

FARGO'S DEBT AND HOW IT'S MANAGED



IMPROVEMENT BONDS \$580 MILLION

PURPOSE: Property owner-assessed portion of street repairs in established neighborhoods and infrastructure for new development.

REPAYMENT: Special assessments paid by benefiting property owners.

HOW IT'S MANAGED: Debt is structured to correlate with underlying assessment periods and anticipated receipts.



UTILITY INFRASTRUCTURE DEBT (STATE REVOLVING FUND LOANS) \$328 MILLION

PURPOSE: Water plant and wastewater plant expansion & improvements; utility and solid waste upgrades.

REPAYMENT: Utility rates and 1% Infrastructure Sales Tax.

HOW IT'S MANAGED: Sales Tax allows visitors to participate in costs of infrastructure they use; steady revenue from utility rates; low interest program via state of ND.



CITY FACILITY DEBT \$48.7 MILLION

PURPOSE: Fire stations, City Hall, Public Health building, Police Headquarters and other essential facilities.

REPAYMENT: General Fund.

HOW IT'S MANAGED: Facilities are long-lived community assets. Debt is included with annual General Fund budget.



PARKING RAMPS \$37.3 MILLION

PURPOSE: Downtown ramps including Mercantile, ROCO and NP ramps.

REPAYMENT: Parking revenues and TIF revenue (with General Fund as backstop).

HOW IT'S MANAGED: Parking permit revenue supports operating expenses; TIF revenue supports debt.



DEVELOPMENT-RELATED DEBT \$24.7 MILLION

PURPOSE: Block 9 and similar economic development projects.

REPAYMENT: Developer payments and TIF revenue (with General Fund as backstop).

HOW IT'S MANAGED: These projects are structured to pay for themselves via developer payments and TIF revenue.



FLOOD DIVERSION DEBT \$41 MILLION

PURPOSE: Fargo area flood protection projects originally financed on behalf of the Metro Flood Diversion Authority (MFDA).

REPAYMENT: Reimbursed fully by the MFDA using Flood Sales Tax revenue.

HOW IT'S MANAGED: Directly billed to MFDA; MFDA plans to pay off this debt in 2026.



BOND PREMIUMS \$35M, LEASES \$11.6M & FARGODOME EQUIPMENT \$1.7M

PURPOSE: Unamortized bond premiums, financed equipment leases and the FARGODOME video system.

REPAYMENT: Premiums: same as underlying debt; leases: operating revenues; FARGODOME: escrow cash.

HOW IT'S MANAGED: Costs are tied to existing, stable revenue streams.



NON-TRADITIONAL OBLIGATIONS \$265.5 MILLION

PURPOSE: Long-term software subscriptions, accrued employee leave and pension obligations.

REPAYMENT: Department operating budgets.

HOW IT'S MANAGED: These obligations are built into annual budgets.

Each category has a clear purpose and dedicated repayment source.

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(STATE REVOLVING FUND LOANS) \$328 MILLION



CITY FACILITY DEBT
\$48.7 MILLION

PARKING RAMPS
\$37.3 MILLION



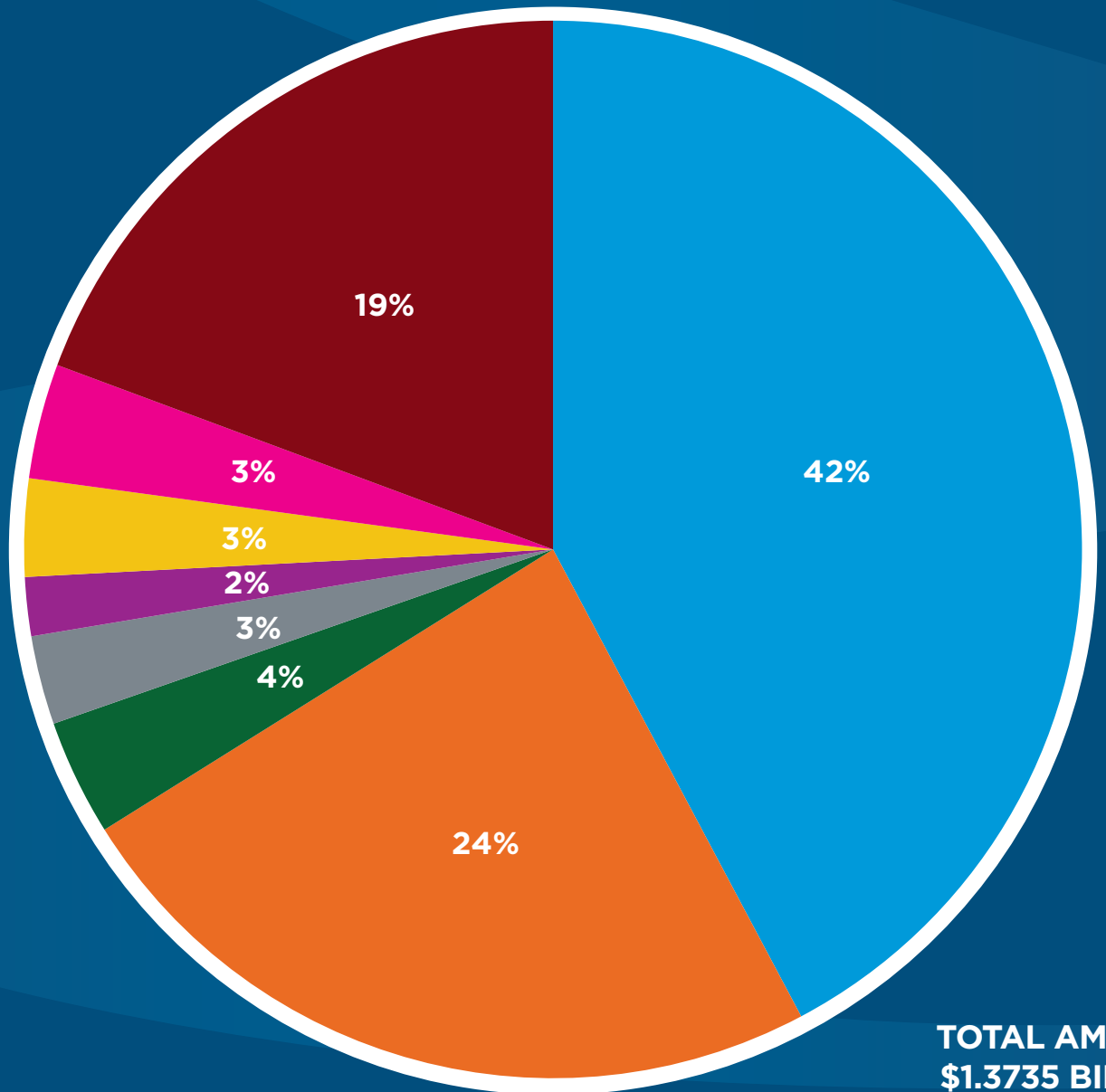
DEVELOPMENT-RELATED DEBT
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FLOOD DIVERSION DEBT
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**BOND PREMIUMS \$35M, LEASES \$11.6M
& FARGODOME EQUIPMENT \$1.7M**

NON-TRADITIONAL OBLIGATIONS
\$265.5 MILLION



TOTAL AMOUNT
\$1.3735 BILLION