

EDIC MEETING
Tuesday, May, 27– 1:00 p.m.
City Commission Chambers, Fargo City Hall

AGENDA

- 1. Approve EDIC Meeting Minutes of 2/25/2025**
 - a. February 25, 2025 [Page 1-2]
- 2. Application from Bert's Trucking for 5-year exemption [Page 3 -14]**
- 3. Application from Corvent for 5-year exemption [Page 15 - 24]**
- 4. Roers request for property tax incentive for 45th Street Business Center [Page 25 - 36]**
- 5. Report on status of PILOT and TIF Incentives [Page 37 - 45]**

ECONOMIC AND DEVELOPMENT INCENTIVE COMMITTEE
Fargo, North Dakota

Regular Meeting

Tuesday, February 25, 2025

The February meeting of the Economic and Development Incentive Committee of the City of Fargo, North Dakota was held in the City Commission Room at City Hall at 1:00 p.m., Tuesday, February 25, 2025.

The committee members present or absent are:

Members Present: Dave Piepkorn, Mayor Mahoney, Erik Barner, Lucas Paper, Matt Schlenvogt, John Cosgriff, and Robert Wilson.

Others Present: Jim Gilmour, Jackie Gapp, Michael Splonskowski

Others Absent: Levi Bachmeier

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

Minutes Approved

A motion was made by John Cosgriff to approve the minutes from July 23, 2024. Matt Schlenvogt seconded. Motion carries.

Lennon TIF Request

- 220 6th Avenue North. Two apartment buildings to be removed and replaced with a 22-unit apartment building.
- Requesting an additional 5-year Renaissance Property Tax Exemption for \$487,304.
- Request has also been reviewed by PFM. PFM concludes that this project would not be feasible without public assistance.
- The Renaissance Zone Authority will review TIF next week

A motion was made by Lucas Piper to approve additional 5-year Renaissance Property Tax Exemption. Matt Schlenvogt seconded. Motion carries.

Skyline TIF Request

- 1100 block of 18th Street North
- Requesting a 15-year property tax exemption. 100% for 5 years, 75% for 5 years and 50% for 5 years.
- Redeveloping 7 residential buildings that have been demolished and replacing with a new apartment building.
- Construction will begin in April 2025 and be completed in June 2026.
- Apartment building will have 88 units with 60 parking stalls underneath the building and 48 stalls outside.
- Request has also been reviewed by PFM. PFM concludes that this project would not be feasible without public assistance.

A motion was made by Matt Schlenvogt to approve additional 15-year property tax exemption. John Cosgriff seconded. Motion carries.

Convention Center Incentives

- Will be owned by the City of Fargo
- \$40 million to build
- Traditional TIF district
- Open ended RFP's will be sent out and the committee will look and them then eventually have a finalist
- TIF's
 - Convention center would be publicly owned and would not pay property taxes
 - Hotel, restaurants, parking lot and all private development would possibly be eligible for a TIF. Just depending on the site.
- Meeting weekly regarding the convention center. 1:00 pm on Fridays at the Fargo City Hall.
- Tracking of incentives. Software is now in place to track incentives and surveys have been sent out.

The meeting was adjourned at 1:47 pm.

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 Bert's Truck Equipment of Moorhead, Inc.
2. Address of project 2601 3rd Ave N
City Fargo County Cass
3. Mailing address of project operator PO Box 336
City Moorhead State MN Zip 56561
4. Type of ownership of project
☐ Partnership ☐ Subchapter S corporation ☐ Individual proprietorship
☐ Corporation ☐ Cooperative ☐ Limited liability company
5. Federal Identification No. or Social Security No. [REDACTED]
6. North Dakota Sales and Use Tax Permit No. [REDACTED]
7. If a corporation, specify the state and date of incorporation Minnesota, 10/04/1990
8. Name and title of individual to contact Jeremy Gregoire
Mailing address PO Box 336
City, State, Zip Moorhead, MN 56561-0336 Phone No. 218-233-8681

Project Operator's Application For Tax Incentives

9. Indicate the tax incentives applied for and terms. Be specific.

<input type="checkbox"/> Property Tax Exemption <u>5</u> Number of years <u>100</u> Percent of exemption	<input type="checkbox"/> Payments In Lieu of Taxes Beginning year _____ Ending year _____ 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

Description of Project Property

11. Legal description of project real property

SEE ATTACHED12. 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 facilityIf existing facility, when was it constructed? 1971

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application _____

b. Description of project to be constructed including size, type and quality of construction

c. Projected number of construction employees during the project construction _____

14. Approximate date of commencement of this project's operations 07/01/202515. Estimated market value of the property used for
this project:a. Land..... \$ 486000.00b. Existing buildings and
structures for which an exemp-
tion is claimed..... \$ 3252100.00c. Newly constructed buildings
and structures when
completed \$ 0.00d. Total..... \$ 3738100.00e. Machinery and equipment \$ 500000.0016. 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..... \$ 162605.00c. Newly constructed buildings
and structures when
completed..... \$ 0.00d. Total taxable valuation of
property eligible for exemption
(Add lines b and c)..... \$ 162605.00e. Enter the consolidated mill rate
for the appropriate taxing
district 298.18f. Annual amount of the tax
exemption (Line d multiplied
by line e) \$ 48,485.56

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

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).

We manufacture and assemble snow plow trucks to clear all of the public and private roads. Customers (ND DOT, MN DOT, all cities, counties, townships and private parties) bring in a cab chassis for Bert's to add warning lights, hydraulics, electrical components, snow plows, dump bodies, snading units, brine tanks, rear hitches for towing, cameras and all fo the controls in the cab to operate the equipment Bert's adds to the cab chassis to make it a complete turnkey snowplow truck.

19. Indicate the type of machinery and equipment that will be installed

hoists, lifts, air hoses, beams in ceiling, overhead crane, paint booth, office updates, electrical updates, exterior building improvements and parking lot work.

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 Project only Year 1	New/Expansion Project only Year 2	New/Expansion Project only Year 3	New/Expansion Project only Year 4	New/Expansion Project only Year 5
Year (12 mo. periods)					
Annual revenue	SEE	ATTACHE			
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 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
45					10	8

Year	(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1) 41	18	21	24	27	30
	(2) 4	0	0	0	0	0
Estimated payroll	(1) 3622539	1343680	1574560	1805440	2036320	2267200
	(2) 54462	0	0	0	0	0

(1) - full time
(2) - part time

Previous Business Activity

22. 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 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).

~~Currently doing this type of work at our existing location at 3804 Hwy 75 N, Moorhead.~~

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

~~Northern Truck Equipment, 3475 38th St S, Fargo (10%)~~

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:
 - ☐ 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, Jeremy Gregoire, 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.


