		-	-	-	-	_	_	-

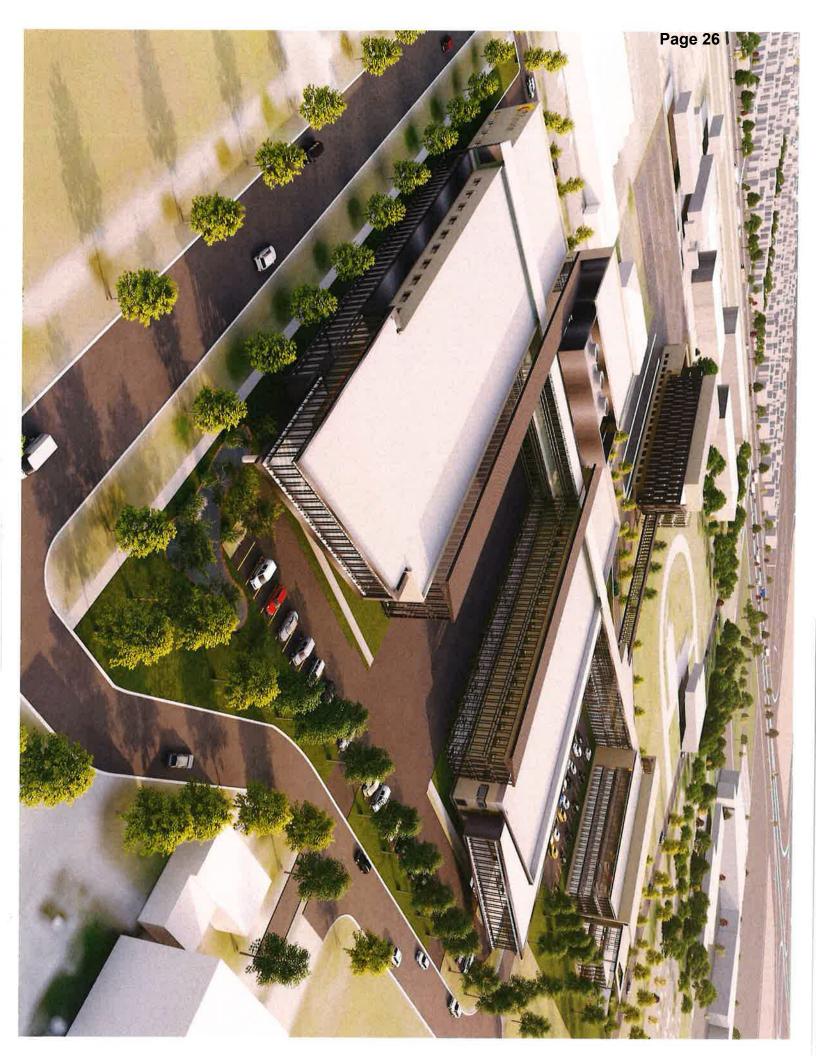
CBO

6/10/09 Date

		Present Value of Benefit	Total Gross Estimated Benefi	Discount Rate (for Present Va	Number of Years Granted	Current Mill Levy	Anticipated Tax Growth	County Share of Levy (%)	Estimated Land Value	Building Value to Remain Tax	Estimated Improvements Valu	Exemption Type	School/County 30-Day Respo	Notice Delivery To School/Co	Commission Hearing Date	TRC Meeting Date	2nd Publication Date	1st Publication Date	Date Application Received	Address	Parcel Number	Aldevron 2019
		\$3,157,900	\$4,653,675	4.50%	10	288.6	0.0%	17.3%	\$3,000,000	0 <mark>\$</mark> 0	\$43,000,000	PILOT	8/15/2019	7/16/2019	8/12/2019	7/23/2019	7/22/2019	7/15/2019	7/10/2019	4055 41 Ave S	01-7910-00303-000	
Buildin	TOTALS											2031	2030	2029	2028	2027	2026	2025	2024	2023	2022	Ye
<u> 3uilding Tax To Rem</u>	S											31 50%	30 50%	29 50%	28 50%	27 50%	2 <mark>6</mark> 100%	25 100%	24 100%	23 100%	22 100%	ar % Bd Ex
0\$	\$1,551,225											\$310,245	\$310,245	\$310,245	\$310,245	\$310,245	\$0	\$0	\$0	\$0	\$0	Year % Bd Ex PILOT Pymt
Current Land Tax	\$6,204,900											\$620,490	\$620,490	\$620,490	\$620,490	\$620,490	\$620,490	\$620,490	\$620,490	\$620,490	\$620,490	Full Bldg Tax
\$43,290	\$4,653,675											\$310,245	\$310,245	\$310,245	\$310,245	\$310,245	\$620,490	\$620,490	\$620,490	\$620,490	\$620,490	
	\$3,816,900											\$199,800	\$208,800	\$218,200	\$228,000	\$238,200	\$497,900	\$520,300	\$543,700	\$568,200	\$593,800	PV of Benefit
	\$1,594,515											\$353,535	\$353,535	\$353,535	\$353,535	\$353,535	\$43,290	\$43,290	\$43,290	\$43,290	\$43,290	Benefit PV of Benefit PILOT & Land Tax
						If C																Cot

				etely Opted Out	If County Completely Opted Out
\$407,189	\$256,720	\$620,619	\$107,285	\$53,654	\$53,631
\$407,189	\$256,720	\$620,619	\$107,285	\$53,654	\$53,631
\$407,189	\$256,720	\$620,619	\$107,285	\$53,654	\$53,631
\$407,189	\$256,720	\$620,619	\$107,285	\$53,654	\$53,631
\$407,189	\$256,720	\$620,619	\$107,285	\$53,654	\$53,631
\$150,575	\$513,334	\$620,619	\$107,285	\$107,285	0\$
\$150,575	\$513,334	\$620,619	\$107,285	\$107,285	0 \$ 0
\$150,575	\$513,334	\$620,619	\$107,285	\$107,285	\$0
\$150,575	\$513,334	\$620,619	\$107,285	\$107,285	\$0
\$150,575	\$513,334	\$620,619	\$107,285	\$107,285	\$0
Benefit PILOT & Tax	Benefit	Full Impr Net Tax	County % PLT County AddI PILQ Co Share Impr TaFull Impr Net Tax	County Addl PILC	County % PLT
	-				

\$107,285	\$620,619	49.90 17.3%	49.90	288.66	2031	\$43,000,000	\$3,000,000
\$107,285	\$620,619	17.3%	49.90	288.66	2030	\$43,000,000	\$3,000,000
\$107,285	\$620,619	17.3%	49.90	288.66	2029	\$43,000,000	\$3,000,000
\$107,285	\$620,619	17.3%	49.90	288.66	2028	\$43,000,000	\$3,000,000
\$107,285	\$620,619	17.3%	49.90	288.66	2027	\$43,000,000	\$3,000,000
\$107,285	\$620,619	17.3%	49.90	288.66	2026	\$43,000,000	\$3,000,000
\$107,285	\$620,619	17.3%	49.90	288.66	2025	\$43,000,000	\$3,000,000
\$107,285	\$620,619	17.3%	49.90	288.66	2024	\$43,000,000	\$3,000,000
\$107,285	\$620,619	17.3%	49.90	288.66	2023	\$43,000,000	\$3,000,000
\$107,285	\$620,619	17.3%	49.90	288.66	2022	\$43,000,000	\$3,000,000
o Share Impr Tax	Full Impr Net Tax o Share Impr Tax	%	CO Levy	Mill Levy	Year	Land Value Improvent Value	Land Value
	TO COUNTY	AX DUE	CALCULATION OF ADDITIONAL TAX DUE TO COUNTY	CALCULATIO			





