

**FARGO TAX EXEMPT REVIEW COMMITTEE
JOINT MEETING WITH RENAISSANCE ZONE AUTHORITY**

**Tuesday, June 25, 2019 – 1:00 p.m.
City Commission Chambers, Fargo City Hall
TAX EXEMPT REVIEW AGENDA**

1. **Approve Tax Exempt Review Committee meeting minutes of 1/22/2018**
 - a. [January 22](#), 2018 minutes [Page 1-2]
2. **Tax Increment Financing Application by Roers Development**
 - a. Application for Tax Increment Financing [Page 3-19]
3. **Staff Summary of Three PILOT Applications**
 - a. Summary Overview of PILOT Applications Submitted [Page 20]
4. **PILOT Application by Great Plains Antique Holdings, LLC (Kilbourne)**
 - a. Application for 15 year Payment in Lieu of Tax [Page 21-27]
5. **PILOT Application by Great Plains 1001 Holdings, LLC (Kilbourne)**
 - a. Application for 15 year Payment in Lieu of Tax [Page 29-34]
6. **PILOT Application by DFI Kesler, LLC (Kilbourne)**
 - a. Application for 15 year Payment in Lieu of Tax [Page 35-43]

<p>Renaissance Zone Authority meeting immediately following Tax Exempt Review Committee meeting</p>
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TAX EXEMPT REVIEW COMMITTEE
Fargo, North Dakota

Regular Meeting

Tuesday, January 22, 2019

The November 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, January 22, 2019.

The committee members present or absent are:

Present: Robert Wilson, Jim Gilmour, Jim Buus, Kent Costin, Chuck Hoge, Dave Piepkorn, Bruce Grubb, Mark Lemer, Erik Johnson, Jackie Gapp

Absent: Joseph Raso, Mayor Tim Mahoney, Ben Hushka, Jessica Ebeling

Others Present: Kati Wilcox, Randy Thorson

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

Kent Costin made a motion to approve the minutes from the October meeting held on November 27, 2018. Jim Buus seconded the motion, which carried.

5 Year New Industry Exemption Application by CI Sport, Inc.

Jim Gilmour introduced the application submitted by CI Sport, Inc. for a five-year New Industry exemption. CI Sport, which sells screen-printed and embroidered apparel and is currently located in downtown Fargo. The organization would like to acquire the Gander Mountain building, which would allow for more employment opportunities in the area, as well as higher-skilled job opportunities due an increase in space.

Randy Thorson, President of CI Sport, estimates adding \$1.5 million worth of new equipment to the facility. He explained this will allow “those \$10 per hour jobs” to become automated processes and current employees to move to higher skilled, higher paying jobs. The larger space and new location will provide the ability for a second shift, meaning an increase in job opportunities in Fargo. CI Sport started with three employees completing mainly local, promotional projects. The company now employs over 100 people, sells to 2200 stores around the world, including Amazon.

Commissioner Dave Piepkorn clarified that the larger facility is what will allow for the increase in equipment then asked Mr. Thorson to explain some of the challenges of the downtown location. There is one loading dock behind the building, which causes backups of semis and UPS trucks in an alley, which nearby condominium owners also utilize. The new facility will have two loading docks in spaces that are more convenient for both shipping and receiving.

Commissioner Piepkorn inquired about incentives offered in other cities. Mr. Thorson stated Moorhead did make offers and he had checked West Fargo as well. Commissioner Piepkorn explained that CI Sport is one of the longest standing businesses in downtown Fargo. Randy Thorson is a long-time Fargo resident and serves on other committees in the city. There are benefits to maintaining a relationship with organizations with such strong ties to Fargo.

A partner company, Global Acquisition, purchased the property and will lease the building to CI Sport. Chuck Hoge asked if this lease is longer than the five-year exemption, and Mr. Thorson explained that it is.

Robert Wilson inquired about any lessons learned regarding businesses such as CI Sport purchasing and repurposing big-box stores. Mr. Thorson explained selling this large of a building could be

difficult to sell from a real estate perspective but could also hold great opportunity for businesses like his.

At Mark Lemer's request, Jim Gilmour clarified the request is for exemption on the entire building for only five years. CI Sport will also continue to own and pay taxes on the space downtown.

After no further questions were presented, Jim Buus made a motion to approve the application, which Bruce Grubb seconded. The motioned carried.

5 Year New Industry Exemption Application by Prairie Products LLC

The application was withdrawn, with a possibility of returning in February. Commissioner Dave Piepkorn clarified there was nothing further to discuss with this agenda item.

Final Discussion on Revisions to Tax Exempt Review Committee Policy & Guidelines

Jim Gilmour included the latest updates of the Tax Exempt Review Policy for one last review before presenting the changes to the City Commission. He included one addition pertaining to the periodic reporting, which will not be required after all stated goals have been met or necessitate applicants to pay back a prorated incentive amount if they are not. There will also be opportunity to extend goals up to two years if needed and with approval at a public meeting.

After discussion among committee members, it was decided to alter the order of two paragraphs under the 'Additional Policy and Procedures' section as it allows for more permissive language in the policy. Commissioner Piepkorn asked that the final copy be posted to the website prior to the next commission meeting.

Robert Wilson stated the Cass County Commissioners appreciated Jim Gilmour's presentation on the policy updates. It was well received and members now have a better understanding of how the process works.

Commissioner Dave Piepkorn adjourned the meeting at 1:19pm.

City of Fargo
Application for PILOT or TIF

Contact Information

Primary Contact: Larry S. Nygard
Roers
200 45th Street S
Fargo, ND 58103
(701) 356-5050
lnygard@roers.com

General Information

Name and description of Corporation/Partnership

Project Location University Drive and 11th Avenue North
Fargo, ND 58102

Project Description with conceptual plans

Propose Schedule Start construction upon TIF determination.
Completion July 2021

Project Financials and Financing

Name of Developer Roers Development, Inc.