Signature

President/Owner
Title

4/17/2025
Date

Notice To Competitors Of Hearing On Application For Property Tax Incentives

Notice is hereby given that the _____
(City or county governing body)

of _____, North Dakota, will meet at _____
(City or county) (Time)

on _____ at _____ to consider the application of
(Date) (Location)

(Project operator name and address)

for property tax relief on the project which the applicant will use in the operation of

(Type of business)

at _____
(Address)

(Legal description)

Any competitor of that applicant may appear and be heard by the _____
(City or county governing body)

at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code § 40-57.1-03

Business Incentive Agreement

1. In fulfillment of the requirements of N.D.C.C. § 54-60.1-03, Grantor and Recipient enter into this Business Incentive Agreement.

Grantor

Name	City of Fargo
Address	225 4th Street North Fargo, ND 58102

Recipient

Name	Bert's Truck Equipment of Moorhead, Inc.		
Address	PO Box 336 Moorhead, MN 56561		
Contact Person	Jeremy Gregoire	E-mail Address	jeremy@bertsonline.com
Recipient Parent Company (If applicable)	Type text here		
Business Type (NAICS Code)	336211		
Location of Recipient Prior to Receiving Incentive (If different)			

2. Description of project.

We will be converting this current warehouse facility to a manufacturing facility to build snowplow trucks to clean all the public and private roads throughout the country. The building will need a paint booth added, overhead cranes, electrical upgrades, office upgrades as well as an exterior update.

3. Grantor(s) agrees to provide recipient with a business incentive described as follows:

3.a. Is this incentive tax increment financing? ☐ Yes X No

If yes, describe the type of district:

4. The business incentive will be provided on _____.
This date is the benefit date.

5. The public purpose(s) of the business incentive are:

- | | |
|--|--|
| <input type="checkbox"/> Assisting community development | <input type="checkbox"/> Increase tax base |
| X Directly create employment opportunities | X Indirectly increase employment opportunities |
| <input type="checkbox"/> Job retention | <input type="checkbox"/> Other _____ |

6. Value of Business Incentive:

\$ 242,427

7. Recipient currently employs 41 people, located in Moorhead, MN.

8. In return for the business incentive, Recipient shall, within two years create: 21
Number of full-time equivalent jobs

<u>33.00</u>	+	<u>13.20</u>	=	<u>46.20</u>
Average hourly wage		Benefits per hour value		Average hourly compensation

9. The Recipient shall continue operations in the jurisdiction in which the business incentive was issued for five years or more after the benefit date.

10. Recipient shall file a recipient report with the Grantor, as described in N.D.C.C. § 54-60.1-05 annually on or before March 1st of each year for two years, beginning in 2007, following the benefit date or until the goals of paragraph 8 are met, whichever is later.

10.a. Grantor shall mail the recipient a warning letter if no report is received by March 8th. Recipient shall file the progress report within 14 days of the postmarked date of the warning letter.

10.b. If a recipient report is not received within 14 days of the warning letter, Recipient agrees to pay to Grantor a \$100 penalty for each subsequent day until the report is filed. The maximum penalty under this section may not exceed \$1,000.

11. Recipient shall pay back the value of the incentive to the Grantor, prorated to reflect any partial fulfillment of the job and compensation goals, if, after two years, the job and compensation goals listed in paragraph 8 are not met.

- 11.a. Paragraph 11 does not apply if the job and compensation goals were not met as a result of an act of God or terrorism.
12. This business incentive agreement shall only be modified or extended by the Grantor pursuant to N.D.C.C. § 54-60.1-04.
13. If the terms of this business incentive agreement are not met, Recipient shall not receive a business incentive from any grantor for five years from the date of failure or until a recipient satisfies the repayment obligation.
14. The Recipient has disclosed, in attachment "A" of this agreement, all additional financial assistance received from state or political subdivision Grantors for this project since inception.
15. By signing this agreement, Recipient verifies that it has not failed to meet the terms of any business incentive agreement in the last five years.

Dated this _____ day of _____, 20____.

Grantor: _____ on behalf of _____

Dated this 17th day of April, 2025.

Recipient:  on behalf of Bert's Truck Equipment of Moorhead, Inc

Attachment "A"

Recipient has received the following additional financial assistance from state or political subdivision Grantors for this project since inception.

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Exemption Evaluation Calculator				164.8			160.3
Berts Truck Equipment				Points			Points
Project Type Code (Ctrl-C to view)			1	38.0		1	38.0
Current Number Of Employees	Year 1	45			Year 3	45	
Hourly Salary Without Benefits	# Jobs				# Jobs		
Under \$13.00							
\$13.01-\$15.00							
\$15.01-\$20.00							
\$20.01-\$28.00		Pts. For # Jobs->	24.0			Pts. For # Jobs->	24.0
\$28.01-\$35.00	10	Pts. For \$ Jobs->	52.8	16		Pts. For \$ Jobs->	48.3
Over \$35.00	8			8			
TOTAL # OF JOBS CREATED	18			24			
% GI w/ Local Competition (not downtown)		10%	15.0			10%	15.0
Value of Proposed Buildings		\$ 3,252,100	20.0			\$ 3,252,100	20.0
Downtown Location (Y/N)		N	0.0			N	0.0
Startup Firm (Y/N)		Y	15.0			Y	15.0
Has Const Started or Has Bldg Been Occupied If Existing (Y/N)		N	0.0			N	0.0
Number of Years (Exemption)		5				5	
Company Safety Experience Rating			0.0			0	0.0
RECOMMENDATION IS TO			APPROVE		APPROVE		
Description		Manufacturing			Manufacturing		
Estimated New Annual Payroll		\$1,264,640			\$1,664,000		
Estimated Annual Real Estate Tax		\$48,486			\$48,486		
Estimated PV of Exemption		\$209,917			\$209,917		
Payroll / PV of Exemption		6.0			7.9		
Property Value / # of Jobs		\$ 180,672			\$ 135,504		
Total Value Of Benefit		\$ 242,428			\$ 242,428		

20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from new business or the expansion itself for each year of the requested exemption.

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue	12000000	12600000	13230000	13891500	14586075
Annual expense	11280000	11844000	12436200	13058010	13710911
Net income	720000	756000	793800	833490	875164.5

Legal Description: Lot: 0 Block: 2 UNPLATTED S 355' OF UNPLATTED LAND IN SE 1/4 OF SEC 2-139-49 DESC AS FOLL: BEG AT A PT 601' S & 33' W OF NE1/4 OF SEC 2 THN S 706.2' TO A PT 50' N OF THE CNTR LN OF 3RD AVE N AS SHOW N ON THE PLAT OF TYLERS THN W PARA TO THE PRODUCED CTR LN A DIST OF 520' THN ALG A 29DG CURVE TO THE RT A DIST OF 273.37' THN N PARA TO THE SE E LN TO A PT 601' S OF THE N LN OF SD SE 1/4 THN E PARA T O THE N LN OF SD SE1/4 TO THE PT OF BEG, EXC THE F OLL DESC TRCT OF LAND: BEG AT THE PT OF INTERS OF