RECEIVED

JUL 8 2019

FARGO ASSESSOR

MGILAOUR

EMAIL FROM

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To Fargo

City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1	Name of project operator of new or expanding business Tzadik Sioux Falls Portfolio III, LLC							
2.	Address of project 1222 4th Ave N							
	City Fargo	Cour	nty <u>Cass</u>					
3.	Mailing address of project operator	11098 Biscayne Boulevard, Suite 202	3					
	Cit	y Miami	State FL Zip 33161					
4.	Type of ownership of project Partnership Corporation	 Subchapter S corporation Cooperative 	 Individual proprietorship Limited liability company 					
5.	Federal Identification No. or Social	Security No.						
6.	North Dakota Sales and Use Tax Pe	rmit No. <u>N/A</u>						
7.	If a corporation, specify the state an	d date of incorporationDE, 3/12/2	2019					
8.	Name and title of individual to cont	act YueLing Lee, General Cousnel						
	Mailing address 11098 Biscayne Bou	ulevard, Suite 203						
	City, State, Zip Miami, FL 33161		Phone No. (813)957-2394					

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be s	pecific.
	Property Tax Exemption	🗹 Payments In Lieu of Taxes
	Number of years	2018 Beginning year 2038 Ending year
	Percent of exemption	Amount of annual payments (attach schedule if payments will vary)
10.	Which of the following would better describe the pro	ject for which this application is being made:

Description of Project Property

1

.

11.	Legal description of project real property						
	PIN 01-2382-04450-000	2					
	Block 45, Roberts 2nd Addition						
12.	Will the project property be owned or leased by the project property be owned or leased by the property be a set of the p	project operator? 🛛 Owned 🗌 Leased					
	If the answer to 12 is leased, will the benefit of any is \Box Yes \Box No						
	If the property will be leased, attach a copy of the lease benefits.	ase or other agreement establishing the project operator's					
13.		kisting facility? 🗌 New construction 🔽 Existing facility					
	If existing facility, when was it constructed? 2017						
	If new construction, complete the following:						
	a. Estimated date of commencement of construction	of the project covered by this application July 2017					
	b. Description of project to be constructed including a Recently constructed (2017) apartment building ad	size type and quality of construction					
	c. Projected number of construction and land						
14	c. Projected number of construction employees during the project construction n/a - already constructed						
	4. Approximate date of commencement of this project's operations July 2017						
15.	Estimated market value of the property used for this project:	 Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent: 					
	a. Land\$_737,360	a. Land (not eligible)					
	b. Existing buildings and	b. Eligible existing buildings and					
	structures for which an exemp- tion is claimed\$ 0	structures\$ 0					
		c. Newly constructed buildings					
	c. Newly constructed buildings and structures when	and structures when completed\$ 456,265					
	completed\$ 9,125,298						
		d. Total taxable valuation of property eligible for exemption					
	d. Total\$ <u>9,862,658</u>	(Add lines b and c)\$ 456,265					
	e. Machinery and equipment \$ 378,000	e. Enter the consolidated mill rate for the appropriate taxing					
		district					
		f. Annual amount of the tax					
		exemption (Line d multiplied by line e)\$ 130,661.58					

Description of Project Bus	siness					
Note: "project" means a include any established	a newly establis part of an exist	shed busi ting busi	ness or the exp less.	ansion portion o	f an existing bus	siness. Do not
17. Type of business to	be engaged in:		rocessing lesaling		Ifacturing	 Retailing Services
 Describe in detail th be manufactured, pre- 	e activities to be oduced, assembl	e engaged led or stor	in by the project	t operator, includ	ling a description	of any products to
Leasing of residentil par	tments and comm	nercial space	ce; completion of	parking lot	cessary).	
19. Indicate the type of r	nachinery and e			talled		
20. For the project only, new business or the e	expansion itself	for each y	ear of the reque	sted exemption.	come (before tax)) from either the
Year (12 mo. periods)	New/Expansion Project only <u>Year 1</u>		v/Expansion N Dject only <u>Year 2</u>	Vew/Expansion Project only Year 3	New/Expansion Project only <u>Year 4</u>	New/Expansion Project only <u>Year 5</u>
Annual revenue	714,600	_76	9,200	784,600	800,200	816,200
Annual expense	188,200	19	1,900	195,800	199,800	203,700
Net income	526,400	577,300		588,800	600,500	612,500
21. Projected number and Current positions & positi				project for the firs	st five years:	
# Current New Po	sitions New I	Positions 1-\$15.00	New Positions \$15.01-\$20.00	New Positions \$20.01-\$28.00	New Positions \$28.01-\$35.00	New Positions Over \$35.00
Year	(Before project) <u>Ye</u>	ar <u>l Ye</u>	ar 2 Year	<u>3 Year 4</u>	Year 5
No. of Employees	(1) <u>n/a</u>					
	(2)					
Estimated payroll	(I) <u>n/a</u>	ð 	i			_
1) - full time 2) - part time	(2)					

Page 30

- 22. Is the project operator succeeding someone else in this or a similar business? \square Yes \square No
- 24. Has the project operator or any officers of the project received any prior property tax incentives? □ Yes ☑ No If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach additional sheets if necessary).

#22 - This is a transfer of an existing PILOT from DFI Woodrow Wilson LLC

Business Competition

25.	Is any similar business being conducted by other operators in the municipality?	🗹 Yes	□ No			
	If YES, give name and location of competing business or businesses					
	Residential apartments and leased commercial space in the metro area					
	Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Co	mpetition	100 %			
				117		

Property Tax Liability Disclosure Statement

26.	Does the project of	perator own rea	al property in No	orth Dakota which has delinquent property tax levied
	against it?	🗆 Yes	🗹 No	

27. Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? □ Yes ☑ No

If the answer to 26 or 27 is Yes, list and explain

Use Only When Reapplying

28.	The project operator is reapplying for property tax incentives for the following reason(s):
	r s r r r r r r r r r r r r r r r r r r

- ☐ To present additional facts or circumstances which were not presented at the time of the original application
 - \square To request continuation of the present property tax incentives because the project has:
 - moved to a new location
 - had a change in project operation or additional capital investment of more than twenty percent
 - ☑ had a change in project operators
 - □ To request an additional annual exemption for the year of _____ on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, Adam Hendry ______, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