Ultimate owner of development Townhomes – Individual Owners
Newman Opportunity Zone Partners, LLC

Type of Exemption Tax Increment Financing

Dollar request of TIF assistance \$950,000

Term of request of PILOT property tax payments Ten (10) year property tax increase exemption

Minimum of a 10-Year Proforma, showing the year in which the property is at full rent-up
See Pro Forma

Total project cost See Pro Forma

Hard Capital Costs as defined in the Policy & Guidelines See Pro Forma

Contributed equity See Pro Forma

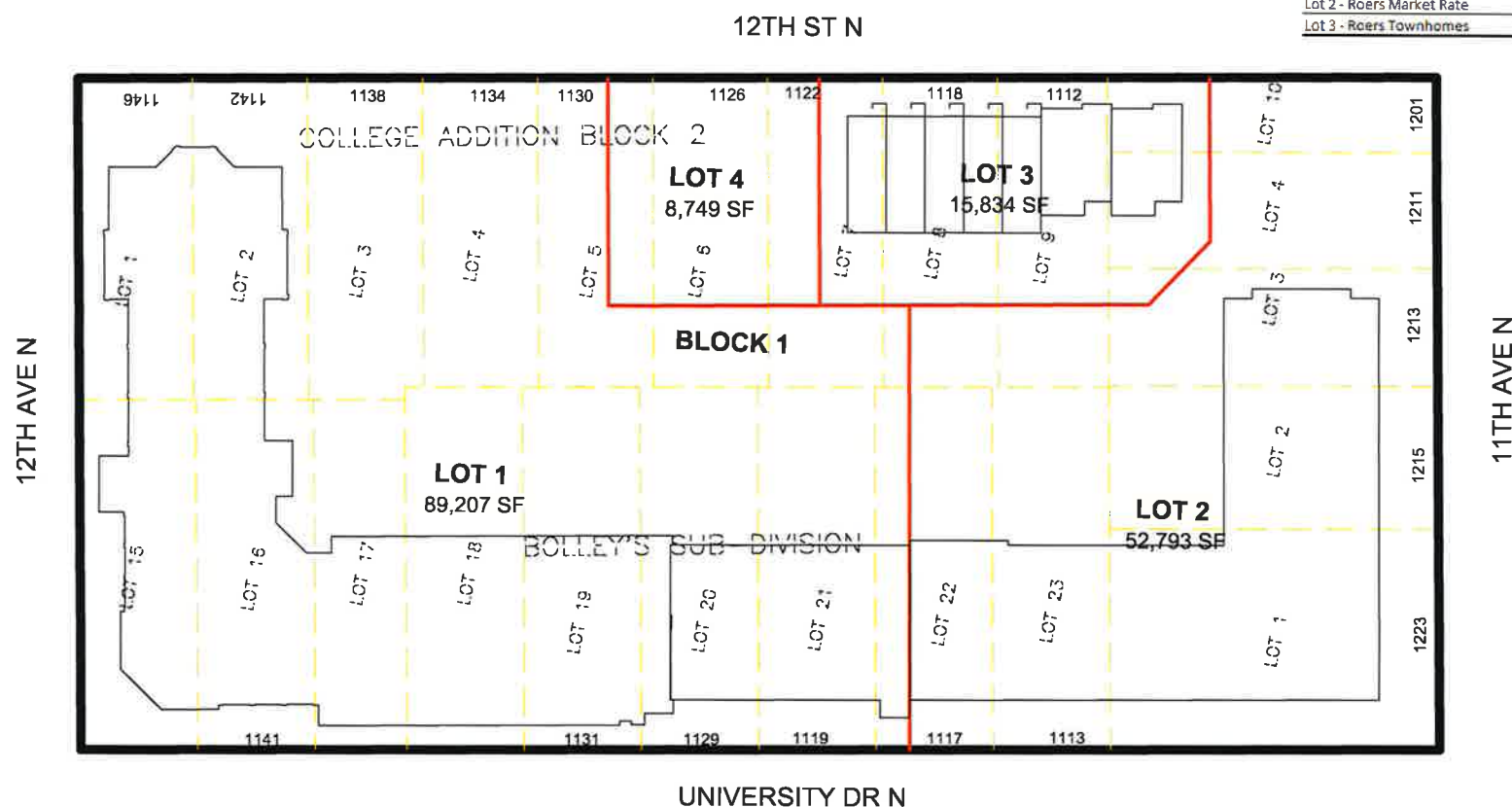
Loan amount(s) with terms (anticipated rate, first maturity, final maturity)
\$9,100,000, 5 Year Term, LIBOR + 250 bps

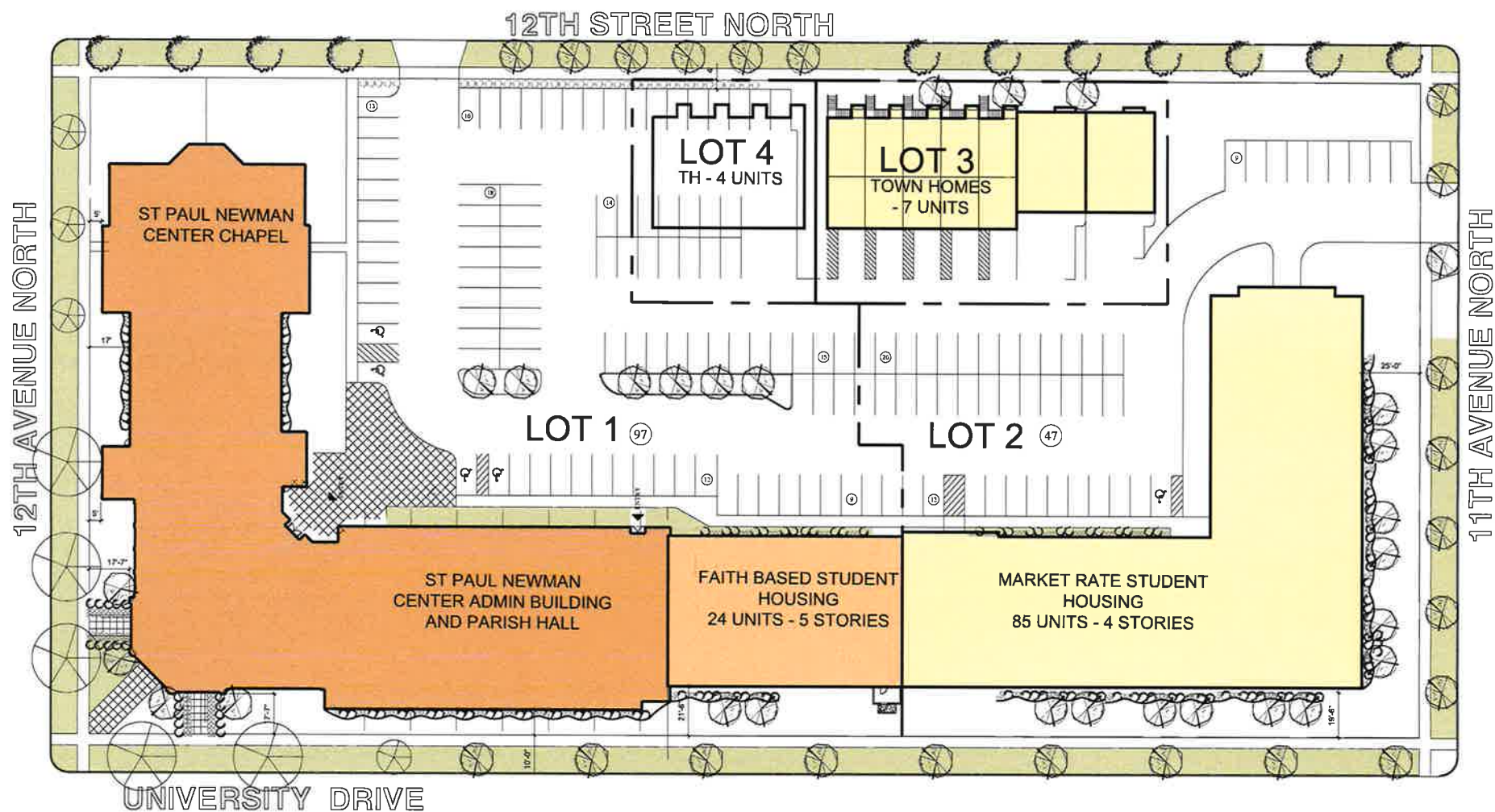
Number of housing units by type 85 Rental Units
7 Townhome Units

