

**FARGO TAX EXEMPT REVIEW COMMITTEE**  
**Tuesday, June 23, 2020 – 1:00 p.m.**  
**City Commission Chambers, Fargo City Hall**

**AGENDA**

1. **Approve Tax Exempt Review Committee Meeting Minutes of 5/26/2020**
  - a. May 26, 2020 minutes [Page 1-3]
  
2. **Two Applications for PILOT for Low Income Housing Projects From Fargo Housing & Redevelopment Authority**
  - a. Applications for PILOT for Elliott Place 4 & Elliott Place 9 [Page 4-19]
  
3. **Application for PILOT for PRx Performance**
  - a. Application for PILOT for Prx [Page 20-26]

TAX EXEMPT REVIEW COMMITTEE  
Fargo, North Dakota

**Regular Meeting****Tuesday, May 26, 2020**

The April 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, May 26, 2020.

The committee members present or absent are:

Present: Dave Piepkorn, Bruce Grubb, Jim Buus, Jim Gilmour, Ben Hushka, Mayor Tim Mahoney, Erik Johnson, Jessica Ebeling, Kent Costin, Ryan Aasheim, Robert Wilson, John Cosgriff

Absent: Levi Bachmeier, Joseph Raso, Jackie Gapp

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

A motion was made by Jim Buus to approve the minutes from the April meeting held on April 28, 2020. Bruce Grubb seconded. Motion carried.

**Application for Transfer of PILOT Granted to DFI BJ, LLC**

Jim Gilmour explained this PILOT was approved less than a year ago and would be located on the south half of the property. There are two ownership groups, the north and the south. In the P3 agreement with Roberts the exemption on the north portion was eliminated to justify the renaissance zone based on the fact that the property was being sold at a more reasonable price. The south half asked for a PILOT which was granted. The PILOT was reviewed by the county and school district and approved. The transfer would be a change in ownership, not a change in the project, so it wouldn't have to go back to the county for review, but they would need to be aware of it. The incentive would not change.

Mike Zimney from Kilbourne Group explained that they are requesting a transfer because of the change in ownership. Kilbourne Group will still be managing and developing the project. The project will stay the same, it will just be a different set of investors that will own the property.

Mayor Tim Mahoney asked if this is the first opportunity zone the city is doing.

Jim Gilmour replied that the Roers Newmann Center is in a different opportunity zone fund. There are two others that the Kilbourne Group is doing, the Mercantile Parking Garage as well as one on the Nestor site.

Mike confirmed that Mercantile is part of an opportunity zone along with 1001 NP which is the old Nestor site and 1017 4<sup>th</sup> Ave North.

A motion was made by Kent Costin to approve the transfer and seconded by Jessica Eberling. Motion carried.

**Two Applications for PILOT for Low Income Housing Projects From Fargo Housing & Redevelopment Authority**

Jim Gilmour explained that the Housing & Redevelopment Authority has been working on the low income housing project for a number of years. Fargo has a shortage of elderly low income housing in town and anytime they are built they fill up rapidly. The pending removal of the high rise will leave a shortage in strength and supply of housing. The project will be an 84 housing unit, the financing is quite complicated, there will be 9% low income housing credits along with 4% low income housing credits. There will be two different investment groups that will buy those credits which explains the two separate applications. They

have also received home block grant money from the city, along with housing trust fund money and housing incentive fund money, however one of the keys of the funding is the Property Tax Exemption. The specials on this property are approximately \$9,000 a year, the land which does not qualify for an exemption is worth about \$1,000,000 so they will be paying approximately \$14,000 a year in taxes. If they did have to pay taxes on the improvements that would add about \$83,000 in property taxes which would mean the project might not be feasible. The PFM is reviewing this project but the report is not back yet due to the final numbers not being obtained until last week. The property is on the corner of 45<sup>th</sup> Street and 30<sup>th</sup> Avenue South and is owned by the Housing Authority, who is tax exempt so the city, county and schools are not receiving tax revenue at this time. As the project develops there will be \$14,000 a year in property taxes. The improvements would be exempt from taxes for 17 years at the end of that time the private party would leave and it would be exempt from taxes because the Housing Authority would be the sole owner.

Matt Pike (Housing Authority) explained that there would be a net increase of \$14,000 on the property due to the partnership, however the Housing Authority would still hold the ground lease on the property. The Housing Authority originally acquired the property in January of 2017 in partnership with the city. The Housing Authority got a commercial loan and \$500,000 of CBDG money was used to aid in the market value purchase. It was acquired with the express purpose that affordable housing be built on that property. Senior housing is a critical need in the City.

Jim Gilmour said they are not asking for a recommendation today but wanted to give an overview of the project and that without the property tax exemption the City would lose out on the resources and the project would not be able to be developed.

Matt Pike stated that they have received 155 vouchers to relocate the residents in the high rise. Once the high rise has been demolished the focus will shift into how to redevelop that two acre lot in partnership with the city.

Ben Hushka pointed out that some of the numbers were a little off. On page 14, 16F that would be a little over \$57,000 a year instead of the \$54,000, the same on page 19, 16F rather than the \$33,000 it would be just over \$35,000. If the county opted out of the project they would receive an additional \$16,000 on top of the \$14,000 land tax.

This item will be brought back to the meeting in June along with the PFM report.