Manager 7/8/2019 Signature Title Date

<u>Value</u>	\$	3,115,000.00	\$	6,499,000.00	\$	9,614,000.00
<u>Taxes</u>	\$	43,610.000	Ś	90,986.000	\$	134,596.00
					÷	134,330.00
<u>Year</u>		Existing Building		New Buiding		TOTAL
1	\$	200	\$		\$	
2	\$		\$		\$	
3	\$		\$		\$	
4	\$ \$ \$ \$ \$ \$ \$		\$	÷	\$	
5	\$	•			\$	
6	\$		\$ \$	-	\$	
7	\$	(m)	\$	ŝ	\$	-
8	\$			5 5	\$	-
9	\$		\$ \$		\$ \$	
10	\$ \$ \$		\$	•	\$	•
11	\$	4,361.00	\$	9,098.60	\$	13,459.60
12	\$	4,361.00	\$	9,098.60	\$	13,459.60
13	\$ \$	4,361.00	\$	9,098.60	\$	13,459.60
14	\$	4,361.00	\$	9,098.60	\$	13,459.60
15	\$ \$	4,361.00	\$	9,098.60	\$	13,459.60
16	\$	4,361.00	\$	9,098.60	\$	13,459.60
17	\$	6,541.50	\$	16,377.48	\$	22,918.98
18	\$	9,594.20	\$	24,566.22	\$	34,160.42
19	\$	13,083.00	\$	31,845.10	\$	44,928.10
20	\$	16,135.70	\$	38,214.12	\$	54,349.82
21	\$	43,610.00	\$	90,986.00	\$	134,596.00
22	\$	43,610.00	\$	90,986 .00	\$	134,596.00
23	\$	43,610.00	\$	90,986.00	\$	134,596.00
24	\$ \$	43,610.00	\$	90,986.00	\$	134,596.00
25	Ş	43,610.00	\$	90,986.00	\$	134,596.00

3 - 6

Ē.

RECEIVED

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To Fargo

City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

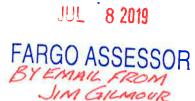
This application is a public record

Identification Of Project Operator

1.	Name of project operator of new or expanding business Tzadik Sioux Falls Portfolio III, LLC							
2.	Address of project 315 University Dr N							
	City Fargo	County Cass						
3.	Mailing address of project operator 11098 Biscayne Boulevard, Suite 203							
	City Miami	State <u>FL</u> Zip 33161						
4.	Type of ownership of projectPartnershipSubchapter S corCorporationCooperative	poration Individual proprietorship						
5.	Federal Identification No. or Social Security No.							
6.	North Dakota Sales and Use Tax Permit No. <u>N/A</u>							
7.	If a corporation, specify the state and date of incorporation DE, 3/12/2019							
8.	Name and title of individual to contact YueLing Lee, General Cousnel							
	Mailing address 11098 Biscayne Boulevard, Suite 203							
	City, State, ZipMiami, FL 33161	Phone No. (813)957-2394						

Project Operator's Application For Tax Incentives

9,	Indicate the tax incentives applied for and terms. Be specific.						
	Property Tax Exemption Number of years Percent of exemption	 ✓ Payments In Lieu of Taxes 2018 Beginning year 2038 Ending year Amount of annual payments (attach schedule if payments will vary) 					
10.	 A payments will vary) (hich of the following would better describe the project for which this application is being made: Image: Image: Im						



Description of Project Property 11. Legal description of project real property -PIN 01-2382-04450-000 Block 45, Roberts 2nd Addition 12. Will the project property be owned or leased by the project operator? Owned □ Leased If the answer to 12 is leased, will the benefit of any incentive granted accrue to the project operator? ☐ Yes 🗆 No If the property will be leased, attach a copy of the lease or other agreement establishing the project operator's benefits. 13. Will the project be located in a new structure or an existing facility? 🗆 New construction 📝 Existing facility If existing facility, when was it constructed? 1917 If new construction, complete the following: a. Estimated date of commencement of construction of the project covered by this application ______July 2017 b. Description of project to be constructed including size, type and quality of construction Renovation of existing Woodrow Wilson building into residential apartments c. Projected number of construction employees during the project construction n/a - already constructed 14. Approximate date of commencement of this project's operations July 2017 16. Estimate taxable valuation of the property eligible 15. Estimated market value of the property used for for exemption by multiplying the market values by this project: 5 percent: a. Land.....\$ 480,760 a. Land (not eligible) b. Existing buildings and b. Eligible existing buildings and structures for which an exempstructures.....\$ 244,998 tion is claimed......\$ 4,899,963 c. Newly constructed buildings c. Newly constructed buildings and structures when and structures when completed.....\$ completed\$ d. Total taxable valuation of property eligible for exemption d. Total......\$ 5,380,723 (Add lines b and c).....\$ 244,998 e. Enter the consolidated mill rate e. Machinery and equipment \$ 150,000 for the appropriate taxing district 280.60 f. Annual amount of the tax exemption (Line d multiplied by line e)\$ 70,160.13

Note: "proje include any	ect" means a n established pa	ewly estal rt of an e	blished busi kisting busin	ness or the exp less.	ansion portion o	f an existing bus	iness. Do not		
17. Type of	business to be	engaged in		processing		facturing] Retailing] Services		
be manu	Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary).								
19. Indicate	the type of ma	chinery an	d equipment	that will be ins	talled				
20. For the p new busi	project only, inc ness or the exp	licate the p pansion itse	projected ann elf for each y	uual revenue, ex year of the reque	pense, and net indested exemption.	come (before tax)	from either the		
Year (12				/Expansion 1 oject only <u>Year 2</u>	New/Expansion Project only <u>Year 3</u>	New/Expansion Project only <u>Year 4</u>	New/Expansion Project only <u>Year 5</u>		
Annual re				6,400	404,400	412,500	420,800		
Annual expense		94,000	95	,900	97,800	99,800	101,800		
Net incom		274,600		0,500	306,600	312,700	319,000		
	number and sal				project for the firs	t five years:			
# Current Positions	New Posit Under \$1	ions Ne	w Positions 3.01-\$15.00	New Positions \$15.01-\$20.00		New Positions \$28.01-\$35.00	New Positions Over \$35.00		
Year	Œ	efore proj	ect) <u>Ye</u>	ear 1 Ye	ear 2 Year	<u><u>3</u> <u>Year 4</u></u>	Year 5		
No. of Em	nployees ⁽¹⁾	n/a					<u></u>		
	(2)	V							
Estimated	payroll (1)	n/a							
(1) - full time (2) - part time	(2)		-:						

-3-

Previous Business Activity

25	ess Competition			
D				
	#22 This is a tra	sfer of an existing PILOT from DFI Woodrow Wilse	n LLC	
	additional sheets	fnecessary).		(
	If the answer to 2	2, 23, or 24 is yes, give details including locations, da	tes, and name of former business	(attach
24.	Has the project of	erator or any officers of the project received any prio	r property tax incentives?	7 No
1	∐ Yes	🛛 No		
23.	Has the project o	erator conducted this business at this or any other loo	cation either in or outside of the st	tate?
22.	Is the project ope	ator succeeding someone else in this or a similar bus	iness? 🔽 Yes	⊐No