City of Fargo
Application for PILOT or TIF

Square footage of commercial space	None	
Proposed rents by housing unit types and for commercial space		See Pro Forma
Detailed assumptions for any other revenues (e.g. \$100/month/garage space)		See Pro Forma
Expenditures broken out by category	See Pro Forma	
Extraordinary Costs broken out by cost as defined in the Policy & Guidelines		See Pro Forma

	Area	% of Block	
Total Block Area	166583 SF	100.00%	
Lot 1 - Diocese of Fargo	89207 SF	53.55%	58.80%
Lot 4 - Diocese of Fargo	8749 SF	5.25%	
Lot 2 - Roers Market Rate	52793 SF	31.69%	41.20%
Lot 3 - Roers Townhomes	15834 SF	9.51%	







1 EXTERIOR ELEVATION - EAST
A3.1 SCALE: 1/8" = 1'-0"

GENERAL NOTES

1. ADD BLOCKING AT ALL WALL BRACKETS AS REQUIRED.
2. FLASHING COLOR TO MATCH SIDING COLOR, UNLESS OTHERWISE NOTED.



2 EXTERIOR ELEVATION - SOUTH
A3.1 SCALE: 1/8" = 1'-0"

FINISH LEGEND

SIDING 1	
SIDING 2	
SIDING 3	
SIDING 4	
SIDING 5	
WAPIL 1	
WGFPG-PL1	
STONE 1	

MARKET RATE STUDENT HOUSING
1113 UNIVERSITY DRIVE N
FARGO, ND
(NOT FOR CONSTRUCTION; FOR DESIGN REVIEW ONLY)