### **701 Brew Remodel/Expansion & Downtown Incentive Area Boundary (Gilmour)**

Jim Gilmour stated at the previous meeting the committee had supported an expansion of the boundary. It was asked that the Downtown Neighborhood Association and the Roosevelt Neighborhood Association be contacted about the change, prior to the change. The associations did not feel it was appropriate to change the boundary at this time. According to the comments they assumed the zoning would be changed. The zoning will stay the same. They assumed that exemptions would automatically be granted for high density housing; that is not the case. They discussed the need for the Core Neighborhood Plan to be completed before any changes were made. Because of the concerns there are two options that Jim suggested:

1. Approve the boundary change as considered at the previous meeting.
2. Amend the policy to allow five year remodeling and additional tax exemptions for Commercial properties immediately adjacent to the downtown. Jim recommended to go with option two.

Bruce Grubb commented that he recalls seeing this issue at the City Commission at least once and would like to know what action the City Commission had already taken.

Jim stated that 701 Brew had made an application to rezone their property from a commercial and residential zone to a downtown mixed use zone. That was fully supported by the City Commission.

Jim Buus moved to approve to amend the policy to allow 5-year remodeling and additional tax exemptions for commercial properties immediately adjacent to the downtown. John Cosgriff seconded. Motion carried.

Dave Piepkorn adjourned the meeting at 1:28 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 <u>Elliott Place 4</u>
2.	Address of project <u>4462 30th Ave South</u>
	City <u>Fargo</u> County <u>Cass</u>
3.	Mailing address of project operator <u>325 Broadway</u>
	City <u>Fargo</u> State <u>ND</u> Zip <u>58102</u>
4.	Type of ownership of project
	<input checked="" type="checkbox"/> Partnership <input type="checkbox"/> Subchapter S corporation <input type="checkbox"/> Individual proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No. _____
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 <u>G. Matthew Pike</u>
	Mailing address <u>325 Broadway</u>
	City, State, Zip <u>Fargo, ND 58102</u> Phone No. <u>701-478-2560</u>

### Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.	
	<input type="checkbox"/> <b>Property Tax Exemption</b> _____ Number of years _____ Percent of exemption	<input checked="" type="checkbox"/> <b>Payments In Lieu of Taxes</b> <u>2021</u> Beginning year <u>2038</u> 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:	
	<input checked="" type="checkbox"/> New business project	<input type="checkbox"/> Expansion of a existing business project

Description of Project Property

11. Legal description of project real property  
Calico Prairie Addition Lot 3, Block 2

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 08/2020

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

Senior living apartment building consisting of 52 ADA compliant units that will serve low income households. The project is being built primarily by Low Income Tax Credit Funds.

c. Projected number of construction employees during the project construction 150-200

14. Approximate date of commencement of this project's operations 09/2021

15. Estimated market value of the property used for this project: **\$627,047**

a. Land..... \$ 438,871

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

c. Newly constructed buildings and structures when completed ..... \$ 4,160,000

d. Total..... \$ 4,598,871

e. Machinery and equipment ..... \$ \_\_\_\_\_

**Land Tax \$8,632**

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..... \$ **208,000**  
384,980

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ **208,000**  
187,200

e. Enter the consolidated mill rate for the appropriate taxing district ..... **275.32**  
288.60

f. Annual amount of the tax exemption (Line d multiplied by line e) ..... \$ **57,267**  
54,025.00

**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).

Affordable senior living rental property serving low income households.

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

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.

Year (12 mo. periods)	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
	Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue	<u>479,917</u>	<u>489,515</u>	<u>499,305</u>	<u>509,291</u>	<u>519,476</u>
Annual expense	<u>454,329</u>	<u>467,958</u>	<u>481,996</u>	<u>496,455</u>	<u>511,348</u>
Net income	<u>25,588</u>	<u>21,557</u>	<u>17,309</u>	<u>12,836</u>	<u>8,128</u>

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
4			2	2		

Year	(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1) _____	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	(2) _____	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Estimated payroll	(1) _____	<u>15,395</u>	<u>81,844</u>	<u>84,299</u>	<u>86,827</u>	<u>92,035</u>
	(2) _____	<u>9,549</u>	<u>28,649</u>	<u>29,508</u>	<u>30,393</u>	<u>31,304</u>

(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).  
Fargo Housing & Redevelopment Authority operates certain affordable housing properties that are tax exempt, however FHRA continues to make PILOT payments for the properties. The most recent PILOT granted to FHRA was for Fargo New Horizons, a 97-unit affordable housing building, serving seniors, veterans, and disabled persons.

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  
Beyond Shelter, Inc, Kilbourne, EPIC, Craig Properties and Enclave

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, G. Matthew Pike, 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.

G. Matthew Pike Signature Executive Director & CEO Title 5.15.2020 Date







## Application For Property Tax Incentives For New or Expanding Businesses

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Project Operator's Application To Fargo

City or County

**RECEIVED**  
**5/15/2020**

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	<u>        </u> Number of years <u>2021</u> Beginning year <u>2038</u> Ending year <u>        </u> Percent of exemption                      _____ Amount of annual payments (attach schedule if payments will vary)
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b. Description of project to be constructed including size, type and quality of construction

Senior living apartment building consisting of 32 ADA compliant units that will serve low income households. The project is being built primarily by Low Income Tax Credit Funds.

c. Projected number of construction employees during the project construction 150-200

14. Approximate date of commencement of this project's operations 09/2021

15. Estimated market value of the property used for this project: **\$385,953**

a. Land.....\$ 270,129

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

c. Newly constructed buildings and structures when completed .....\$ 2,560,000

d. Total.....\$ 2,830,129

e. Machinery and equipment .....\$ \_\_\_\_\_

**Land Tax \$5,313**

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.....\$ **\$128,000**  
115,200

d. Total taxable valuation of property eligible for exemption (Add lines b and c).....\$ **\$128,000**  
115,200

e. Enter the consolidated mill rate for the appropriate taxing district ..... **275.32**  
288.60

f. Annual amount of the tax exemption (Line d multiplied by line e) .....\$ **\$35,241**  
33,246