Property Tax Liability Disclosure Statement

26,	Does the project of	perator own re	al property in N	orth Dakota which has delinquent property tax levied
	against it?	□ Yes	✓ No	bin Bakota which has definquent property tax levied

27. Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? □ Yes ☑ No

If the answer to 26 or 27 is Yes, list and explain

Use Only When Reapplying

28.	The project operato	is reapplying for property tax incentives for the following reason	(0):
		the internet was for the following reason	ISI"

To present additional facts or circumstances which were not presented at the time of the original application

- ☑ To request continuation of the present property tax incentives because the project has:
 - moved to a new location
 - had a change in project operation or additional capital investment of more than twenty percent
 - \square had a change in project operators
- □ To request an additional annual exemption for the year of ______ on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, <u>Adam Hendry</u>, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

Uan with as	Manager	7/8/2019
Signature	Title	Date

<u>Value</u>	\$	3,115,000.00	•	6,499,000.00	\$	9,614,000.00
<u>Taxes</u>	\$	43,610.000	\$	90,986.000	\$	134,596.00
¥						
Year		Existing Building		New Buiding		<u>TOTAL</u>
1	\$		\$	8 2 8	\$	
2	Ş	•	\$ \$		\$	ŝ
3	\$ \$ \$	-	\$		\$	
4	\$	8	\$		\$	-
5	\$		\$	140	\$	
6	\$		\$		\$	
7	\$		\$	3 9 .0	\$	Ξ.
8	\$		\$		\$	
9	\$	(a)	\$		\$	
10	\$	•	\$		\$	
11	\$ \$ \$ \$ \$ \$ \$	4,361.00	\$	9,098.60	\$	13,459.60
12	\$	4,361.00	\$	9,098.60	\$	13,459.60
13	\$ \$	4,361.00	\$	9,098.60	\$	13,459.60
14	\$	4,361.00	\$	9,098.60	\$	13,459.60
15	\$	4,361.00	\$	9,098.60	\$	13,459.60
1 6	\$	4,361.00	\$	9,098.60	\$	13,459.60
17	\$	6,541.50	\$	16,377.48	\$	22,918.98
18	\$	9,594.20	\$	24,566.22	\$	34,160.42
19	\$	13,083.00	\$	31,845.10	\$	44,928.10
20	\$ \$	16,135.70	\$	38,214.12	\$	54,349.82
					Ŧ	54,545.62
21	\$	43,610.00	\$	90,986.00	\$	134,596.00
22	\$	43,610.00	\$	90,986.00	\$	134,596.00
23	\$	43,610.00	\$	90,986.00	\$	134,596.00
24	\$	43,610.00	\$	90,986.00	\$	134,596.00
25	\$	43,610.00	\$	90,986.00	\$ \$	
	-	10/020.00	Ψ	20,200.00	7	134,596.00

8 . • : June 28, 2019

Jim Gilmour Director of Strategic Planning & Research City of Fargo 225 4th Street North Fargo, North Dakota 58102

Dear Mr. Gilmour:

Block 9 Partners, LLC has established new entities which will ultimately own the different units (retail, hotel, office, etc.) located in the overall project. In preparation for the eventual transfer of ownership from Block 9 Partners, LLC to these new entities we are requesting the transfer of the PILOT incentive originally approved by the City Commission on March 23, 2016.

Block 9 SOR, LLC will be the new entity owning the spec office portion of the project. We are requesting to transfer and assume the remainder of the already approved PILOT tax payment schedule as is allowed under section 40-57.1.06 of the ND Century Code: "option to make payments in lieu of taxes for the remainder of the exemption or payments in lieu of taxes period."

Please find the attached application, original tax schedule, and business incentive agreement requesting the remainder of the PILOT tax schedule transfer to Block 9 SOR, LLC the new operator of the spec office portion of this project.

Please let me know if there is any additional information needed.

Sincerely,

Bill Nielsen Director of Tax R.D. Offutt Company

BY Fage 39 FROM Jim Gilmace

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To City of Fargo

City or County

JUL 15 2019

RECEIVED

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1.	Name of project operator of new or expanding business Block 9 SRO, LLC					
2.	Address of project 215 Broadway N					
	City Fargo	(County Cass			
3.	Mailing address of project operator 21	0 Broadway, Suite 300				
	City <u>F</u>	argo	State ND Zip 58102			
4.	Type of ownership of projectPartnershipCorporation	Subchapter S corporation Cooperative	 ☐ Individual proprietorship ✓ Limited liability company 			
5.	Federal Identification No. or Social Sec	urity No. 83-1708716				
6.	North Dakota Sales and Use Tax Permit No. <u>n/a</u>					
7.	If a corporation, specify the state and da	ate of incorporation				
8.	Name and title of individual to contact	Bill Nielsen - Director of Ta	ax			
	Mailing address P.O. Box 7160					
	City, State, Zip Fargo, ND 58106-7160		Phone No701-551-5422			

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be s	pecific.			
	Property Tax Exemption		Payments In Lieu	u of Taxes	
	Number of years	2022	 Beginning year	2042	Ending year
	Percent of exemption		 Amount of annual if payments will v	the second se	(attach schedule
10.	Which of the following would better describe the proj	ect for v	h this application i Expansion of a ex	_	

Description of Project Property

Page 40

11.	Legal description of project real property	
	Lots 14-21, Block 9, Keeney & Devitts 1st Addition	
12.	Will the project property be owned or leased by the pr	oject operator? 🛛 Owned 🗌 Leased
	If the answer to 12 is leased, will the benefit of any in \Box Yes \Box No	centive granted accrue to the project operator?
	If the property will be leased, attach a copy of the lease benefits.	e or other agreement establishing the project operator's
13.	Will the project be located in a new structure or an exi	sting facility? 🖌 New construction 🗌 Existing facility
	If existing facility, when was it constructed?	
	If new construction, complete the following:	
	a. Estimated date of commencement of construction o	f the project covered by this application Fall 2018
	b. Description of project to be constructed including s Speculative Office Space within Block 9 Project	ize, type and quality of construction
	Overall Project: Hotel 47.320 SF (125 keys): Amer	nity - 19,820SF; Office - 103,025SF; Retail; 27,610SF
1.4	c. Projected number of construction employees during	
14. 	Approximate date of commencement of this project's of	pperations Fall 2020
15.	Estimated market value of the property used <u>for</u> this project:	16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:
	a. Land\$ 675,000	a. Land (not eligible)
	b. Existing buildings and structures for which an exemp-	b. Eligible existing buildings and structures\$ 0
	tion is claimed $\$ 0$	c. Newly constructed buildings
	c. Newly constructed buildings and structures when	and structures when completed\$ 39,500,000
	completed \$ <u>39,500,000</u>	d. Total taxable valuation of
	d. Total\$ 40,175,000	(Add lines b and c)\$ 39,500,000
	e. Machinery and equipment \$	e. Enter the consolidated mill rate for the appropriate taxing district
		f. Annual amount of the tax exemption (Line d multiplied by line e)\$ 626,707.00