DATE: 4.04.19

PROJECT NO.
BHS# 18-022

A3.1
EXTERIOR
ELEVATIONS



1 EXTERIOR ELEVATION - WEST
A3.2 SCALE: 1/8" = 1'-0"



2 EXTERIOR ELEVATION - NORTH
A3.2 SCALE: 1/8" = 1'-0"

GENERAL NOTES

1. ADD BLOCKING AT ALL WALL BRACKETS, AS REQUIRED.
2. FLASHING COLOR TO MATCH SIDING COLOR, UNLESS OTHERWISE NOTED.

FINISH LEGEND

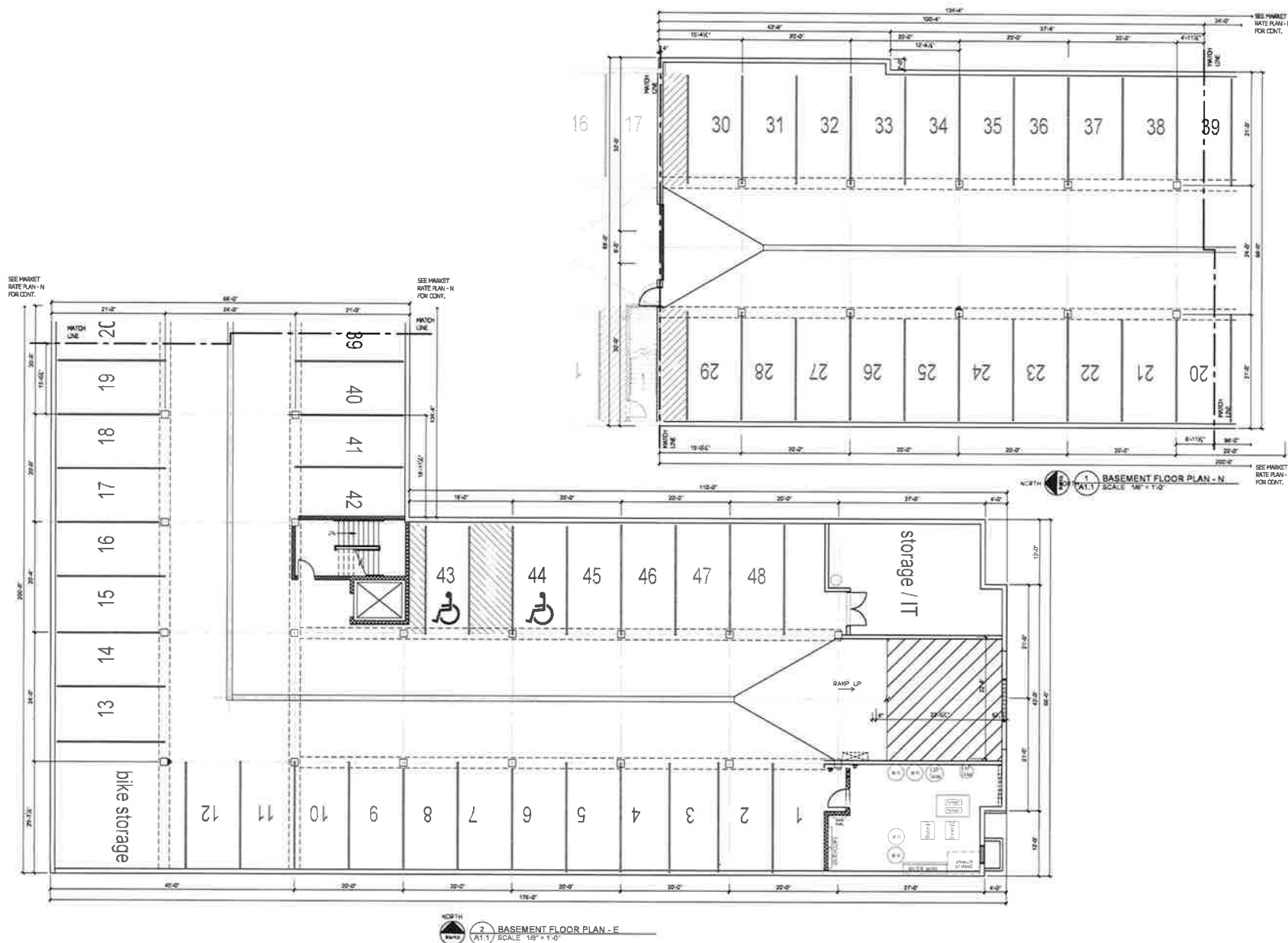
SIDING 1	
SIDING 2	
SIDING 3	
SIDING 4	
SIDING 5	
W/PAL 1	
W/FC-PNL1	
STONE 1	

MARKET RATE STUDENT HOUSING
1113 UNIVERSITY DRIVE N
FARGO, ND
(NOT FOR CONSTRUCTION; FOR DESIGN REVIEW ONLY)

DATE: 4.04.19

PROJECT NO.
BHS# 18-022

A3.2
EXTERIOR
ELEVATIONS



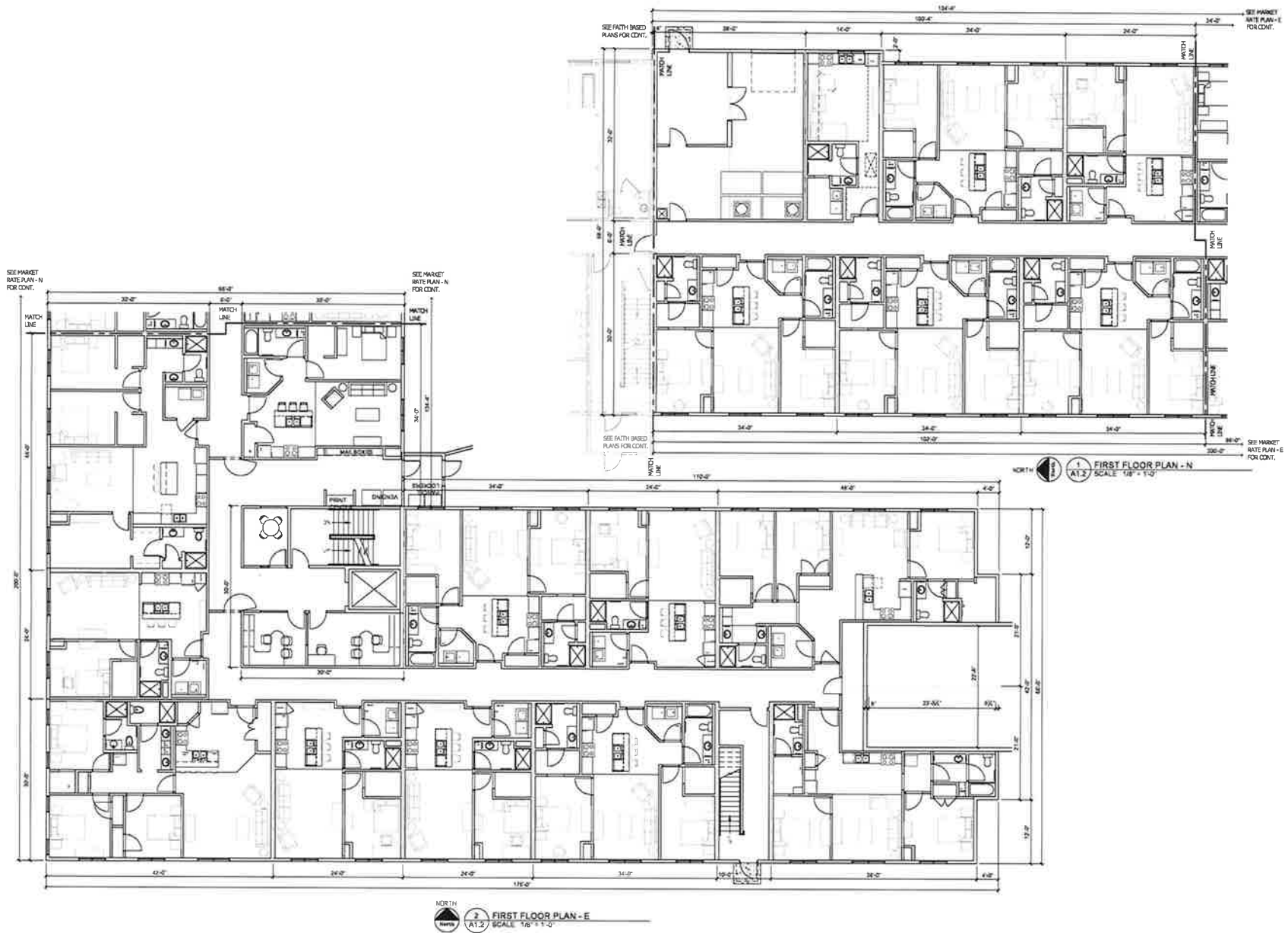
MARKET RATE STUDENT HOUSING
1113 UNIVERSITY DRIVE N
FARGO, ND

(NOT FOR CONSTRUCTION; FOR DESIGN REVIEW ONLY)