Description of Project Business

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17. Type of business to be engaged in:  Ag processing  Manufacturing  Retailing  
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**Elevator**

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Year (12 mo. periods)	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
	Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue	<u>301,264</u>	<u>307,289</u>	<u>313,434</u>	<u>319,702</u>	<u>326,096</u>
Annual expense	<u>283,657</u>	<u>292,166</u>	<u>300,931</u>	<u>309,958</u>	<u>319,256</u>
Net income	<u>17,607</u>	<u>15,123</u>	<u>12,503</u>	<u>9,744</u>	<u>6,840</u>

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
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	(2) _____	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Estimated payroll	(1) _____	<u>16,788</u>	<u>50,365</u>	<u>51,875</u>	<u>53,431</u>	<u>55,033</u>
	(2) _____	<u>5,876</u>	<u>17,630</u>	<u>18,158</u>	<u>18,702</u>	<u>19,263</u>

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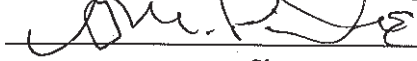
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Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, G. Matthew Pike, 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.

 Executive Director & CEO 5.15.2020  
 Signature Title Date

15 Year Cash Flow Projection - Elliott Place 9%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	
Annual Increases:	2%																	
Rental Increase	3%																	
Expense Increase	3%																	
Replacement Reserve Increase																		
Potential Residential Gross Income	304,644	310,737	316,952	323,291	329,757	336,352	343,079	349,941	356,940	364,079	371,361	378,788	386,364	394,091	401,973	410,012	418,212	
Less Vacancy and Collection Loss	(15,232)	(15,537)	(15,848)	(16,165)	(16,488)	(16,819)	(17,154)	(17,497)	(17,847)	(18,204)	(18,568)	(18,939)	(19,318)	(19,705)	(20,099)	(20,501)	(20,911)	
Plus Other Income	5,766	5,875	5,993	6,113	6,235	6,360	6,487	6,617	6,749	6,884	7,022	7,162	7,305	7,451	7,600	7,752	7,907	
Less Yearly and Collection Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Effective Gross Income	295,172	301,075	307,097	313,239	319,504	325,984	332,412	338,961	345,642	352,759	359,816	367,011	374,351	381,837	389,474	397,283	405,298	
Less Annual Operating Expenses	(46,974)	(48,383)	(49,834)	(51,329)	(52,869)	(54,455)	(56,089)	(57,772)	(59,505)	(61,290)	(63,129)	(65,023)	(66,973)	(68,983)	(71,052)	(73,184)	(75,379)	
Admin Expenses	(50,470)	(51,912)	(53,489)	(55,073)	(56,728)	(58,427)	(60,180)	(61,986)	(63,845)	(65,761)	(67,733)	(69,765)	(71,858)	(74,014)	(76,235)	(78,522)	(80,877)	
Maintenance	(23,867)	(24,553)	(25,321)	(26,088)	(26,863)	(27,668)	(28,498)	(29,353)	(30,234)	(31,141)	(32,075)	(33,038)	(34,029)	(35,048)	(36,095)	(37,174)	(38,287)	
Salaries and Benefits	(98,800)	(101,432)	(104,132)	(106,903)	(109,745)	(112,659)	(115,647)	(118,711)	(121,851)	(125,068)	(128,363)	(131,737)	(135,191)	(138,726)	(142,343)	(146,044)	(149,831)	
Utilities	(12,202)	(12,568)	(12,945)	(13,333)	(13,733)	(14,145)	(14,570)	(15,007)	(15,457)	(15,921)	(16,398)	(16,889)	(17,394)	(17,913)	(18,447)	(18,996)	(19,560)	
Insurance	(3,472)	(3,578)	(3,684)	(3,794)	(3,908)	(4,025)	(4,146)	(4,271)	(4,399)	(4,531)	(4,667)	(4,807)	(4,951)	(5,099)	(5,252)	(5,410)	(5,572)	
Special Assessments	(3,837)	(3,955)	(4,071)	(4,193)	(4,319)	(4,448)	(4,580)	(4,715)	(4,853)	(4,997)	(5,147)	(5,302)	(5,471)	(5,652)	(5,844)	(6,048)	(6,264)	
Total Annual Operating Expenses	(167,552)	(172,579)	(177,759)	(183,089)	(188,582)	(194,239)	(200,069)	(206,089)	(212,250)	(218,618)	(225,176)	(231,932)	(238,889)	(246,056)	(253,438)	(261,041)	(268,872)	
Less Reserve Payments 5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less Replacement Reserves	(12,800)	(13,184)	(13,580)	(13,987)	(14,407)	(14,839)	(15,284)	(15,743)	(16,215)	(16,701)	(17,202)	(17,718)	(18,250)	(18,798)	(19,362)	(19,943)	(20,541)	
Net Operating Income	114,820	115,312	115,761	116,163	116,515	116,816	117,062	117,250	117,377	117,440	117,437	117,361	117,212	116,983	116,674	116,279	115,795	
Less Annual Debt Service 1ST Loan	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	
HTF/HFR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	
Annual Cash Flow	19,791	20,283	20,732	21,134	21,487	21,787	22,033	22,221	22,348	22,411	22,408	22,333	22,183	21,954	21,645	21,250	20,766	