Descr	iption of l	Project Bu	isiness						Page 41
No inc	te: "proje lude any e	ct" means established	a newly est d part of an	tablished I existing b	ousine	ess or the expa ess.	nsion portion of	an existing bus	iness. Do not
17.	Type of	business to) be engaged			ocessing esaling		facturing] Retailing] Services
18.	be manu	factured, p	produced, ass	sembled or	store	n by the project d (attach additi	operator, includi	ng a description essary).	of any products to
			ace within Blo			autt Company one	RDO Equiptment	Ca. hatal with 12	5
							lso construction se		
	redesign the existing plaza into a year round public gathering space.								
19.	Indicate	the type of	fmachinery	and equipr	nent t	hat will be inst	alled		
20.							pense, and net inc sted exemption.	come (before tax)) from either the
	Year (12	mo. perioc	New/Ex Project ds) <u>Yea</u>	only	Pro	/Expansion N ject only <u>Year 2</u>	lew/Expansion Project only <u>Year 3</u>	New/Expansion Project only <u>Year 4</u>	New/Expansion Project only <u>Year 5</u>
	Annual re	evenue	see PF	M	"bı	it for"	report		
	Annual e	xpense							
	Net incor	ne			-				
21.	Projected	number an	ıd salary of p	persons to	be em	ployed by the p	project for the first	st five years:	
Cu	rrent posit	ions & pos	sitions added	the initial	year	of project			
	# Current		Positions	New Positi		New Positions	New Positions	New Positions	New Positions
	Positions	Und	ler \$13.00	\$13.01-\$1	5.00	\$15.01-\$20.00	\$20.01-\$28.00	\$28.01-\$35.00	Over \$35.00
		-			,				
	Year		(Before p	project)	Ye	<u>ar 1</u> <u>Ye</u>	ar 2 Year	<u>Year</u>	Year 5
	No. of En	nployees	(1)						
			(2)		-			_	
	Estimated	l payroll	(1)						
			(2)						
· · ·	ull time art time								

22.	Is the project operator succeeding someone else in this or a similar business? \Box Yes \Box No						
23.	Has the project operation	or conducted this busines	ss at this or any other locat	tion either in or	outside of th	ne state?	
	🖌 Yes	🗀 No					
24.	24. Has the project operator or any officers of the project received any prior property tax incentives? 🛛 Yes 🗌 No						
	If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach						
	additional sheets if necessary).						
	Renaissance Zone - R.D. Offutt Company 2003 - 2008; Fort Noks, Inc. 2005 - 2010; Christi Offutt 2005 - 2010; McGovern 2013 - 2014;						
		4,					
Busine	ss Competition						
25.	Is any similar busines	s being conducted by oth	er operators in the municip	oality?	🗆 Yes	🗆 No	
	If YES, give name and	l location of competing b	usiness or businesses				

Property Tax Liability Disclosure Statement

26.	Does the project operator own real property in North Dakota which has delinquent property tax levied against it?
27.	Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property?
	If the answer to 26 or 27 is Yes, list and explain

Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition

Use Only When Reapplying

28.	The project operator is reapplying for property tax incentives for the following reason(s):				
	☐ To present additional facts or circumstances which were not presented at the time of the original application				
	□ To request continuation of the present property tax incentives because the project has:				
	moved to a new location				
	had a change in project operation or additional capital investment of more than twenty percent				
	✓ had a change in project operators				
	□ To request an additional annual exemption for the year of on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)				

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

Ι,

_, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

Block Nine, LLC PILOT Tax Schedule

<u>Value</u>	\$41,175,000
<u>Taxes</u>	\$626,707

<u>Year</u>	Payment Schedule	
1	\$.
2	\$	
3	\$. ()
4	\$	
5	\$.=:
6	\$	
7	\$	
8	\$	
9	\$	1.
10	\$	
11	\$: - :
12	\$	(a)
13	\$	3 8 0
14	\$	(m)
15	\$	
16	\$	(=);
17	\$	- -
18	\$	3.
19	\$	
20	\$	-

June 28, 2019

Jim Gilmour Director of Strategic Planning & Research City of Fargo 225 4th Street North Fargo, North Dakota 58102

Dear Mr. Gilmour:

Block 9 Partners, LLC has established new entities which will ultimately own the different units (retail, hotel, office, etc.) located in the overall project. In preparation for the eventual transfer of ownership from Block 9 Partners, LLC to these new entities we are requesting the transfer of the PILOT incentive originally approved by the City Commission on March 23, 2016.

Block 9 RDO, LLC will be the new entity owning the office portion of the project. We are requesting to transfer and assume the remainder of the already approved PILOT tax payment schedule as is allowed under section 40-57.1.06 of the ND Century Code: "option to make payments in lieu of taxes for the remainder of the exemption or payments in lieu of taxes period."

Please find the attached application, original tax schedule, and business incentive agreement requesting the remainder of the PILOT tax schedule transfer to Block 9 RDO, LLC the new operator of the office portion of this project.

Please let me know if there is any additional information needed.

Sincerely,

Bill Nielsen Director of Tax R.D. Offutt Company



FARGO ASSESSOR

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To City of Fargo

City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1.	Name of project operator of new or exp	oanding business Block 9 RDO,	LLC			
2.	Address of project 215 Broadway N					
	City Fargo	Coun	ty Cass			
3.	Mailing address of project operator 21	0 Broadway, Suite 300				
	City F	Fargo	State <u>ND</u> Zip <u>58102</u>			
4.	Type of ownership of projectImage: PartnershipImage: Corporation	Subchapter S corporation Cooperative	 ☐ Individual proprietorship ☑ Limited liability company 			
5.	5. Federal Identification No. or Social Security No. 83-1693855					
6.	5. North Dakota Sales and Use Tax Permit No. $\frac{n/a}{2}$					
7.	7. If a corporation, specify the state and date of incorporation					
8.	Name and title of individual to contact Bill Nielsen - Director of Tax					
	Mailing address P.O. Box 7160					
	City, State, Zip Fargo, ND 58106-7160 Phone No. 701-551-5422					

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be s	specific.	
	Property Tax Exemption	🗹 Payments In Lieu of Taxes	
	Number of years Percent of exemption	2022 Beginning year 2042 Ending year Amount of annual payments (attach schedule if payments will vary)	
10.	Which of the following would better describe the proj ☑ New business project	iject for which this application is being made:	