DATE: 5.17.19

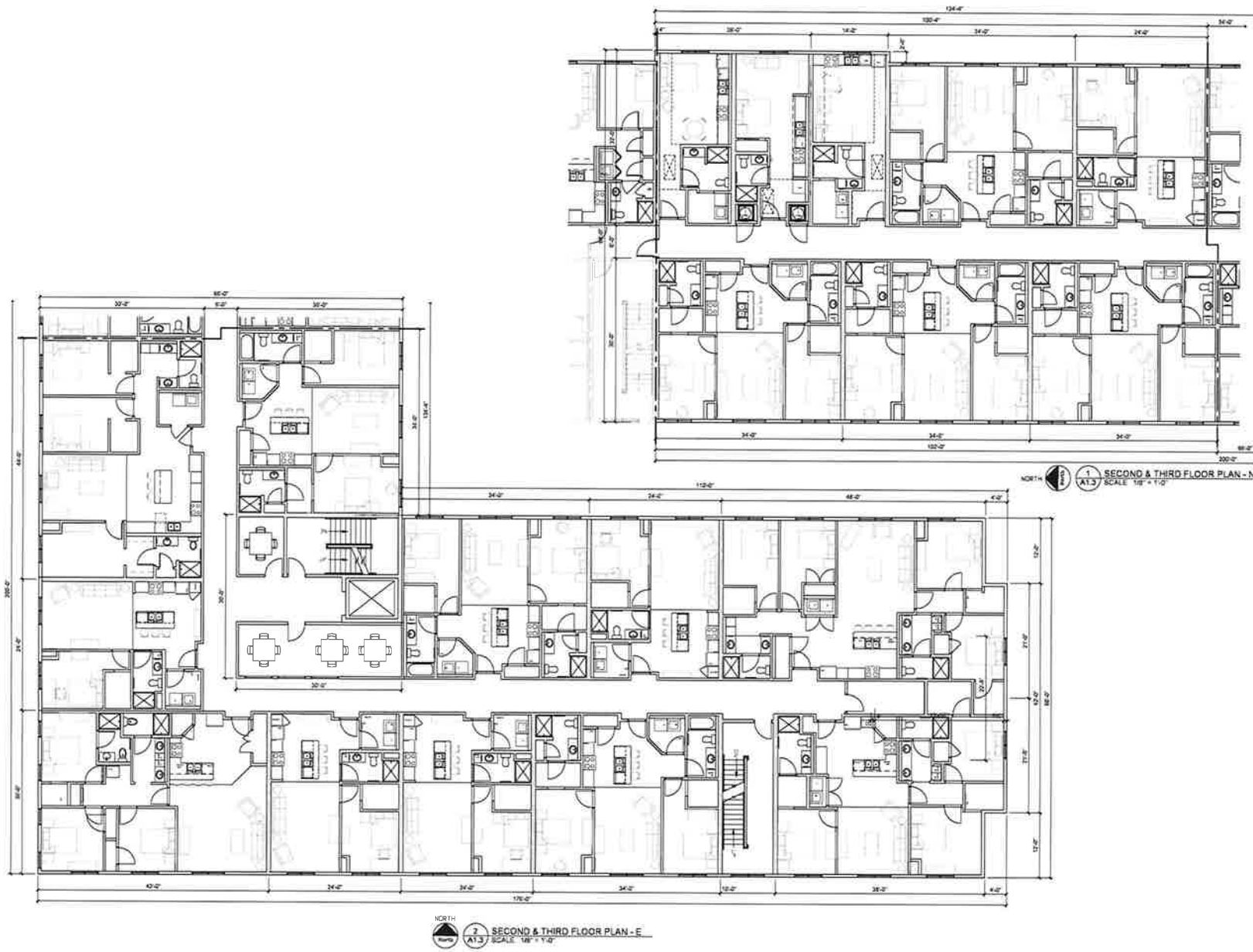
PROJECT NO.
BHS# 18-022

A1.1
BASEMENT PARKING &
FLOOR PLANS



MARKET RATE STUDENT HOUSING
1113 UNIVERSITY DRIVE N
FARGO, ND
(NOT FOR CONSTRUCTION; FOR DESIGN REVIEW ONLY)
DATE: 5.17.19