Senior Unit Mix													Avg rents
Number	Bedrooms	Baths	Rents	Incomes	Gross Rents	Utility Allowance	Net Rents	Voucher Pmt	Rents	Total Rents			
19	1	1	30%	30%	\$ 473.00	\$ (78.00)	\$ 395.00	\$ 381.00	\$ 776.00	\$ 14,744.00			
0	2	2	30%	30%	\$ 567.00	\$ (90.00)	\$ 477.00	\$ 484.00	\$ 961.00	\$ -			
0	3	2	30%	30%	\$ 656.00	\$ (98.00)	\$ 558.00	\$ -	\$ 558.00	\$ -			
2	1	1	40%	40%	\$ 631.00	\$ (78.00)	\$ 553.00	\$ 223.00	\$ 776.00	\$ 1,552.00			
0	2	2	40%	40%	\$ 757.00	\$ (90.00)	\$ 667.00	\$ 294.00	\$ 961.00	\$ -			
0	3	2	40%	40%	\$ 875.00	\$ (98.00)	\$ 777.00	\$ -	\$ 777.00	\$ -			
10	1	1	50%	50%	\$ 788.00	\$ (78.00)	\$ 710.00	\$ 66.00	\$ 776.00	\$ 7,760.00			
1	2	2	50%	50%	\$ 946.00	\$ (90.00)	\$ 856.00	\$ 105.00	\$ 961.00	\$ 961.00			
0	3	2	50%	50%	\$ 1,093.00	\$ (98.00)	\$ 995.00	\$ -	\$ 995.00	\$ -			
13	1	1	60%	60%	\$ 946.00	\$ (78.00)	\$ 868.00	\$ (92.00)	\$ 776.00	\$ 10,088.00			
1	2	2	60%	60%	\$ 1,135.00	\$ (90.00)	\$ 1,045.00	\$ (84.00)	\$ 961.00	\$ 961.00			
0	3	2	60%	60%	\$ 1,312.00	\$ (98.00)	\$ 1,214.00	\$ -	\$ 1,214.00	\$ -			
0	1	1	70%	70%	\$ 1,214.00	\$ (78.00)	\$ 1,136.00	\$ (360.00)	\$ 776.00	\$ -			
0	2	2	70%	70%	\$ 1,457.00	\$ (90.00)	\$ 1,367.00	\$ (406.00)	\$ 961.00	\$ -			
0	3	2	70%	70%	\$ 1,684.00	\$ (98.00)	\$ 1,586.00	\$ -	\$ 1,586.00	\$ -			
3	1	1	80%	80%	\$ 1,514.00	\$ (78.00)	\$ 1,436.00	\$ (660.00)	\$ 776.00	\$ 2,328.00			
3	2	2	80%	80%	\$ 1,816.00	\$ (90.00)	\$ 1,726.00	\$ (765.00)	\$ 961.00	\$ 2,883.00			
0	3	2	80%	80%	\$ 2,100.00	\$ (98.00)	\$ 2,002.00	\$ -	\$ 2,002.00	\$ -			
52							\$ -	\$ -	\$ -	\$ 41,277.00		Totals	

Manager Units



9% Senior Unit Mix													
Number	Bedrooms	Baths	Rents	Incomes	Gross Rents	Utility Allowance	Net Rents	Voucher Pmt	Rents	Total Rents	Avg rents		
7	1	1	30%	30%	\$ 473.00	\$ (78.00)	\$ 395.00	\$ 381.00	\$ 776.00	\$ 5,432.00			
0	2	2	30%	30%	\$ 567.00	\$ (90.00)	\$ 477.00	\$ 484.00	\$ 961.00	\$ -			
0	3	2	30%	30%	\$ 656.00	\$ (98.00)	\$ 558.00	\$ -	\$ 558.00	\$ -			
7	1	1	40%	40%	\$ 631.00	\$ (78.00)	\$ 553.00	\$ 223.00	\$ 776.00	\$ 5,432.00			
0	2	2	40%	40%	\$ 757.00	\$ (90.00)	\$ 667.00	\$ 294.00	\$ 961.00	\$ -			
0	3	2	40%	40%	\$ 875.00	\$ (98.00)	\$ 777.00	\$ -	\$ 777.00	\$ -			
6	1	1	50%	50%	\$ 788.00	\$ (78.00)	\$ 710.00	\$ 66.00	\$ 776.00	\$ 4,656.00			
1	2	2	50%	50%	\$ 946.00	\$ (90.00)	\$ 856.00	\$ 105.00	\$ 961.00	\$ 961.00			
0	3	2	50%	50%	\$ 1,093.00	\$ (98.00)	\$ 995.00	\$ -	\$ 995.00	\$ -			
8	1	1	60%	60%	\$ 946.00	\$ (78.00)	\$ 868.00	\$ (92.00)	\$ 776.00	\$ 6,208.00			
1	2	2	60%	60%	\$ 1,135.00	\$ (90.00)	\$ 1,045.00	\$ (84.00)	\$ 961.00	\$ 961.00			
0	3	2	60%	60%	\$ 1,312.00	\$ (98.00)	\$ 1,214.00	\$ -	\$ 1,214.00	\$ -			
0	1	1	70%	70%	\$ 1,214.00	\$ (78.00)	\$ 1,136.00	\$ (360.00)	\$ 776.00	\$ -			
0	2	2	70%	70%	\$ 1,457.00	\$ (90.00)	\$ 1,367.00	\$ (406.00)	\$ 961.00	\$ -			
0	3	2	70%	70%	\$ 1,684.00	\$ (98.00)	\$ 1,586.00	\$ -	\$ 1,586.00	\$ -			
1	1	1	80%	80%	\$ 1,514.00	\$ (78.00)	\$ 1,436.00	\$ (660.00)	\$ 776.00	\$ 776.00			
1	2	2	80%	80%	\$ 1,816.00	\$ (90.00)	\$ 1,726.00	\$ (765.00)	\$ 961.00	\$ 961.00			
0	3	2	80%	80%	\$ 2,100.00	\$ (98.00)	\$ 2,002.00	\$ -	\$ 2,002.00	\$ -			
32							\$ -	\$ -	\$ -	\$ 25,387.00	Totals		