Description of Project Property

Page 46

11.					
	-Lots 14-21, Block 9, Keeney & Devitts 1st Addition				
12.	Will the project property be owned or leased by the project operator? V Owned Leased				
	If the answer to 12 is leased, will the benefit of any in \Box Yes \Box No	centive granted accrue to the project operator?			
	If the property will be leased, attach a copy of the lease benefits.	se or other agreement establishing the project operator's			
13.	Will the project be located in a new structure or an ex	isting facility? 🔽 New construction 📋 Existing facility			
	If existing facility, when was it constructed?				
	If new construction, complete the following:				
	a. Estimated date of commencement of construction c	of the project covered by this application Fall 2018			
	b. Description of project to be constructed including s Corporate headquarters for R.D. Offutt Company a				
	Overall Project: Hotel 47,320 SF (125 keys); Ame	nity - 19,820SF; Office - 103,025SF; Retail; 27,610SF			
	c. Projected number of construction employees during	the project construction 300			
14.	Approximate date of commencement of this project's	operations Fall 2020			
15.	Estimated market value of the property used <u>for</u> this project:	16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:			
	a. Land\$ 675,000	a. Land (not eligible)			
	b. Existing buildings and structures for which an exemp- tion is claimed	b. Eligible existing buildings and structures\$ 0			
	c. Newly constructed buildings and structures when completed\$ 39,500,000				
	completed\$ 39,500,000d. Total taxable valuation of property eligible for exemption (Add lines b and c)\$ 39,500,000				
	e. Machinery and equipment \$	e. Enter the consolidated mill rate for the appropriate taxing district			
		f. Annual amount of the tax exemption (Line d multiplied by line e)\$ 626,707.00			

Descr	iption of P	roj	ect Business							Pag	e 47
			means a newly es olished part of an				ansion p	oortion of	an existing bu	isiness. Do	not
17.	Type of t	ousi	ness to be engaged	din: □	Ag pro Whole	ocessing		□ Manuf □ Wareho	acturing ousing	□ Retaili☑ Service	t l
18.	be manuf	facti	letail the activities ured, produced, as	sembled c	or store	d (attach addit	ional sh			n of any pi	oducts to
			quarters for R.D. Of					7 1	Co. hotal with	126	77.000
			- Corporate headquare retail. In addition t								
			sting plaza into a ye								
19.	Indicate	the t	ype of machinery	and equip	oment t	hat will be ins	talled				
20.			ct only, indicate the or the expansion						ome (before ta	(x) from eit	ther the
	Year (12	mo.	Projec	kpansion et only <u>ar 1</u>	Pro	/Expansion ject only Year 2	New/Ex Projec <u>Ye</u> a	t only	New/Expansic Project only <u>Year 4</u>	Proj	Expansion ect only <u>Tear 5</u>
	Annual re	ever	nue see P	FM	"່bເ	ıt for"	report				
	Annual e	xpe	nse								
	Net incor	ne			·					-	
	5		ber and salary of				project	for the firs	t five years:		
	Frent posit		& positions adde	New Pos		New Position	s New	Positions	New Position	s New Pr	ositions
	Positions		Under \$13.00	\$13.01-\$		\$15.01-\$20.0		.01-\$28.00	\$28.01-\$35.0		\$35.00
	Year		(Before	project)	Ye	ear 1 Y	'ear 2	Year	<u>· 3 Yea</u>	<u>r 4</u>	Year 5
	No. of Er	nplo	oyees (1)								
			(2)								
	Estimated	d pa	yroll ⁽¹⁾								
			(2)								
	ull time part time										

22.	Is the project operator succeeding someone else in this or a similar business? \Box Yes \Box No
23.	Has the project operator conducted this business at this or any other location either in or outside of the state?
	Yes 🗆 No
24.	Has the project operator or any officers of the project received any prior property tax incentives? 🗹 Yes 🗆 No
	If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach
	additional sheets if necessary).
	Renaissance Zone - R.D. Offutt Company 2003 - 2008; Fort Noks, Inc. 2005 - 2010; Christi Offutt 2005 - 2010;
	McGovern 2013 - 2014;
Busine	ss Competition
25.	Is any similar business being conducted by other operators in the municipality? \Box Yes \Box No
	If YES, give name and location of competing business or businesses
	Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition

Property Tax Liability Disclosure Statement

26.	Does the project operator own real property in North Dakota which has delinquent property tax levied against it? Yes No
27.	Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? Yes No
	If the answer to 26 or 27 is Yes, list and explain

Use Only When Reapplying

28. The project operator is reapplying for property tax incentives for the following reason(s):			
☐ To present additional facts or circumstances which were not presented at the time of the original application			
□ To request continuation of the present property tax incentives because the project has:			
\square moved to a new location			
had a change in project operation or additional capital investment of more than twenty percent			
\checkmark had a change in project operators			
To request an additional annual exemption for the year of on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)			
Notice to Competitors of Hearing			

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, _, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

Block Nine, LLC PILOT Tax Schedule

<u>Value</u>	\$41,175,000
<u>Taxes</u>	\$626,707

Year	Payment Sch	edule
1	\$	÷.
2	\$	
3	\$	
4	\$	
5	\$	
6	\$	
7	\$	
8	\$	
9	\$.
10	\$	
11	\$	1977.
12	\$	-
13	\$	-
14	\$	-
15	\$	()
16	\$	÷.,
17	\$	-
18	\$	-
19	\$	1 2 3
20	\$	14 0
		1



Kilbourne Group 210 Broadway, Suite 300 Fargo, ND 58102 p: (701) 237-2279 e: info@kilbournegroup.com www.kilbournegroup.com

July 1, 2019

Jim Gilmour Director of Strategic Planning & Research City of Fargo 225 4th Street North Fargo, North Dakota 58102

Dear Mr. Gilmour:

Block 9, LLC has established new entities which will ultimately own the different condo units (retail, hotel, office, etc.) located in the overall project. In preparation for the eventual transfer of ownership from Block 9, LLC to these new entities we are requesting the transfer of the PILOT incentive originally approved by the City Commission on March 23, 2016.

DFI Block 9 Retail, LLC will be the new entity owning the retail portion of the project. We are requesting to transfer and assume the remainder of the already approved PILOT tax payment schedule as is allowed under section 40-57.1.06 of the ND Century Code: "option to make payments in lieu of taxes for the remainder of the exemption or payments in lieu of taxes period."

Please find the attached application, original tax schedule, and business incentive agreement requesting the remainder of the PILOT tax schedule transfer to DFI Block 9 Retail, LLC the new operator of the plaza portion of this project.

Please let me know if there is any additional information needed.