PROJECT NO.
BHS# 18-022
A1.2
FIRST FLOOR PLAN



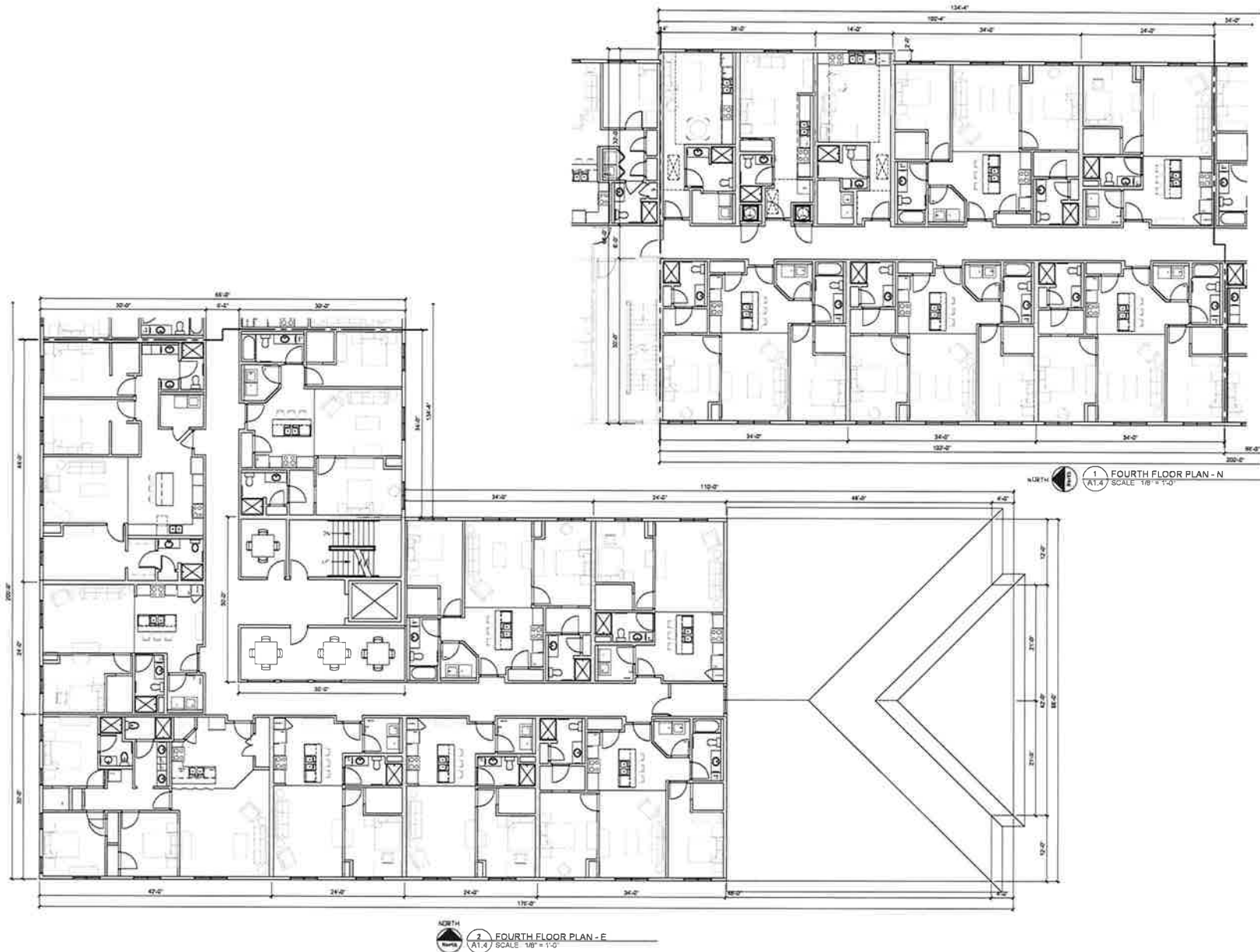
MARKET RATE STUDENT HOUSING
1113 UNIVERSITY DRIVE N
FARGO, ND

(NOT FOR CONSTRUCTION; FOR DESIGN REVIEW ONLY)

DATE: 5.17.19

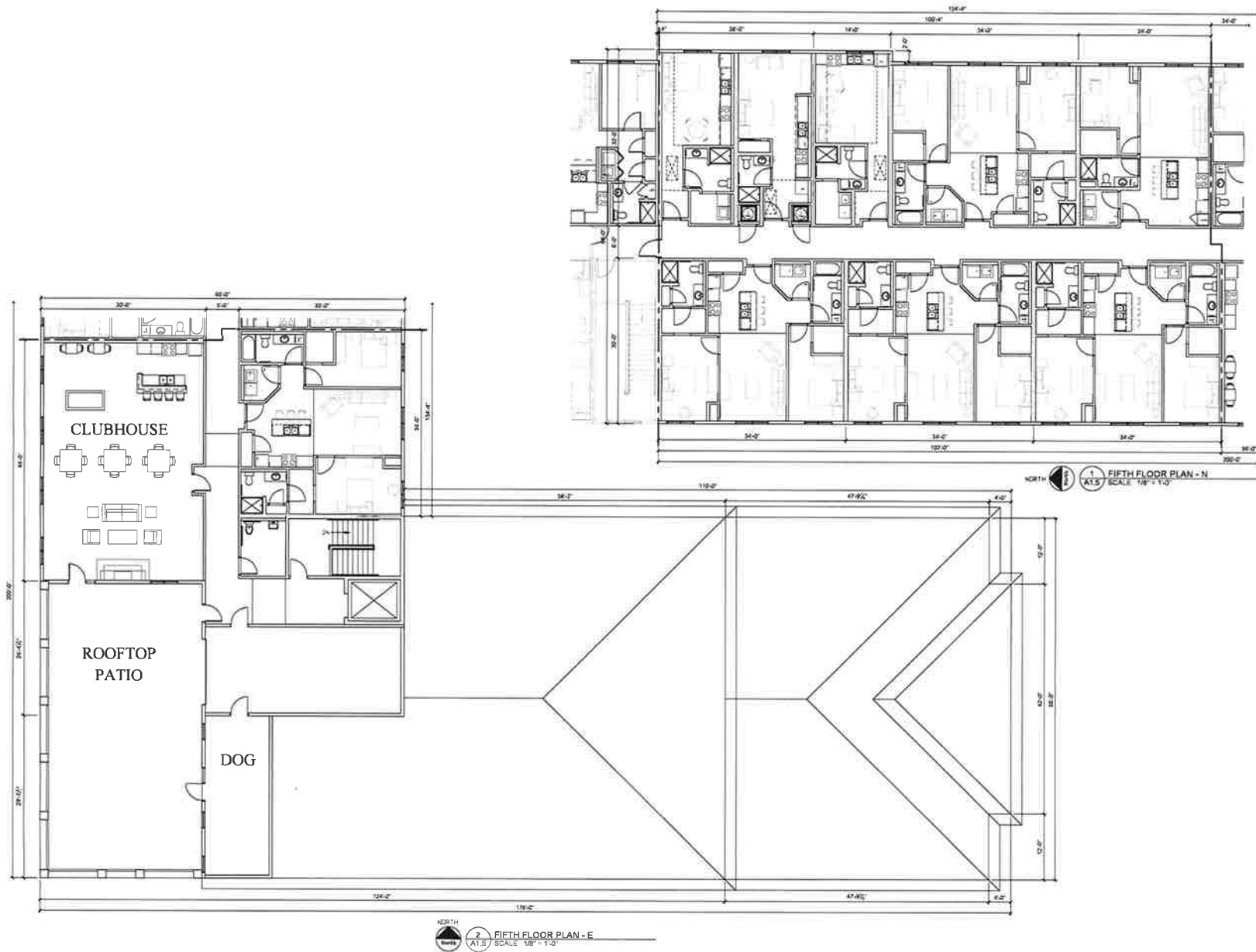
PROJECT NO.
BHS# 18-022

A1.3
SECOND & THIRD
FLOOR PLANS



MARKET RATE STUDENT HOUSING
 1113 UNIVERSITY DRIVE N
 FARGO, ND
 (NOT FOR CONSTRUCTION; FOR DESIGN REVIEW ONLY)
 DATE: 5.17.19

PROJECT NO.
 BHS# 18-022
A1.4
 FOURTH FLOOR PLAN



MARKET RATE STUDENT HOUSING
1113 UNIVERSITY DRIVE N
FARGO, ND
DATE: 5.17.19
(NOT FOR CONSTRUCTION; FOR DESIGN REVIEW ONLY)