Manager Units

## Senior Family Operating Budget

9%

Rents/ Expenses		9%	4%
Gross Rents		\$ 304,644.00	\$ 495,324.00
Budgeted vacancy	3%	\$ (9,139.32)	\$ (24,766.20)
<b>Total Rents</b>		<b>\$ 295,504.68</b>	<b>\$ 470,557.80</b>
Laundry		\$ 3,840.00	\$ 6,240.00
Other Vending Income		\$ -	\$ -
HOA Fees		\$ -	\$ -
Late Charge		\$ 1,920.00	\$ 3,120.00
<b>Other Income</b>		<b>\$ 5,760.00</b>	<b>\$ 9,360.00</b>
<b>Total revenues</b>		<b>\$ 301,264.68</b>	<b>\$ 479,917.80</b>
Place Holder		\$ -	\$ -
Management Fee		\$ 24,101.17	\$ 38,393.42
Audit		\$ 4,470.00	\$ 4,470.00
Accounting		\$ 5,000.00	\$ 5,000.00
Compliance LIHTC & HTF		\$ 3,690.00	\$ 3,690.00
Legal		\$ 1,900.00	\$ 1,900.00
Advertising		\$ 1,500.00	\$ 1,500.00
Office Supplies		\$ 4,200.00	\$ 4,200.00
Telephone		\$ 2,600.00	\$ 5,600.00
Maintenance Services		\$ 22,500.00	\$ 22,500.00
Maint/cleaning Supplies		\$ 7,200.00	\$ 9,200.00
Heating & Air Cond Repairs		\$ 1,500.00	\$ 5,500.00
Heat A/c & Oth Maint Contracts		\$ 6,200.00	\$ 6,200.00
Exterminating		\$ 7,500.00	\$ 7,500.00
Snow Removal		\$ 5,500.00	\$ 8,500.00
On-Site Manager		\$ 23,867.00	\$ 54,500.00
Grounds Maintenance		\$ 2,000.00	\$ 8,000.00
Natural Gas		\$ 2,500.00	\$ 22,782.00
Electricity - Common Areas		\$ 8,000.00	\$ 16,202.00
Water		\$ 2,500.00	\$ 12,500.00
Sewer		\$ 8,000.00	\$ 10,000.00
Garbage And Rubbbish		\$ 3,800.00	\$ 3,200.00
Elevator		\$ -	\$ -
Tax - Real Estate		\$8,100.00	\$11,084.00
Insurance - Property And Liab		\$12,201.98	\$11,135.50
Place Holder		\$ -	\$ -
<b>Increase for Investor Requirements</b>		<b>\$ -</b>	<b>\$ -</b>
<b>Total operating expenses</b>		<b>\$ 168,830.15</b>	<b>\$ 273,556.92</b>
<b>Per Unit Per Annum</b>		<b>\$ 5,275.94</b>	<b>\$ 5,260.71</b>

Net Income	
Net Income Before Debt Service & Reserve Payments	\$ 132,434.53
Less Reserve Payments (HOME OWNERSHIP): 5% (Assuming 50% participation rate)	\$ -
Tax & Ins. reserve - Real Estate Tax	\$ -
Replacement reserve	\$ 11,200.00
Total Reserve Payments	\$ 11,200.00
Funds available for debt service	\$ 121,234.53
Less Debt Service Payments:	
First Mortgage	\$95,028.89
HTF/HIF Mortgage	\$0.00
Deferred Developer Fee	\$87.27
Total debt service	\$95,116.16
<b>Net Cash Flow</b>	<b>\$ 26,118.37</b>
Income to debt service ratio - 1st	1.2758
Income to debt service ratio - HTF	1.2758
Income to debt service ratio - Deferred	1.2746
Income to debt service ratio - Total	1.2746

Loans	
First Mortgage	
Annual Rate	4.300%
Principal	\$1,718,000.00
Annual Payment Amount	(\$95,028.89)
Term in Months	420
Housing Trust Fund	
Annual Rate	0.000%
Principal	\$172,836.00
Annual Payment Amount	\$0.00
Term in Months	360
Housing Incentive Fund	
Annual Rate	0.000%
Principal	\$0.00
Annual Payment Amount	\$0.00
Term in Months	360
City HOME	
Annual Rate	0.000%
Principal	\$0.00
Annual Payment Amount	\$0.00
Term in Months	360
CDBG	
Annual Rate	0.000%
Principal	\$0.00
Annual Payment Amount	\$0.00
Term in Months	360
Deferred Developer Fee	
Annual Rate	0.000%
Principal	\$1,047.27
Annual Payment Amount	(\$87.27)
Term in Months	144

Expenses		NDHFA
Per Unit Check Figures		
Expenses per Unit Less Reserves and Debt Service	\$	168,830.15
Per Unit Annually	\$	5,275.94
Per Unit Monthly		\$439.66