Street Address: 2601 3rd Avenue N., Fargo, ND 58102

Parcel #: 01-3500-00630-000

Application For Property Tax Incentives For New or Expanding Businesses

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

Project Operator's Application To _____
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 _____
2. Address of project _____
City _____ County _____
3. Mailing address of project operator _____
City _____ State _____ Zip _____
4. Type of ownership of project
☐ Partnership ☐ Subchapter S corporation ☐ Individual proprietorship
☐ Corporation ☐ Cooperative ☐ Limited liability company
5. Federal Identification No. or Social Security No. XXXXXXXXXX _____
6. North Dakota Sales and Use Tax Permit No. XXXXXXXXXX _____
7. If a corporation, specify the state and date of incorporation _____
8. Name and title of individual to contact _____
Mailing address _____
City, State, Zip _____ Phone No. _____

Project Operator's Application For Tax Incentives

9. Indicate the tax incentives applied for and terms. Be specific.

<input type="checkbox"/> Property Tax Exemption _____ Number of years _____ Percent of exemption	<input type="checkbox"/> Payments In Lieu of Taxes _____ Beginning year _____ Ending year _____ 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

Description of Project Property

11. Legal description of project real property

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? _____

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application _____

b. Description of project to be constructed including size, type and quality of construction

c. Projected number of construction employees during the project construction _____

14. Approximate date of commencement of this project's operations _____

15. Estimated market value of the property used for this project:

a. Land..... \$ _____

b. Existing buildings and structures for which an exemption is claimed..... \$ _____

c. Newly constructed buildings and structures when completed \$ _____

d. Total..... \$ _____

e. Machinery and equipment \$ 375,000 _____

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 _____

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ _____

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
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).
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 Project only Year 1	New/Expansion Project only Year 2	New/Expansion Project only Year 3	New/Expansion Project only Year 4	New/Expansion Project only Year 5
Year (12 mo. periods)					
Annual revenue					
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 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

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

PRIVACY ACT NOTIFICATION

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 40-57.1-03, 40-57.1-07, and 57-01-15, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

Certification of Governing Body (To be completed by the Auditor of the City or County)

The municipality shall, after granting any property tax incentives, certify the findings to the State Tax Commissioner and Director of Tax Equalization by submitting a copy of the project operator's application with the attachments. The governing body, on the _____ day of _____, 20____, granted the following:

☐ **Property Tax Exemption**

_____ Number of years

_____ Percent of exemption

☐ **Payments in lieu of taxes**

_____ Beginning year _____ Ending year

_____ Amount of annual payments (Attach schedule if payments will vary)

Auditor

Notice To Competitors Of Hearing On Application For Property Tax Incentives

Notice is hereby given that the _____
(City or county governing body)

of _____, North Dakota, will meet at _____
(City or county) (Time)

on _____ at _____ to consider the application of
(Date) (Location)

(Project operator name and address)

for property tax relief on the project which the applicant will use in the operation of

(Type of business)

at _____
(Address)

(Legal description)

Any competitor of that applicant may appear and be heard by the _____
(City or county governing body)

at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code § 40-57.1-03

Business Incentive Agreement

1. In fulfillment of the requirements of N.D.C.C. § 54-60.1-03, Grantor and Recipient enter into this Business Incentive Agreement.

Grantor

Name	City of Fargo
Address	225 4th Street North Fargo, ND 58102

Recipient

Name	Corvent Medical Inc.		
Address	4837 Amber Valley Pkwy S, Fargo, ND 58104		
Contact Person	Travis Murphy	E-mail Address	tmurphy@corventmedical.com
Recipient Parent Company (If applicable)			
Business Type (NAICS Code)	339112		
Location of Recipient Prior to Receiving Incentive (If different)			

2. Description of project.

Expanding into new space will allow Company to utilize existing space to increase production capacity, with expansion space allowing for increased storage capacity of raw materials and finished goods to meet projected forecast as well as additional space for incoming inspection, final product testing and logistics. The expansion space will also provide cleaning area capabilities to clean components and returned product from the field.

3. Grantor(s) agrees to provide recipient with a business incentive described as follows:

3.a. Is this incentive tax increment financing? ☐ Yes X No

If yes, describe the type of district:

4. The business incentive will be provided on _____.
This date is the benefit date.

5. The public purpose(s) of the business incentive are:

☐ Assisting community development

☐ Increase tax base

X Directly create employment opportunities

X Indirectly increase employment opportunities

☐ Job retention

X Other __Diversify Fargo's Economic Base__

6. Value of Business Incentive:

\$ 57,233

7. Recipient currently employs 52 people, located in Fargo, ND

_____.

8. In return for the business incentive, Recipient shall, within two years create: ¹² Number of full-time equivalent jobs

<u>39.75</u>	+	<u>7.15</u>	=	<u>46.90</u>
Average hourly wage		Benefits per hour value		Average hourly compensation

9. The Recipient shall continue operations in the jurisdiction in which the business incentive was issued for five years or more after the benefit date.

10. Recipient shall file a recipient report with the Grantor, as described in N.D.C.C. § 54-60.1-05 annually on or before March 1st of each year for two years, beginning in 2007, following the benefit date or until the goals of paragraph 8 are met, whichever is later.

10.a. Grantor shall mail the recipient a warning letter if no report is received by March 8th. Recipient shall file the progress report within 14 days of the postmarked date of the warning letter.

10.b. If a recipient report is not received within 14 days of the warning letter, Recipient agrees to pay to Grantor a \$100 penalty for each subsequent day until the report is filed. The maximum penalty under this section may not exceed \$1,000.

11. Recipient shall pay back the value of the incentive to the Grantor, prorated to reflect any partial fulfillment of the job and compensation goals, if, after two years, the job and compensation goals listed in paragraph 8 are not met.

11.a. Paragraph 11 does not apply if the job and compensation goals were not met as a result of an act of God or terrorism.

1 2 . This business incentive agreement shall only be modified or extended by the Grantor pursuant to N.D.C.C. § 54-60.1-04.

1 3 . If the terms of this business incentive agreement are not met, Recipient shall not receive a business incentive from any grantor for five years from the date of failure or until a recipient satisfies the repayment obligation.

1 4 . The Recipient has disclosed, in attachment "A" of this agreement, all additional financial assistance received from state or political subdivision Grantors for this project since inception.

1 5 . By signing this agreement, Recipient verifies that it has not failed to meet the terms of any business incentive agreement in the last five years.

Dated this _____ day of _____, 20____.

Grantor: _____ on behalf of _____

Dated this __16th__ day of __May_____, 2025__.

Recipient: Travis Murphy _____ on behalf of CorVent Medical, Inc.

Attachment “A”

Recipient has received the following additional financial assistance from state or political subdivision Grantors for this project since inception.