PROJECT NO.
BHS# 18-022
A1.5
FIFTH FLOOR PLAN

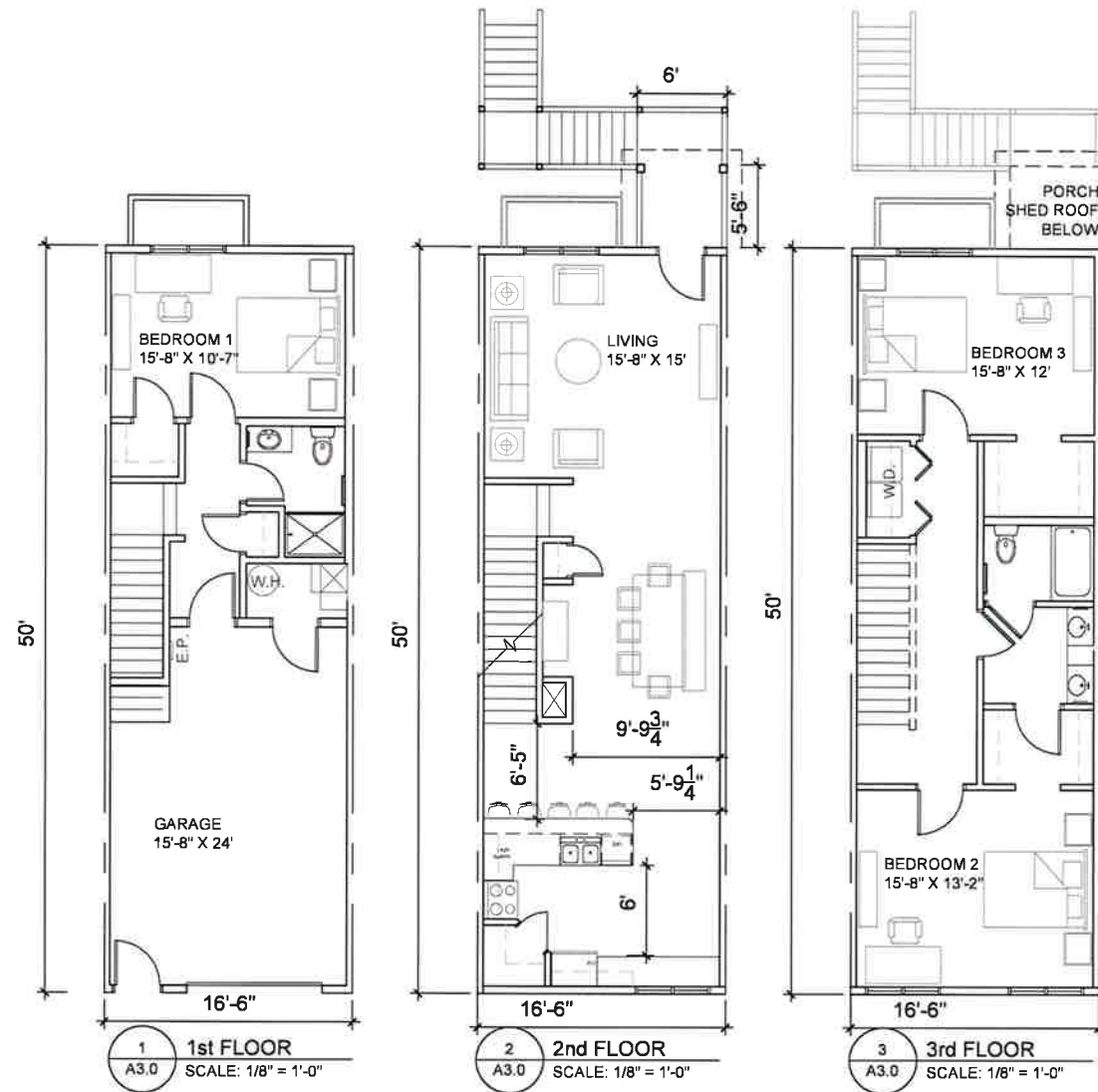
SPNC TownHomes
Project Budget
5/22/2019

Sales

	Quan	Style	Avg Sale	sq ft	\$/psf	total	
	2	2 story	264,900	1,600	\$ 166	529,800	
	5	2.5 story	274,900	1,750	\$ 157	1,374,500	
	<u>7</u>		<u>272,043</u>				
						<u>1,904,300</u>	100.0%
Commissions		List	3.0%			57,129	3.0%
		Sale	3.0%			57,129	3.0%
Closing Costs			1,000	per		7,000	0.4%
Net Sale Proceeds						<u>1,783,042</u>	93.6%
				Avg.		<u>254,720</u>	

Expenses

Land Allocation*	7		56,382			394,675	20.7%
Building cost	7		\$ 153,000	1,700	\$ 90	1,071,000	56.2%
Demolition	7		7,143			50,000	
Architecture	7		4,000			28,000	1.5%
					Sub total	<u>1,543,675</u>	
Gross Profit					Gross Profit	<u>239,367</u>	
GP per unit					Per unit	34,195	
					%	13%	
Legal						15,000	0.8%
Marketing						40,000	2.1%
Bank Fees							
	Appraisal		1,000				
	Origination		20,000				
	Legal		5,000				
	Survey/plat		<u>2,500</u>			28,500	1.5%
Const period interest and holding costs						35,000	1.8%
Taxes during construction						10,000	0.5%
Warranty						7,000	0.4%
Misc						28,000	1.5%
Total Expenses						<u>1,707,175</u>	89.6%
Net Cash Flow						<u>75,867</u>	4.0%
Average Per Unit						<u>10,838</u>	
Industry Average						190,430	10.0%
TIF Request						<u>114,563</u>	



barnhausstudios
 14390 40th St SE - Wheatland, ND
 elissa@barnhausstudios.com
 701.866.3506