Reserve Calculations	
Operating Reserves - 6 months	

## PROJECT BUDGET

Uses	Total Budget	Total Basis	9% Budget	4% Budget	9% Basis
<b>Direct Construction Costs</b>					
Land	\$ 775,000.00	\$ -	\$ 295,238.10	\$ 479,761.90	
Site Work	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and Water tap fees	\$ 106,484.00	\$ 106,484.00	\$ 44,723.28	\$ 61,760.72	\$ 44,723.28
Elevator	\$ 130,000.00	\$ 130,000.00	\$ 54,600.00	\$ 75,400.00	\$ 54,600.00
Permits and fees	\$ 90,318.00	\$ 90,318.00	\$ 37,933.56	\$ 52,384.44	\$ 37,933.56
Architect Design	\$ 660,000.00	\$ 660,000.00	\$ 282,400.00	\$ 377,600.00	\$ 282,400.00
Architect Supervision	\$ 165,000.00	\$ 165,000.00	\$ 70,600.00	\$ 94,400.00	\$ 70,600.00
Construction costs	\$ 13,275,174.00	\$ 13,275,174.00	\$ 5,575,573.08	\$ 7,699,600.92	\$ 5,575,573.08
Construction contingency	\$ 995,638.05	\$ 995,638.05	\$ 418,167.98	\$ 577,470.07	\$ 418,167.98
Construction testing	\$ 36,000.00	\$ 36,000.00	\$ 15,120.00	\$ 20,880.00	\$ 15,120.00
Builders Risk	\$ 106,201.00	\$ 106,201.00	\$ 44,604.42	\$ 61,596.58	\$ 44,604.42
Construction inspections	\$ 30,000.00	\$ 30,000.00	\$ 12,600.00	\$ 17,400.00	\$ 12,600.00
<b>Indirect Construction Costs</b>	\$ -	\$ -			\$ -
Developer fee and overhead	\$ 2,305,098.00	\$ 2,305,098.00	\$ 1,163,128.00	\$ 1,141,970.00	\$ 1,163,128.00
<b>Third Party Reports</b>					
Environmental Phase 1	\$ 12,000.00	\$ 12,000.00	\$ 5,040.00	\$ 6,960.00	\$ 5,040.00
Feasibility Study	\$ 15,800.00	\$ 15,800.00	\$ 6,636.00	\$ 9,164.00	\$ 6,636.00
Market study	\$ 9,140.00	\$ 9,140.00	\$ 3,838.80	\$ 5,301.20	\$ 3,838.80
Geotechnical Report	\$ 12,000.00	\$ 12,000.00	\$ 5,040.00	\$ 6,960.00	\$ 5,040.00
Civil Engineering	\$ 57,000.00	\$ 57,000.00	\$ 23,940.00	\$ 33,060.00	\$ 23,940.00
Traffic Study	\$ -	\$ -	\$ -	\$ -	\$ -
ALTA	\$ 17,800.00	\$ 17,800.00	\$ 7,476.00	\$ 10,324.00	\$ 7,476.00
<b>Financing Costs</b>					
Construction loan interest	\$ 188,858.00	\$ 188,858.00	\$ 130,162.00	\$ 58,696.00	\$ 130,162.00
Construction loan interest after construction	\$ 198,877.00	\$ -	\$ 116,074.00	\$ 82,803.00	\$ -
Permanent loan fees	\$ 82,510.00	\$ -	\$ 34,360.00	\$ 48,150.00	\$ -
Construction loan fees	\$ 122,000.00	\$ 122,000.00	\$ 61,000.00	\$ 61,000.00	\$ 61,000.00
Title and recording - construction	\$ 80,000.00	\$ 80,000.00	\$ 33,600.00	\$ 46,400.00	\$ 33,600.00
Title and recording - Perm Lender	\$ 21,000.00	\$ -	\$ 10,500.00	\$ 10,500.00	\$ -
<b>Other Costs</b>					
Tax credit fees	\$ 112,806.00	\$ -	\$ 80,162.00	\$ 32,653.90	\$ -
HTF Org Fee	\$ 41,300.00	\$ 17,346.00	\$ 17,346.00	\$ 23,954.00	\$ 17,346.00
Property insurance	\$ 60,000.00	\$ 60,000.00	\$ 25,200.00	\$ 34,800.00	\$ 25,200.00
Real estate taxes during construction	\$ 2,000.00	\$ 2,000.00	\$ 840.00	\$ 1,160.00	\$ 840.00
Marketing	\$ 3,000.00	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -
Investor Legal	\$ 130,000.00	\$ -	\$ 35,000.00	\$ 95,000.00	\$ -
HERS Rating	\$ 7,000.00	\$ -	\$ -	\$ 7,000.00	\$ -
Legal - construction lender	\$ 115,000.00	\$ 115,000.00	\$ 48,300.00	\$ 66,700.00	\$ 48,300.00
Legal - permanent loan	\$ 100,000.00	\$ -	\$ 35,000.00	\$ 65,000.00	\$ -
Legal - partnership	\$ 262,000.00	\$ -	\$ 100,000.00	\$ 162,000.00	\$ -
Cost certification	\$ 20,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -
Rent up Reserve	\$ 93,082.00	\$ -	\$ 29,613.00	\$ 63,469.00	\$ -
Operating reserve	\$ 364,326.00	\$ -	\$ 138,942.00	\$ 225,384.00	\$ -
Soft cost contingency	\$ 100,506.00	\$ 63,318.78	\$ 42,212.52	\$ 58,293.48	\$ 42,212.52
<b>Total</b>	\$ 20,902,918.05	\$ 18,672,175.83	\$ 9,016,470.74	\$ 11,886,457.21	\$ 8,130,081.64