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date


Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Exemption Evaluation Calculator			145.2			158.0
Corvent Medical			<u>Points</u>			<u>Points</u>
Project Type Code (Ctrl-C to view)			1		1	38.0
Current Number Of Employees	Year 1	52		Year 3	52	
Hourly Salary Without Benefits	# Jobs			# Jobs		
Under \$13.00						
\$13.01-\$15.00						
\$15.01-\$20.00						
\$20.01-\$28.00		Pts. For # Jobs->	10.0		Pts. For # Jobs->	25.0
\$28.01-\$35.00	4	Pts. For \$ Jobs->	57.2	10	Pts. For \$ Jobs->	55.0
Over \$35.00	5			10		
TOTAL # OF JOBS CREATED	9			20		
% GI w/ Local Competition (not downtown)			25.0		0%	25.0
Value of Proposed Buildings	\$	837,000	15.0		\$	837,000
Downtown Location (Y/N)		N	0.0			N
Startup Firm (Y/N)		N	0.0			N
Has Const Started or Has Bldg Been Occupied If Existing (Y/N)		N	0.0			N
Number of Years (Exemption)		5			5	
Company Safety Experience Rating			0.0		0	0.0
RECOMMENDATION IS TO			APPROVE		APPROVE	
Description	Manufacturing				Manufacturing	
Estimated New Annual Payroll	\$640,640				\$1,414,400	
Estimated Annual Real Estate Tax	\$12,479				\$12,479	
Estimated PV of Exemption	\$54,027				\$54,027	
Payroll / PV of Exemption	11.9				26.2	
Property Value / # of Jobs	\$	93,000			\$	41,850
Total Value Of Benefit	\$	62,394			\$	62,394

MEMORANDUM

TO: Economic Development Incentive Committee

FROM: Jim Gilmour, Director of Strategic Planning and Research 

DATE: May 20, 2025

SUBJECT: Center for Innovation

Roers Development has prepared a concept for a Center for Innovation. The project would be a major renovation and addition to a commercial development on 45th Street.

The developer will be requesting property tax incentives for the project. The City of Fargo Economic Development Incentives does not address this type of development. The item is on your agenda to discuss the concept and if current policy should be amended to consider property tax incentives for this project.

Center of Innovation

BUSINESS PLAN 2.5

MAY 21

ROERS

Authored by: Shawn Kessel

Director of Business Development

Center of Innovation

Business Plan 2.5

The Center of Innovation is a groundbreaking live-work-play hub, seamlessly integrating cutting-edge business spaces, 225 modern apartments, premium amenities, and enclosed parking to create a thriving ecosystem for entrepreneurs, professionals, and forward-thinking investors.

This business plan is intended to be the source of information regarding the Center of Innovation project moving forward.

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Executive Summary

The **Center of Innovation** is designed to foster entrepreneurship, advance technology, and business development in a highly collaborative environment. This mixed-use development will provide co-working environments, private offices, event spaces, leased commercial space, residential units, and various business support services. The project is structured for long-term financial sustainability, generating revenue through memberships, office rentals, event hosting, naming rights, leased space, residential leasing, and additional service offerings.

The main building will encompass 200,000 square feet, with 155,000 square feet dedicated to leased commercial tenant space and 45,000 +/- square feet allocated to co-working areas. The co-working space will serve startups, mobile workers, established businesses, and entrepreneurs, while the leased commercial space is tailored to attract tech, ag-tech, and biotech companies, along with select legacy businesses. Additionally, an integrated apartment complex with 225 residential units will complement the Center of Innovation, providing convenient long and short-term housing for entrepreneurs, professionals, students and visitors. This mixed-use approach ensures a vibrant, live-work-play environment where residents and business tenants benefit from shared amenities, business services, and networking opportunities.

A 22,000-square-foot space on the first floor of the apartment complex and in between the Center of Innovation and the apartment complex will house key amenities, including a childcare center, fitness center and shared business services, catering to both residents, mobile and commercial tenants. The development also features enclosed parking, enhancing accessibility and convenience for tenants, members, and visitors.

The total revenue-generating space within the project will reach 222,000 square feet of commercial space, driving strong financial performance. The business plan projects sustainable growth over three years, targeting a 15% net profit annually, with 15% reinvested into business expansion to ensure continuous innovation and development.

"The Center of Innovation is a hub where ideas spark, collide, and ignite, fostering a dynamic environment where creativity flourishes and the boundaries of possibility are constantly pushed."

~Jim Roers

Business Objectives

- **Provide a dynamic workspace** that fosters innovation, entrepreneurship and business growth.

- **Generate diversified revenue streams** from memberships, office rentals, programming, leased space, and business services.
- **Achieve a 15% net profit margin** while reinvesting 15% into business improvements.
- **Attract a strong pipeline of tenants** by leveraging strategic partnerships and marketing efforts, allowing the coworking space to feed the Center of Innovation space.
- **Lease 155,000 sq. ft. of space** to early-stage tech, ag-tech, and biotech companies.
- **Lease 45,000 sq. ft. of space** to coworking spaces that promote entrepreneurship.
- **Lease 22,000 sq. ft. of space** to amenities driven, personal services to augment the customer/tenant experience.
- **Provide value-added services such as childcare and fitness center**, which cater to Center of Innovation tenants and apartment tenants.
- **Generate additional revenue** through facility naming and event space naming rights.
- **Maintain long-term sustainability** by leveraging tax credits, shared resources, and energy-efficient building solutions.

Facility Overview

- **Total Revenue Generating Commercial Space:** 222,000 sq. ft.
- **Office Co-Working Space Allocation (20,000 sq. ft.):**
 - Conference Rooms: 3 rooms (500 sq. ft. each) = 1,500; 1 dedicated solely to provider and 2 shared with Roers
 - Collaboration Rooms: 3 rooms (250 sq. ft. each) = 750; 1 dedicated solely to provider and 2 shared with Roers
 - Pod Cast studio: 1 room (100 sq. ft. each) = 100
 - *Event Space/s: 1 area, subdivisible (4,000 sq. ft.); shared space with provider and Roers*
- **Shared Co-Working Lab & R&D Space: 20,000 sq. ft.** for biotech/ag-tech tenant = 20,000
- **Shared Kitchen Space: 5,000 sq. ft.**
 - 2 Work spaces in the Kitchen Area
 - 2 Working spaces in the Prep Area
 - Client Storage
 - Events/Classes/Private Lessons
- **Leased Commercial Space Allocation (155,000 sq. ft.):**
 - Large Units (20,000 sq. ft.): 3 units for mid-sized businesses = 60,000
 - Medium Units (10,000 sq. ft.): 6 units for growing businesses = 60,000
 - Small Units (2,500 sq. ft.): 10 units for early-stage teams = 25,000
 - Common Areas & Amenities: 10,000 sq. ft. for shared bathrooms, hallways and loading dock space
- **Amenities driven/Personal Services Leased space (22,000 sq. ft.)**

- 3 units of fast food/fast casual restaurant/s (1,500 x 2 + 2,000 sq. ft.) = 5,000
- 2 units retail (2,500 sq. ft.) = 5,000
- 1 unit commercial (personal service) = 3,500
- Wellness/Fitness area = 6,000
- 1 unit (chiropractor) = 2,500