Sincerely,

Mann

Mike Allmendinger President



Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

FARGO ASSESSOR

JUL 15 2019

Project Operator's Application To City of Fargo

City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1.	Name of project operator of new o	expanding business DFI Block 9 Retail	LLC		
2.	Address of project 215 Broadway N	ſ			
	City Fargo	County Cass			
3.	Mailing address of project operator	210 Broadway, Suite 300			
	C	ty Fargo Sta	ate <u>ND</u> Zip 58102		
4.	Type of ownership of project Partnership Corporation 	 Subchapter S corporation Cooperative 	 Individual proprietorship Limited liability company 		
5.	5. Federal Identification No. or Social Security No. 83-0984554				
6.	5. North Dakota Sales and Use Tax Permit No. <u>n/a</u>				
7.	7. If a corporation, specify the state and date of incorporation North Dakota - March 29, 2018				
8.	Name and title of individual to contact Michael Allmendinger				
	Mailing address 210 Broadway, Su	ite 300			
	City, State, Zip Fargo, ND 58103		Phone No701.237.2279		

Project Operator's Application For Tax Incentives

9.	. Indicate the tax incentives applied for and terms. Be specific.		
	Property Tax Exemption	Ø	Payments In Lieu of Taxes
	Number of years	2022	Beginning year <u>2042</u> Ending year
	Percent of exemption		Amount of annual payments (attach schedule if payments will vary)
10. Which of the following would better describe the project for which this application is being made:			
	🗹 New business project		Expansion of a existing business project

Page 52

10000

Description of Project Property

	Legal description of project real property Lots 14-21, Block 9, Keeney & Devitts 1st Addition		
12.	Will the project property be owned or leased by the pr	oject operator? 🛛 Owned 🗖 Leased	
	If the answer to 12 is leased, will the benefit of any ind Yes No If the property will be leased, attach a copy of the leas benefits.	centive granted accrue to the project operator? e or other agreement establishing the project operator's	
13.	Will the project be located in a new structure or an exi	sting facility? 🛛 New construction 🛛 Existing facility	
	If existing facility, when was it constructed?		
	If new construction, complete the following:		
	a. Estimated date of commencement of construction of	f the project covered by this application Fall 2018	
	b. Description of project to be constructed including si 27,610SF of ground floor retail located within the H		
	Overall Project: Hotel 47,320 SF (125 keys); Amer	nity - 19,820SF; Office - 103,025SF; Retail; 27,610SF	
	c. Projected number of construction employees during the project construction 300		
14.			
15.	Estimated market value of the property used <u>for</u> this project: a. Land\$ 675,000 b. Existing buildings and structures for which an exemp- tion is claimed\$ 0 c. Newly constructed buildings and structures when completed\$ 39,500,000 d. Total\$ 40,175,000 e. Machinery and equipment\$	 16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent: a. Land (not eligible) b. Eligible existing buildings and structures c. Newly constructed buildings and structures when completed d. Total taxable valuation of property eligible for exemption (Add lines b and c) e. Enter the consolidated mill rate for the appropriate taxing district d. Annual amount of the tax 	
		exemption (Line d multiplied by line e)\$ 626,707.00	

Page 53

Description of Project Business				
Note: "project" means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.				
17. Type of business to be engaged in	: 🔲 Ag processin 🗋 Wholesaling	g 🗋 Manu 🗋 Ware	ufacturing 🗖 housing 🛛	Retailing Services
 Describe in detail the activities to be manufactured, produced, assen Ground floor will house 27,000 SE of r Overall project - Corporate headquarter project will also construction seven cor gathering space. 	abled or stored (attac new retail rs for RDO Equiptmen	ch additional sheets if ne	cessary).	lication, the
19. Indicate the type of machinery and	d equipment that wil	l be installed		
20. For the project only, indicate the project only indicate the proje				
New/Expan Project of Year (12 mo. periods) <u>Year 1</u>	nly Project or		New/Expansion Project only <u>Year 4</u>	New/Expansion Project only <u>Year 5</u>
Annual revenue see PFM	"but for"	report		
Annual expense				
Net income				
21. Projected number and salary of per	sons to be employed	d by the project for the fi	rst five years:	
Current positions & positions added the	he initial year of pro	ject		
# Current New Positions N	ew Positions New	Positions New Position 01-\$20.00 \$20.01-\$28.0		New Positions Over \$35.00
	×			
Year (Before pro	ject) Year 1	Year 2 Year 2	ar <u>3</u> Year 4	Year 5
No. of Employees (1)				
(2)				
Estimated payroll (1)				
(2)				
(1) - full time (2) - part time		· · · · · · · · · · · · · · · · · · ·		

.

Previous Business Activity

2 2.	Is the project operator succeeding someone else in this or a similar business?	🗆 Yes	⊘ No
23.	Has the project operator conducted this business at this or any other location either in or	outside of t	he state?
	🗆 Yes 🛛 No		
24.	Has the project operator or any officers of the project received any prior property tax inc	entives? 🖌	Yes 🗆 No
	If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of	former busi	ness (attach
	additional sheets if necessary). RZ: DFI Loudon 2015; DFI St Marks 2015; DFI 1213 2016; DFI BE (123 Broadway) 2016; DFI DFI BA (113 BW) 2020; DFI BC (119 BW) 2020	Roberts 201	7;;
	DFI RZ/PILOT: DFI Woodrow 2016; DFI Black 2020; Block 9 Partners 2021		
Busine	ess Competition		
25.	Is any similar business being conducted by other operators in the municipality?	🗹 Yes	🗆 No
	If YES, give name and location of competing business or businesses		
	Leased retail space in the City of Farge and Renaissance Zone		c
	Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Co	ompetition	100 %

Property Tax Liability Disclosure Statement

26.	Does the project operator own real property in North Dakota which has delinquent property tax levied against it? Yes No
27.	Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? Yes No
	If the answer to 26 or 27 is Yes, list and explain

Use Only When Reapplying

28	. The project operator is reapplying for property tax incentives for the following reason(s):	
	☐ To present additional facts or circumstances which were not presented at the time of the original application	
1	□ To request continuation of the present property tax incentives because the project has:	
	moved to a new location	
	had a change in project operation or additional capital investment of more than twenty percent	
ł	✓ had a change in project operators	
	To request an additional annual exemption for the year of on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57,1-04.1)	
Noti	ce to Competitors of Hearing	

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, Michael Allmendinger

_, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

-4-

unna Signature

President

Block Nine, LLC PILOT Tax Schedule

<u>Value</u>	\$41,175,000
<u>Taxes</u>	\$626,707

<u>Year</u>	Payment Sch	Payment Schedule	
1	\$		
2	\$		
3	\$		
4	\$		
5	\$		
6	\$		
7	\$		
8	\$		
9	\$		
10	\$		
11	\$	1	
12	\$	-	
13	\$		
14	\$	-	
15	\$	-	
16	\$		
17	\$	÷	
18	\$		
19	\$	•	
20	\$	1	



Kilbourne Group 210 Broadway, Suite 300 Fargo, ND 58102 p: (701) 237-2279 e: info@kilbournegroup.com www.kilbournegroup.com

July 1, 2019

Jim Gilmour Director of Strategic Planning & Research City of Fargo 225 4th Street North Fargo, North Dakota 58102

Dear Mr. Gilmour:

Block 9, LLC has established new entities which will ultimately own the different condo units (retail, hotel, office, etc.) located in the overall project. In preparation for the eventual transfer of ownership from Block 9, LLC to these new entities we are requesting the transfer of the PILOT incentive originally approved by the City Commission on March 23, 2016.

Block 9 Hotel, LLC will be the new entity owning the hotel condo of the project. We are requesting to transfer and assume the remainder of the already approved PILOT tax payment schedule as is allowed under section 40-57.1.06 of the ND Century Code: "option to make payments in lieu of taxes for the remainder of the exemption or payments in lieu of taxes period."