## Credit Calculation

	9% Calc - Actual	4% Calc - Actual	9% Calc - Test	4% Calc Test
Eligible Basis	\$ 8,130,081.64	\$ 10,542,094.19	\$ 7,035,080.82	\$ 11,637,095.01
Applicable Fraction	100%	100%	100%	100%
<b>Less Developers Fee</b>	\$ 1,163,128.00	\$ 1,141,970.00	\$ 1,163,128.00	\$ 1,141,970.00
<b>Subtotal</b>	\$ 6,966,953.64	\$ 9,400,124.19	\$ 5,871,952.82	\$ 10,495,125.01
Applicable Federal Rate	130%	100%	130%	100%
<b>Subtotal</b>	\$ 9,057,039.73	\$ 9,400,124.19	\$ 7,633,538.67	\$ 10,495,125.01
<b>Add Back Developers Fee</b>	\$ 1,163,128.00	\$ 1,141,970.00	\$ 1,163,128.00	\$ 1,141,970.00
<b>Subtotal</b>	\$ 10,220,167.73	\$ 10,542,094.19	\$ 8,796,666.67	\$ 11,637,095.01
Credit Eligible	9.00%	3.19%	9.00%	3.19%
	\$ 919,815.10	\$ 336,292.80	\$ 791,700.00	\$ 371,223.33
<b>Percentage Awarded</b>				
Credit Awarded	\$ 791,700.00	\$ 336,292.00	\$ 791,700.00	\$ 371,223.00
Year of Credit	10	10	10	10
Credit Percent Sold	99.99%	99.99%	99.99%	99.99%
Credit Sales Price	0.90	0.885	0.90	0.885
Credit Sales Proceeds	\$ 7,124,587.47	\$ 2,975,886.58	\$ 7,124,587.47	\$ 3,284,996.00
Debt Funding Required	\$ 1,891,883.27	\$ 8,910,570.63	\$ 1,890,836.00	
First Mortgage	\$ 1,718,000.00	\$ 3,100,000.00	\$ 1,718,000.00	
Housing Trust Fund	\$ 172,836.00	\$ 2,635,000.00	\$ 172,836.00	



# 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

**RECEIVED**  
**6/16/2020**

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 PRx Performance

2. Address of project 4125 24th Ave N  
City Fargo County Cass

3. Mailing address of project operator 2402 8th Ave N  
City Fargo State ND Zip 58102

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. 81-0960860

6. North Dakota Sales and Use Tax Permit No. 329290 00

7. If a corporation, specify the state and date of incorporation 12/17/2013 North Dakota

8. Name and title of individual to contact Mike Harlan  
Mailing address 2402 8th Ave N  
City, State, Zip Fargo, ND 58102 Phone No. 701-566-0452

## Project Operator's Application For Tax Incentives

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

<input type="checkbox"/> <b>Property Tax Exemption</b>	<input checked="" type="checkbox"/> <b>Payments In Lieu of Taxes</b>
<u>          </u> Number of years	<u>2022</u> Beginning year <u>2031</u> Ending year
<u>          </u> Percent of exemption	<u>10</u> 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

11. Legal description of project real property

~~Lots 1, 2, 3, 4, 5 Block 3 Laverne's Addition, Cass County, Fargo ND~~

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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 09/01/20

b. Description of project to be constructed including size, type and quality of construction  
140,000 sq ft headquarters, industrial, and manufacturing facility. Steele or concrete construction.

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c. Projected number of construction employees during the project construction 75-100

14. Approximate date of commencement of this project's operations September 2021

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

a. Land..... \$ 1,264,950

b. Existing buildings and structures for which an exemption is claimed..... \$ 0

c. Newly constructed buildings and structures when completed ..... \$ 8,400,000

d. Total ..... \$ 9,664,950

e. Machinery and equipment ..... \$ 230,000

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 ..... \$ 0

c. Newly constructed buildings and structures when completed..... \$ 420,000

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 420,000

e. Enter the consolidated mill rate for the appropriate taxing district ..... 275.32

f. Annual amount of the tax exemption (Line d multiplied by line e) ..... \$ 115,634.00

**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).

PRx is primarily an e-commerce business that ships to customers across all 50 states and is currently one of FedEx's largest clients in the Fargo area. We are in the process of launching in Europe within the next year. Products consist of: steel weight lifting racks, steel rack accessories, barbells, dumbbells, and other fitness related products. Most steel products are sourced from local manufacturers as individual pieces which are assembled/kitted/boxed onsite for order fulfillment and shipping.

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

Pallet racking system to house all product inventory. Workstations will be installed for product assembly/kitting. Several forklifts will be purchased for use in daily operations. Conveyer belt system in second phase of expansion for product picking process.

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.

Year (12 mo. periods)	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
	Year 1	Year 2	Year 3	Year 4	Year 5
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
50		57	21	17	4	

Year	(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1) 50	73	96	117	138	149
	(2) _____	_____	_____	_____	_____	_____
Estimated payroll	(1) _____	_____	_____	_____	_____	_____
	(2) _____	_____	_____	_____	_____	_____

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

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).  
 Current location is: 2402 8th Ave N, Fargo ND

**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  
 \_\_\_\_\_  
 \_\_\_\_\_

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, \_\_\_\_\_, 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 Title Date



**PILOT Application: PRx Performance**  
**Schedule : Question 9 - Amount of Annual Payments**

	<u>% of Tax</u>	<u>Amount</u>
Year 1-5		\$0.00
Year 6	10%	\$ 11,563.40
Year 7	30%	\$ 34,690.20
Year 8	50%	\$ 57,817.00
Year 9	70%	\$ 80,943.80
Year 10	90%	\$ 104,070.60