Concierge/Accelerator Services

Concierge Services

- Secure Storage \$15/mo.
- Notary service
- Wellness Center
- Professional Headshot
- Access to off-street parking
- Financial Advisory services
 - Banking, Budgeting creation, Debt management, Wealth management, etc.
- Accounting
 - Bookkeeping, auditing, tax,
- Legal Services
 - Intellectual property, Patent, Labor Law, Contract, Mergers/Acquisitions, etc.
- Human Resources
 - Talent acquisition, employee retention, training/development, compliance, etc.
- Business Advisory
 - Business strategy, Risk advisory, Business outsourcing, grant writing, etc.
- Marketing
 - Social media campaigns, search engine optimization, product promotion, etc.
- 3D Printing and copying
- Mailbox/Address \$25/mo.
- Childcare
- Rooftop Lounge
- Food/Catering
- Registered Agent

Revenue Model

1. Office Coworking Space (Annual Revenue: \$559,300 ave. per year net @ 10 years)

- Year 1 Net \$110,000 @ 50% occupancy
- Year 2 Net \$388,000 @ 79% occupancy
- Year 3 Net \$522,000 @ 85% occupancy
- Year 4 Net \$607,000 @ 85% occupancy

2. Shared Kitchen Space (Annual Revenue: \$282,810 ave. per year net @ 4 years)

- Kitchen area \$33.5 an hour
 - Year 1 Net (10 hours a day x 330 days x \$33.5) \$115,500/5,000= \$23.10sf
 - Year 2 Net (14 had x 335 days x \$34.51) \$161,852/5,000 = \$32.37sf

- Year 3 Net (18 had x 340 x \$35.55) $\$217,566/5,000 = \43.51
- Year 4 Net (22 had x 345 x \$36.61) $\$277,870/5,000 = \55.57
- Prep area \$23.50 an hour
 - Year 1 Net (10 had x 150 x \$23.50) $\$35,250/5,000 = \7.05
 - Year 2 Net (14 had x 155 x \$24.21) $\$52,536/5,000 = \10.51
 - Year 3 Net (18 had x 160 x \$24.93) $\$71,798/5,000 = \14.36
 - Year 4 Net (22 had x 175 x \$25.68) $\$98,868/5,000 = \19.77
- Ancillary Revenue Classes/Parties/Lessons \$25,000

3. Leased Commercial Space – Center of Innovation; \$19 psf x 155,000 sf = \$2,945,000

- Year 1 \$2,061,500 @ 70% occupancy
- Year 2 \$2,426,680 @ 80% occupancy + 3% escalator
- Year 3 \$3,124,800 @ 90% occupancy + 3% escalator

4. Shared Lab & R&D Space; \$20 psf x 20,000 sf = \$400,000

- Year 1 \$400,000
- Year 2 \$412,000 with 3% escalator
- Year 3 \$424,400 with 3% escalator

5. Leased Amenities/Personal Service Space; \$19 psf x 22,000 sf = \$418,000

- 3 units of fast food/fast casual (5,000 sq ft)
- 2 units office/retail (5,000 sq ft)
- Wellness/Fitness area (6,000 sq. ft.)
- 1 divisible unit (4,600 sq. ft.)
 - Year 1 \$292,600 @ 70% occupancy
 - Year 2 \$344,432 @ 80% occupancy + 3% escalator
 - Year 3 \$443,520 @ 90% occupancy + 3% escalator

6. Naming Rights Sponsorships; Annual Revenue: \$125,000

- Center of Innovation Naming Rights: \$100,000/5 years
- Event Space Naming Rights: \$25,000/2 years

7. Concierge Services; Annual Revenue: \$25,000

- Notary Services, Secure Storage, Printing, Consulting, Headshots, and Gym Memberships

8. Common Area Charges (CAM); \$6 psf x 210,000

- Discounted first year to 70%, second year 80% and third year 90%

Revenue	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Shared Kitchen	\$ 175,750.00	\$ 239,388.00	\$ 314,364.00
Office/coworking*	\$ 110,000.00	\$ 388,000.00	\$ 522,000.00
Events/mtg rooms	\$ 25,000.00	\$ 31,750.00	\$ 38,340.00
Commercial*	\$ 2,061,500.00	\$ 2,426,680.00	\$ 3,124,800.00
Shared Lab	\$ 400,000.00	\$ 412,000.00	\$ 424,400.00
Amenities/per service*	\$ 292,600.00	\$ 344,432.00	\$ 443,520.00

Naming	\$ 146,250.00	\$ 146,250.00	\$ 150,637.50
Concierge	\$ 25,000.00	\$ 25,750.00	\$ 26,522.00
CAM	\$ 1,001,700.00	\$ 1,144,800.00	\$ 1,287,900.00
Total	\$ 4,237,800.00	\$ 5,159,050.00	\$ 6,332,483.50

*Occupancy (where applicable) 70% 80% 90%

Expense Projections (including staffing plan)

Staffing Plan

The Center of Innovation will employ a mix of full-time and part-time staff to efficiently manage operations and tenant services.

<u>Job Title</u>	<u>Number of Employees</u>	<u>Employment Type</u>	<u>Wage per Employee</u>	<u>Total Annual Cost</u>
Community Coordinator	1	Full-Time	\$70,000	\$91,000
Administrative Assistant	1	Full-Time	\$52,000	\$67,600
Administrative Assistant	1	Part-Time	\$25,000	\$25,000
Interns	2	Part-Time	\$17,500	\$35,000
Front Desk Concierge	3	Part-Time	\$31,500	\$93,600

Total Staffing Costs: \$312,200

- Utilities: (\$1.47 sq. ft.)
- Maintenance & Cleaning: (\$1.45 sq. ft)
- Mechanical Maintenance (.40 sq. ft.)
- Miscellaneous: (\$5.36 sq. ft)
 - Marketing & Advertising
 - Technology & Software
 - General Admin & Supplies
 - Insurance & Legal
- \$8.68 sq ft x 225,000 = **\$1,953,000**

<u>Expense</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Staffing	\$ 312,200.00	\$ 324,688.00	\$ 337,675.52
Utils/Main/Mechanical/Misc	<u>\$ 1,953,000.00</u>	<u>\$ 2,050,650.00</u>	<u>\$ 2,153,182.50</u>
Total	\$ 2,265,200.00	\$ 2,375,338.00	\$ 2,490,858.02

Financial Projections (3 Years)

Revenue	\$ 4,237,800.00	\$ 5,159,050.00	\$ 6,332,483.50
Expenses	<u>\$ 2,265,200.00</u>	<u>\$ 2,375,338.00</u>	<u>\$ 2,490,858.02</u>
	\$ 1,972,600.00	\$ 2,783,712.00	\$ 3,841,625.48

Risk Mitigation Strategies

- **Capital Access & Grants:** Pursue tax credits, grants, and alternative funding sources.
- **Operational Cost Efficiency:** Implement shared amenities and technology solutions to keep overhead costs low.
- **Market Adaptability:** Flexible membership options and hybrid work solutions to align with changing business needs.
- **Tenant Acquisition Pipeline:** Structured vetting and onboarding process to attract high-value tenants.