Please find the attached application, original tax schedule, and business incentive agreement requesting the remainder of the PILOT tax schedule transfer to Block 9 Hotel, LLC the new operator of the hotel portion of this project.

Please let me know if there is any additional information needed.

Sincerely,

unn

Mike Allmendinger President



JUL 15 2019

FARGO ASSESSOR

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To City of Fargo

City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1.	Name of project operator of new or	expanding business Block 9 Hotel LLC	
2.	Address of project 215 Broadway N		
	City Fargo	County Case	5
3.	Mailing address of project operator	210 Broadway, Suite 300	
	Cit	y Fargo State	ND Zip 58102
4.	Type of ownership of project Partnership Corporation	 Subchapter S corporation Cooperative 	 Individual proprietorship Limited liability company
5.	5. Federal Identification No. or Social Security No. 83-0754142		
6.	North Dakota Sales and Use Tax Pe	rmit No. n/a	
7.	If a corporation, specify the state an	d date of incorporation Delaware / May 10	, 2018
8.	Name and title of individual to cont	act Michael Allmendinger	
	Mailing address 210 Broadway, Suit	e 300	
	City, State, Zip Fargo, ND 58103		Phone No Phone No

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.		
	Property Tax Exemption	Ń	Payments In Lieu of Taxes
	Number of years	2022	Beginning year 2042 Ending year
	Percent of exemption		Amount of annual payments (attach schedule if payments will vary)
10.	0. Which of the following would better describe the project for which this application is being made:		

Page 58

.....

į,

Description of Project Property

11.	Legal description of project real property Lots 14-21, Block 9, Keeney & Devitts 1st Addition		
1	and the second		
12.	Will the project property be owned or leased by the pr	oject operator? 🛛 Owned 🗖 Leased	
	If the answer to 12 is leased, will the benefit of any ind \Box Yes \Box No If the property will be leased, attach a copy of the lease benefits.	centive granted accrue to the project operator? e or other agreement establishing the project operator's	
13.	Will the project be located in a new structure or an exi	sting facility? 🛛 New construction 📋 Existing facility	
	If existing facility, when was it constructed?		
	If new construction, complete the following:		
	a. Estimated date of commencement of construction of	f the project covered by this applicationFall 2018	
	b. Description of project to be constructed including si 125 Room Hotel Part of Block 9 Project	ze, type and quality of construction	
	Overall Project: Hotel 47,320 SF (125 keys): Amer	nity - 19,820SF; Office - 103,025SF; Retail; 27,610SF	
14	c. Projected number of construction employees during the project construction <u>300</u>		
14,	4. Approximate date of commencement of this project's operations Fall 2020		
15.	Estimated market value of the property used for this project:	 16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent: 	
	a. Land\$ 675,000	a. Land (not eligible)	
	 b. Existing buildings and structures for which an exemption is claimed\$ 0 	 b. Eligible existing buildings and structures\$ 0 c. Newly constructed buildings 	
	c. Newly constructed buildings and structures when completed\$ 39,500,000	and structures when completed\$ 39,500,000 d. Total taxable valuation of	
	d. Total\$_40,175,000	property eligible for exemption (Add lines b and c)\$ 39,500,000	
	e. Machinery and equipment \$	e. Enter the consolidated mill rate for the appropriate taxing district	
		f. Annual amount of the tax exemption (Line d multiplied by line e)\$ 626,707.00	

Page 59

Description of Project business
Note: "project" means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.
17. Type of business to be engaged in: □ Ag processing □ Manufacturing □ Retailing □ Wholesaling □ Warehousing ☑ Services
 Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary).
125 Room Hotel part of the Block 9 Project
Overall project - Corporate headquarters for RDO Equiptment, hotel with 125 rooms, 27,000 SF ground floor retail. In addition to this application, the project will also construction seven condos, a parking garage, and redesign the existing plaza
into a year round public gathering space.
19. Indicate the type of machinery and equipment that will be installed
20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption.
New/Expansion New/Expansion New/Expansion New/Expansion New/Expansion Project only Project only Project only Project only Project only Year (12 mo. periods) Year 1 Year 2 Year 3 Year 4 Year 5
Annual revenue see PFM "but for" report
Annual expense
Net income
21. Projected number and salary of persons to be employed by the project for the first five years:
Current positions & positions added the initial year of project
Current PositionsNew Positions \$13.01-\$15.00New Positions \$15.01-\$20.00New Positions \$20.01-\$28.00New Positions \$28.01-\$35.00New Positions Over \$35.00
Year (Before project) Year 1 Year 2 Year 3 Year 4 Year 5
No. of Employees ⁽¹⁾
(2)
Estimated payroll (1)
(2)
(1) - full time (2) - part time

-

...

C D ... to of Density

Previous Business Activity

22.	Is the project operator succeeding someone else in this or a similar business? \Box Yes \Box No				
23.	Has the project operator conducted this business at this or any other location either in or outside of the state?				
	🗆 Yes 🛛 😰 No				
24.	Has the project operator or any officers of the project received any prior property tax incentives? 🛛 Yes 🗌 No				
	If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach				
	additional sheets if necessary). RZ: DFI Loudon 2015; DFI St Marks 2015; DFI 1213 2016; DFI BE (123 Broadway) 2016; DFI Roberts 2017; ; DFI BA (113 BW) 2020; DFI BC (119 BW) 2020 DFI RZ/PILOT: DFI Woodrow 2016; DFI Black 2020; Block 9 Partners 2021				
Business Competition					
25.	Is any similar business being conducted by other operators in the municipality? \square Yes \square No				
25.	Is any similar business being conducted by other operators in the municipality? Ves INO If YES, give name and location of competing business or businesses				
25.					
25.	If YES, give name and location of competing business or businesses				
	If YES, give name and location of competing business or businesses Hotels in the City of Fargo				
	If YES, give name and location of competing business or businesses Hotels in the City of Fargo Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition 100%				

against any of its North Dakota real property?] Yes	No 🖸
--	-------	------

If the answer to 26 or 27 is Yes, list and explain

Use Only When Reapplying

28.	8. The project operator is reapplying for property tax incentives for the following reason(s):			
	☐ To present additional facts or circumstances which were not presented at the time of the original application			
	□ To request continuation of the present property tax incentives because the project has:			
	\square moved to a new location			
	had a change in project operation or additional capital investment of more than twenty percent			
	☑ had a change in project operators			
To request an additional annual exemption for the year of on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)				

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, <u>Michael Allmendinger</u>, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

-4-

mm Signature

President

Block Nine, LLC PILOT Tax Schedule

<u>Value</u>	\$41,175,000
<u>Taxes</u>	\$626,707

Year Payment Schedule

1	\$ *
2	\$ -
3	\$
4	\$ -
5	\$ -
6	\$ -
7	\$ -
8	\$ -
9	\$ -
10	\$ -
11	\$ -
12	\$
13	\$ -
14	\$ 8
15	\$ <u>1</u>
16	\$ -
17	\$ -
18	\$ ÷
19	\$
20	\$ -