<b>Exemption Evaluation Calculator 2020</b>				<b>105.1</b>	
PRx Performance			<b>Points</b>		
Project Type Code (Ctrl-C to view)			1	<b>38.0</b>	
Current Number Of Employees			50		
Hourly Salary Without Benefits		<b># Jobs</b>			
Under \$13.00		0			
\$13.01-\$15.00		57			
\$15.01-\$20.00		21			
\$20.01-\$28.00		17	Pts. For # Jobs->	<b>20.0</b>	
\$28.01-\$35.00		4	Pts. For \$ Jobs->	<b>7.1</b>	
Over \$35.00		0			
<b>TOTAL # OF JOBS CREATED</b>		<b>99</b>			
% GI w/ Local Competition (not downtown)			0%	<b>25.0</b>	
Value of Proposed Buildings			\$ 8,400,000	<b>15.0</b>	
Downtown Location (Y/N)			N	<b>0.0</b>	
Exemption Needed (Y/N)			N		
Startup Firm (Y/N)			N	<b>0.0</b>	
Has Const Started or Has Bldg Been Occupied If Existing (Y/N)			N	<b>0.0</b>	
Number of Years (Exemption)			5		
Building Age (if substantial renovation)			0	<b>0.0</b>	
<b>RECOMMENDATION IS TO</b>			<b>APPROVE</b>		
Description			Manufacturing		
Estimated New Annual Payroll			\$3,539,120		
Estimated Annual Real Estate Tax			\$196,245		
Estimated PV of Exemption			\$849,638		
Payroll / PV of Exemption			4.2		
Property Value / # of Jobs			\$ 84,848		

PRR Performance 2020	Parcel Number	Address	Date Application Received	1st Publication Date	2nd Publication Date	TRC Meeting Date	Commission Hearing Date	Notice Delivery To School/County	School/County 30 Day Response	Exemption Type	Estimated Improvements Value	Building Value to Remain Taxable	Estimated Land Value	County Share of Levy (%)	Anticipated Tax Growth	Current Mill Levy	Number of Years Granted	Discount Rate (for Present Value)	Total Gross Estimated Benefit	Present Value of Benefit
	01-8895-02500-000	4125 24 Ave N	6/19/2020			6/23/2020				PILOT	\$8,400,000	\$1,265,000		17.4%	0.0%	275.32	32	4.50%	\$867,258	\$593,200

Year	% Bd Ex	PILOT Pymt	Full Bldg Tax	Benefit	PV of Benefit	PILOT & Land Tax
2022	100%	\$0	\$115,634	\$115,634	\$110,700	\$17,414
2023	100%	\$0	\$115,634	\$115,634	\$105,900	\$17,414
2024	100%	\$0	\$115,634	\$115,634	\$101,300	\$17,414
2025	100%	\$0	\$115,634	\$115,634	\$97,000	\$17,414
2026	100%	\$0	\$115,634	\$115,634	\$92,800	\$17,414
2027	90%	\$11,563	\$115,634	\$104,071	\$79,900	\$28,977
2028	70%	\$34,690	\$115,634	\$80,944	\$59,500	\$52,104
2029	50%	\$57,817	\$115,634	\$57,817	\$40,700	\$75,231
2030	30%	\$80,944	\$115,634	\$34,690	\$23,300	\$98,258
2031	10%	\$104,071	\$115,634	\$11,563	\$7,400	\$121,488
TOTALS		\$289,096	\$1,156,344	\$867,258	\$718,500	\$306,500
Building Tax To Remain		\$0	Current Land Tax	\$17,414		

Land Value	Improve Value	Year	Mill Levy	CO Levy	%	Full Impr Net Tax	Co Share Impr Tax
\$1,265,000	\$8,400,000	2022	275.32	48.00	17.4%	\$115,634	\$20,160
\$1,265,000	\$8,400,000	2023	275.32	48.00	17.4%	\$115,634	\$20,160
\$1,265,000	\$8,400,000	2024	275.32	48.00	17.4%	\$115,634	\$20,160
\$1,265,000	\$8,400,000	2025	275.32	48.00	17.4%	\$115,634	\$20,160
\$1,265,000	\$8,400,000	2026	275.32	48.00	17.4%	\$115,634	\$20,160
\$1,265,000	\$8,400,000	2027	275.32	48.00	17.4%	\$115,634	\$20,160
\$1,265,000	\$8,400,000	2028	275.32	48.00	17.4%	\$115,634	\$20,160
\$1,265,000	\$8,400,000	2029	275.32	48.00	17.4%	\$115,634	\$20,160
\$1,265,000	\$8,400,000	2030	275.32	48.00	17.4%	\$115,634	\$20,160
\$1,265,000	\$8,400,000	2031	275.32	48.00	17.4%	\$115,634	\$20,160

County % PLT	County Adtl PILOT	Co Share Impr Tax	Full Impr Net Tax	Benefit	PILOT & Tax
\$0	\$20,160	\$20,160	\$115,634	\$95,474	\$37,574
\$0	\$20,160	\$20,160	\$115,634	\$95,474	\$37,574
\$0	\$20,160	\$20,160	\$115,634	\$95,474	\$37,574
\$0	\$20,160	\$20,160	\$115,634	\$95,474	\$37,574
\$0	\$20,160	\$20,160	\$115,634	\$95,474	\$37,574
\$2,016	\$18,144	\$20,160	\$115,634	\$85,927	\$47,121
\$6,048	\$14,112	\$20,160	\$115,634	\$66,832	\$62,116
\$10,080	\$10,080	\$20,160	\$115,634	\$47,737	\$85,311
\$14,112	\$6,048	\$20,160	\$115,634	\$28,642	\$104,406
\$18,144	\$2,016	\$20,160	\$115,634	\$9,547	\$123,501

If County Opted To Not Participate