Marketing Strategies

- **Digital Presence & Social Media**
 - Develop a user-friendly website with online booking and virtual tours
 - Social media campaigns showcasing tenant success stories and amenities
 - Paid online advertising targeting entrepreneurs and businesses
- **Community Engagement**
 - Host networking events, industry conferences, and training workshops
 - Partner with local business organizations and chambers of commerce
 - Offer referral incentives to current tenants
- **Strategic Partnerships**
 - Collaborate with corporate sponsors for branding and event sponsorships
 - Partner with fitness and wellness brands for exclusive services
 - Collaborate with schools and universities to attract young professionals
- **Direct Outreach & Sales**
 - Dedicated leasing team to engage potential tenants
 - Personalized tours and consultation services
 - Targeted email marketing campaigns
- **Naming Rights Promotion**
 - Target corporate sponsors and industry leaders for branding opportunities within the co-working space, event space, lab, Center of Innovation and Co-working business.

Conclusion

The **Center of Innovation** is a groundbreaking mixed-use development that redefines how businesses, entrepreneurs, and residents connect, collaborate, and thrive. With state-of-the-art co-working spaces, premium leased commercial space, 225 modern residential units, and enclosed parking, this project is uniquely positioned to attract high-growth companies, forward-thinking startups, and top talent. More than just a business hub, it is a dynamic live-work-play ecosystem, seamlessly integrating innovation, convenience, and community to drive economic growth and entrepreneurial success. Backed by strong financial projections, diversified revenue streams, and a sustainable 15% annual net profit, the Center of Innovation is a high-value investment opportunity poised for long-term success. With 222,000 square feet of revenue-generating space, strategic partnerships, and an unmatched suite of amenities, the project is set to become the premier innovation destination in the region. By fostering creativity, business development, and modern urban living, the Center of Innovation will not only transform the local economy but also set a new standard for future-forward developments.

Assumptions

3% escalator per year on revenue

2% escalator per year on expenses

- 4% escalator on staffing expenses

70% occupancy in leased space (222,000) Year 1

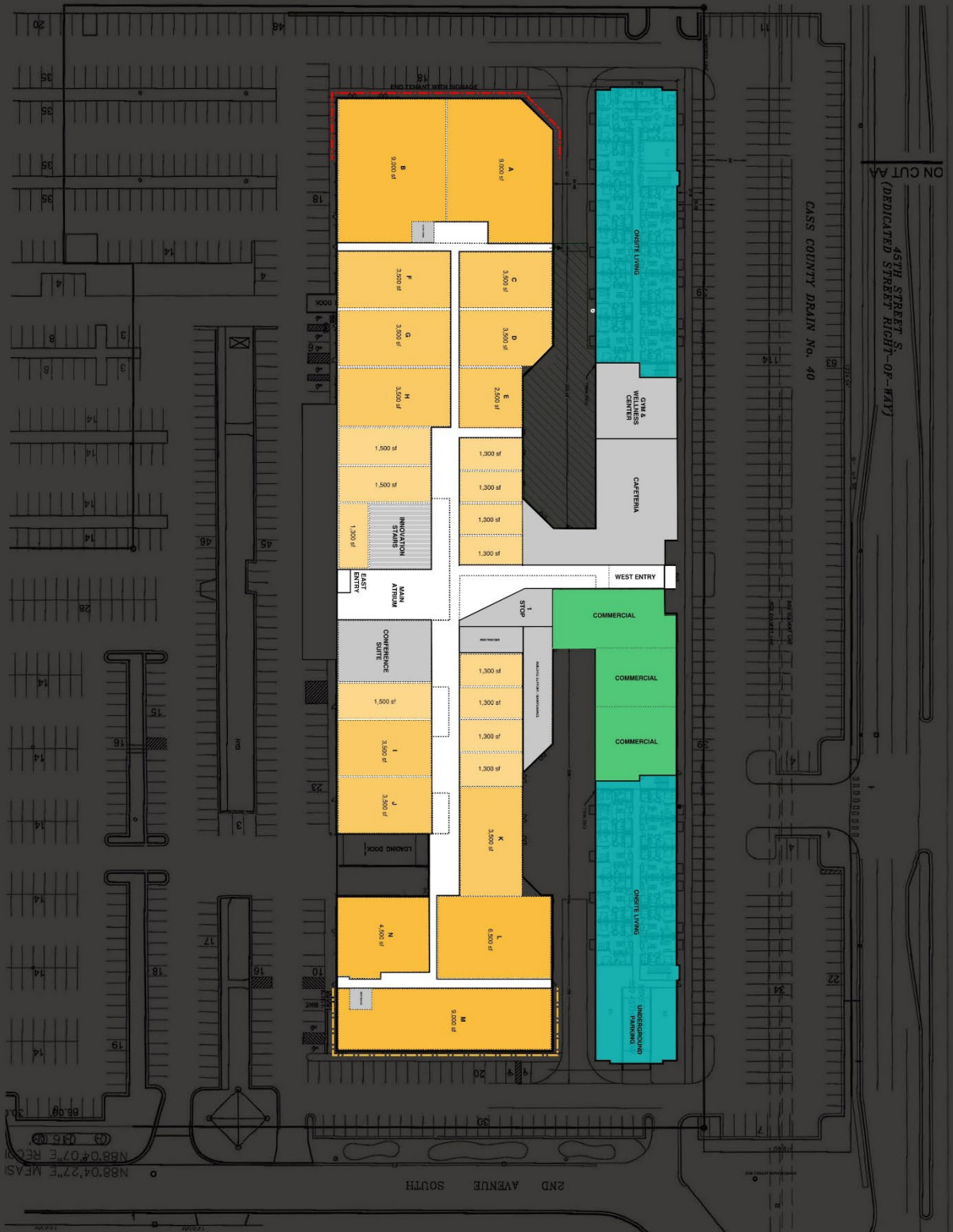
80% occupancy in leased space (222,000) Year 2

90% occupancy in leased space (222,000) Year 3

Apartment revenue not included

Cost of financing the project is not included


*We have not determined the best business model for wellness center operations, so membership revenue and expenses are not included. Therefore, there are no staff to operate the facility included in the staffing model.



DRAFT

MEMORANDUM

TO: Economic Development Incentive Committee

FROM: Jim Gilmour, Director of Strategic Planning and Research 

DATE: May 20, 2025

SUBJECT: Report on PILOT and TIF Incentives

Attached are reports on PILOT incentives and TIF Districts. These reports include information on both projects with expired incentives and projects with current incentives. The seven reports are on the following.

- PILOT incentives for low-income housing.
- PILOT incentives for market-rate housing near NDSU and in core neighborhoods.
- PILOT incentives for market-rate housing in the downtown area.
- TIF Districts that have expired.
- TIF Districts that are active and providing an incentive to a developer.
- TIF Districts that are Public-Private Partnerships which create parking facilities.
- The Riverfront TIF District, designed for several activities.

Policy on the use of PILOT Incentives for Lower Income Households

The purpose of this policy is to establish the City's position relating to the use of Payment in Lieu of Taxes (PILOT) for low income housing developments throughout the city. The fundamental purpose is to encourage housing developers to build housing to meet the needs of very low-income households. Property tax exemptions are essential to obtaining federal government and state government resources, and reducing costs to offer more affordable rents to tenants. The property tax incentives are 100%, typically for 17 to 20 years.

The table below is a list of current property tax exemptions.

<u>Project</u>	<u>Address</u>	<u>Location</u>	<u>Year</u>	<u>Units</u>
Cooper House	414 11th St N	Downtown	2009	43
Crossroads	1670 E Gateway Circle	Southwest	2010	82
Homefield	4225 28th Ave S	Southwest	2016	39
Artists Flats	1321 5th Ave N	Downtown	2017	42
New Horizons	2525 Broadway	North	2020	97
Elliott Place	5170 Amber Valley Parkway	Southwest	2020	84
Prairie Ridge	3361 Westrac	Southwest	2022	120
Milton Earl	708 4th Ave N	Downtown	2022	42
Plaza Apartments	1376 Oak Manor	South	2023	39
<i>NEX Senior</i>	<i>1728 42nd Street</i>	<i>Southwest</i>	<i>2025</i>	<i>40</i>
<i>Lashkowitz</i>	<i>101 2nd Street S</i>	<i>Downtown</i>	<i>2025</i>	<i>110</i>
TOTAL				<u>738</u>

Policy on the use of the PILOT Incentives in Core Neighborhoods and the University Mixed-Use Zoning District.

The purpose of this policy is to establish the City's position relating to the use of Payment in Lieu of Taxes (PILOT) for private, market-rate housing development in core neighborhoods. The fundamental purpose is to encourage desirable development or redevelopment that would not otherwise occur.

The property tax exemptions were for ten years, with a 100% exemption for the first 5 years followed by a 50% exemption for 5 years.

The table below shows a listing of projects since the program began and the status of those exemptions.

<u>Project</u>	<u>Address</u>	<u>Units</u>	<u>Expired</u>	<u>Pending</u>	<u>Last Year</u>
T-Lofts	1515 11th Ave N	181	\$ 23,067,800		
Dakota Drive Apts	2055 Dakota Drive	37	\$ 4,137,000		
Rowhouse Apts	1021 16th Street	12	\$ 1,741,200		
Rowhouse Apts	1030 15th Street	12	\$ 1,805,800		
Rowhouse Apts	1022 15th Street	12	\$ 876,600	\$ 876,600	2025
Rowhouse Apts	1126 19th Street	12	\$ 874,800	\$ 874,800	2025
Rowhouse Apts	1122 17th Street	12	\$ 880,300	\$ 880,300	2026
Rowhouse Apts	1417 8th Ave	18	\$ 1,351,600	\$ 1,351,600	2026
Dakota Beach Apts	914 15th Street	23		\$ 2,547,900	2029
Roosevelt Family Lofts	707-713 10th Ave N.	<u>12</u>		<u>\$ 792,000</u>	2034
		<u>331</u>	<u>\$ 34,735,100</u>	<u>\$ 7,323,200</u>	
			TOTAL	\$ 42,058,300	

Policy on the use of PILOT in the Downtown.

The purpose of this policy is to establish the City's position relating to the use of Payment in Lieu of Taxes (PILOT) for creating new housing in the downtown. The fundamental purpose is to encourage housing developers to build new housing downtown to create new opportunities to live downtown, thereby generating new opportunities for downtown living, attracting more customers for downtown businesses, fostering a safer downtown environment through increased population density, and leveraging existing infrastructure as an alternative to continued apartment development on the edge of the city.

Property tax exemptions typically offer a 100% exemption for the first five years and a percentage-based exemption for an additional 5 to 15 years.

The table below shows a listing of projects since the program began and the status of those exemptions.

Project	Address	Units	Expired	Pending	Last Year
Southhill Development	210 11th Street	10	\$ 1,347,300		
Warehouse Apartments	24 8th St. N.	14	\$ 1,795,000		
Urban Crossing Apts	1102 1st Ave. N.	20	\$ 2,173,100		
APM Apartments	21 8th St. N.	46	\$ 6,145,300		
Cityscapes Plaza	630 1st Ave. N.	104	\$ 21,161,500		
Alexandra Marie	711 NP Avenue	36	\$ 4,729,900		
220 West	220 10th St. N.	76	\$ 2,443,550	\$ 7,330,650	2026
300 Lime	303 11th St. N.	94	\$ 3,289,150	\$ 9,867,450	2027
1023 1st Ave South	1023 1st Ave S	14	\$ 603,175	\$ 1,809,525	2028
Cathedral Lofts	719 7th St. N.	35		\$ 5,333,000	2029
Mosaic	312 11th St. N.	92		\$ 13,882,400	2031
Historic Union	1026 NP Avenue	38		\$ 9,782,400	2032
Black Bldg	110 Broadway	0		\$ 8,846,700	2034
Kesler - South	624 2nd Ave. N.	60		\$ 6,962,000	2036
The Landing	1001 NP Avenue	152		\$ 18,338,000	2036
Woodrow Wilson	315 University	<u>97</u>		<u>\$ 14,591,300</u>	2037
		<u>888</u>	<u>\$ 43,687,975</u>	<u>\$ 96,743,425</u>	

<u>TIF DISTRICT</u>	<u>Base Value</u>	<u>Value - District End</u>	<u>Approved</u>	<u>Closed</u>	<u>TIF Years</u>
C - 2 Radisson	\$ 821,200	\$ 8,930,100	1984	2007	23
Summit Group	\$ 964,572	\$ 26,078,800	1998	2007	9
Service Oil	\$ 209,000	\$ 6,981,400	2002	2010	8
East Bridge Apartments	\$ 488,800	\$ 4,582,000	2009	2014	5
Scatter Site Housing - 2003	\$ 570,133	\$ 2,073,400	2003	2017	14
Scatter Site Housing - 2004	\$ 645,222	\$ 2,287,900	2004	2017	13
Section 22 TIF	\$ 347,289	\$ 226,441,600	2001	2019	18
C - 1 Dakota Bank	\$ 2,846,200	\$ 22,806,600	1981	2020	39
Roers - Stop n Go	\$ 1,408,400	\$ 15,375,400	2006	2020	14
Fayland	\$ 102,000	\$ 62,546,700	2006	2021	15
Shotwell Commons	\$ 462,444	\$ 6,664,000	2011	2021	10
914 LLC, Weston	\$ 195,000	\$ 2,639,000	2013	2021	8
Great Northern Depot	\$ 284,700	\$ 1,424,200	1996	2022	26
Bison Crossing	\$ 316,980	\$ 2,385,600	2008	2023	15
Bison Block I	\$ 208,080	\$ 2,748,000	2008	2023	15
Bison Block II	\$ 334,140	\$ 4,254,000	2009	2024	15
Horse Park	\$ 86,040	\$ 24,317,800	2002	2024	22

	<u>Base Year</u>	<u>End Year</u>	<u>Districts</u>	<u>Average Years</u>
Closed 2007 to 2019	\$ 4,046,216	\$ 277,375,200	7	12.9
Closed 2020 to 2024	\$ 6,243,984	\$ 145,161,300	10	17.9
	<u>\$ 10,290,200</u>	<u>\$ 422,536,500</u>		

TIF Districts – Incentives to Developers.

Fargo currently has 12 active developer agreements that utilize or will utilize Tax Increment Financing (TIF) funds to developers. These developer agreements provided TIF Notes to developers to offset extraordinary costs of developing a brownfield or difficult to develop site. Annual payments are made to the developer using TIF funds generated by the increased value of the new development. It is important to note that these annual payments are not guaranteed and are contingent upon sufficient TIF funds being generated each year. The maximum term or the incentive is 15 years and cannot exceed the total amount of the incentive.

The following two tables below provide detailed information on the TIF Districts. The first table offers a brief description, the general location, the year the agreement was approved and the anticipated end date of the TIF District. The second table lists the value of the district prior to the start of the development, the incremental increase in property values and the current annual TIF increment available.

<u>TIF DISTRICT</u>	<u>Description</u>	<u>Location</u>	<u>Approved</u>	<u>Projected End</u>
Bdwy & Bristol	Downtown Redevelopment	Downtown	2006	2027
Butler Business Park	Warehouse Development	SE of I29 and Main	2014	2031
710 Lofts	Apartment Building	707 10th St. N.	2015	2032
Junction 9	Apartment Building	NDSU Area	2016	2031
Newman - Roers	Apartments/Townhomes	NDSU Area	2019	2032
Wild Oak	Apartments and Condos	North of Downtown	2021	2038
Brewhalla	Mixed Use - Hospitality	West of Downtown	2021	2032
J-Street	Apartment Building	West of Downtown	2022	2038
K-Mart Site	Housing/Commercial	Southside	2021	2036
HN Rowhouses	Housing	South of Downtown	2023	2038
BLOC	Housing/Commercial	South University	2023	2039
Skyline	Housing	NDSU Area	2025	2037

<u>TIF DISTRICT</u>	<u>Base Value</u>	<u>Value of Increment</u>	<u>Total Value</u>	<u>TIF/Future Taxes</u>
Bdwy & Bristol	\$ 408,100	\$ 8,675,400	\$ 9,083,500	\$ 116,939
Butler Business Park	\$ 2,117,700	\$ 18,823,500	\$ 20,941,200	\$ 244,514
710 Lofts	\$ 163,400	\$ 1,697,600	\$ 1,861,000	\$ 24,044
Junction 9	\$ 1,011,000	\$ 2,092,500	\$ 3,103,500	\$ 29,637
Newman - Roers (1)	\$ 982,000	\$ 11,888,700	\$ 12,870,700	\$ 165,480
Wild Oak	\$ 952,200	\$ 8,881,600	\$ 9,833,800	\$ 113,054
Brewhalla	\$ 309,000	\$ 18,468,700	\$ 18,777,700	\$ 261,582
J-Street (2)	\$ 319,000	\$ 10,326,600	\$ 10,645,600	\$ 146,261
K-Mart Site	\$ 4,847,400	\$ 3,886,600	\$ 8,734,000	\$ 55,048
HN Rowhouses	\$ 166,000	\$ 1,425,000	\$ 1,591,000	\$ 191,039
BLOC	\$ 2,278,000	\$ 11,778,100	\$ 14,056,100	\$ 20,183
Skyline	\$ 192,300	\$ -	\$ 192,300	?

Totals	\$ 13,746,100	\$ 97,944,300	\$ 111,690,400	\$ 1,367,781
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1	Portion of Newman Roers for Neighborhood Fund
2	Portion of J-Street for NP Street Construction

Public-Private Partnerships

The City of Fargo has entered into four public-private partnership agreements that have added parking and new development in the downtown. A brief summary of these four developments is listed below:

- **Roberts Commons:** This development includes a parking garage, apartments, and commercial space on the main floor.
- **Block 9:** This development features a parking garage, office space, a hotel, condominiums on the upper floor and some main floor commercial space.
- **Mercantile:** This development includes a parking garage, apartments, main-floor commercial space and condominiums attached to the parking garage.
- **Northern Pacific Avenue:** This development will include a parking garage, apartments, a community theatre and a small commercial space. There are also plans to redevelop an adjacent building into a small hotel. Surface parking lots in the vicinity have potential for further development.

The table below shows the predevelopment value of each district and the 2025 value.

<u>Renewal Area</u>	<u>Base Value</u>	<u>Increment</u>	<u>2025 Value</u>
Roberts Commons	\$ 236,000	\$ 38,076,900	\$ 38,312,900
Mercantile	\$ 1,576,300	\$ 21,158,700	\$ 22,735,000
Block 9	\$ 4,367,089	\$ 92,434,611	\$ 96,801,700
Northern Pacific	\$ 59,102,300	\$ 12,034,300	\$ 71,136,600
Totals	<u>\$ 65,281,689</u>	<u>\$ 163,704,511</u>	<u>\$ 228,986,200</u>

Riverfront Renewal Plan and Tax Increment Finance District

In 2021, the Fargo City Commission approved a Riverfront Renewal Plan and Tax Increment Finance District (TIF). This initiative aims to finance activities that eliminate blighted conditions, improve public spaces, assist affordable housing projects, provide redevelopment incentives, and offer additional parking.

Since the plan's approval, the City has committed TIF funds the following projects:

- Demolish properties on the former Mid-American Steel site.
- Financial support for the Fargo Housing Authority Lashkowitz project.
- Financial support for the River House housing project.

The Riverfront Renewal Plan include these possible future activities.

- Affordable housing on the half-block south of Prairie St John.
- Affordable housing on the northeast corner of 4th Avenue and 4th Street.
- Additional cleanup of the Mid-America Steel site.
- Redevelopment incentives for the former Police and Public Health buildings.
- Landscaping improvements to the Civic Plaza.
- Redevelopment incentives to encourage new development.
- Adding an additional level of parking to the City Center Parking Ramp.
- Civic Auditorium redevelopment.
- Infrastructure to the Mid-America Steel site.

The table on the next page is an estimate of annual TIF revenue in futures years. The estimates are based on existing redevelopment; additional redevelopment would increase these amounts.

<u>Year</u>		<u>TIF Revenue</u>
2026	\$	955,000
2027	\$	714,000
2028	\$	882,000
2029	\$	882,000
2030	\$	882,000
2031	\$	882,000
2032	\$	1,397,000
2033	\$	1,397,000
2034	\$	1,397,000
2035	\$	1,397,000
2036	\$	1,397,000
2037	\$	1,397,000
2038	\$	1,397,000
2039	\$	1,397,000
2040	\$	1,397,000
2041	\$	1,677,000
2042	\$	1,677,000
2043	\$	1,677,000
2044	\$	1,677,000
2045	\$	1,677,000
2046	\$	1,677,000