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SPNC_Townhomes
 FARGO, ND

DATE: 3.31.19

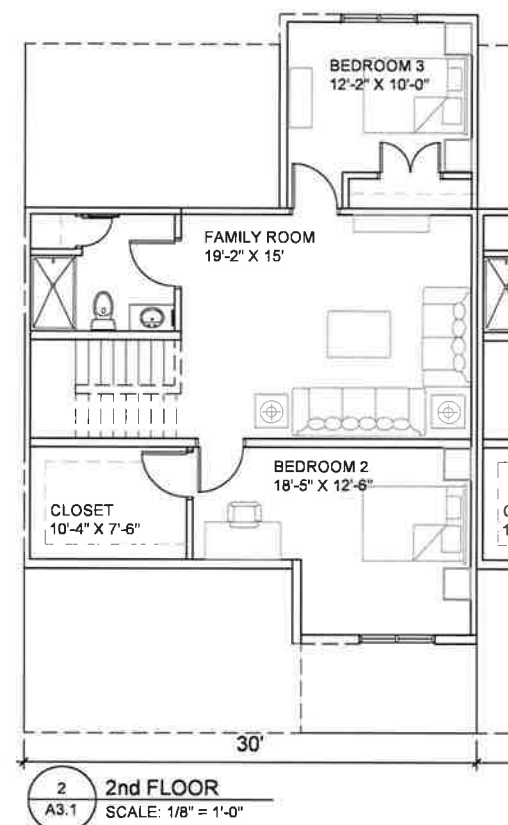
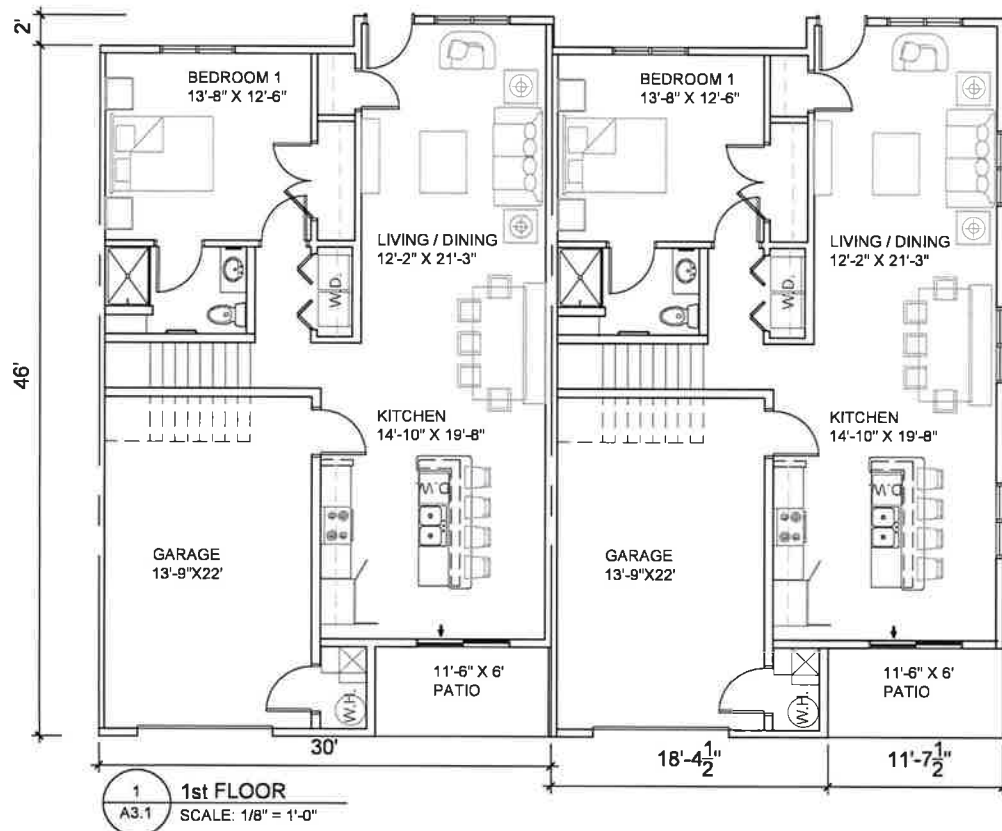
PROJECT NO.
 BHS 19-014

A3.0
 PRELIMINARY DESIGN
 CONCEPT #



14390 40th St SE - Wheatland, ND
elissa@barnhausstudios.com
701.866.3506

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SPNC_Townhomes
FARGO, ND

DATE: 3.18.19

PROJECT NO.
BHS 19-014

A3.1
PRELIMINARY DESIGN

[illegible]

85 plex SPNC W/O Townhomes
 Budget for Period Ended XX10
 21-May-19

	1	2	3	4	5	6	7	8	9	10	11
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Inflation	2%										
% vacant		6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Average Rent	\$ 1,070	1,092	1,114	1,136	1,159	1,182	1,205	1,229	1,254	1,279	1,305
Income:											
Apartment Rent	1,091,760	1,113,595	1,135,867	1,158,584	1,181,756	1,205,391	1,229,499	1,254,089	1,279,171	1,304,754	1,330,849
Garage Rent	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	36,570	37,301
Vacancy	(201,090)	(61,248)	(62,473)	(63,722)	(64,997)	(66,297)	(67,622)	(68,975)	(70,354)	(71,761)	(73,197)
Net Apartment Rent	921,271	1,083,559	1,105,231	1,127,335	1,149,882	1,172,880	1,196,337	1,220,264	1,244,669	1,269,563	1,294,954
Other income	-	-	-	-	-	-	-	-	-	-	-
Misc	-	-	-	-	-	-	-	-	-	-	-
Total Revenues:	921,271	1,083,559	1,105,231	1,127,335	1,149,882	1,172,880	1,196,337	1,220,264	1,244,669	1,269,563	1,294,954
Expenses:	Inflation										
	2%										
Administration											
sub-total	94,211	96,095	98,017	99,977	101,977	104,016	106,097	108,219	110,383	112,591	114,843
Maintenance											
sub-total	85,850	87,567	89,318	91,105	92,927	94,785	96,681	98,615	100,587	102,599	104,651
Utilities											
sub-total	112,200	81,932	83,570	85,242	86,946	88,685	90,459	92,268	94,114	95,996	97,916
Other											
Insurance	21,250	21,675	22,109	22,551	23,002	23,462	23,931	24,410	24,898	25,396	25,904
Real Estate tax	-	-	-	-	-	-	-	-	-	-	119,000
sub-total	21,250	21,675	22,109	22,551	23,002	23,462	23,931	24,410	24,898	25,396	144,904
Total Operating Expenses	313,511	287,269	293,014	298,874	304,852	310,949	317,168	323,511	329,981	336,581	462,313
Operating Income	607,760	796,291	812,217	828,461	845,030	861,931	879,169	896,753	914,688	932,982	832,641

85 plex SPNC W/O Townhomes
Cash Flow Statement
For the 10 Years Ended 2031
21-May-19

Project year Year		1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031
Net Operating Income		607,760	796,291	812,217	828,461	845,030	861,931	879,169	896,753	914,688	932,982
Debt Service											
Mortgage	5.5%										
	30	361,682	620,026	620,026	620,026	620,026	620,026	620,026	620,026	620,026	620,026
		-	-	-	-	-	-	-	-	-	-
<i>Sub total</i>		<u>361,682</u>	<u>620,026</u>	<u>620,026</u>	<u>620,026</u>	<u>620,026</u>	<u>620,026</u>	<u>620,026</u>	<u>620,026</u>	<u>620,026</u>	<u>620,026</u>
Cash flow before capital expenditures		<u>246,078</u>	<u>176,265</u>	<u>192,191</u>	<u>208,435</u>	<u>225,005</u>	<u>241,905</u>	<u>259,144</u>	<u>276,727</u>	<u>294,662</u>	<u>312,956</u>
<i>Sub total</i>		<u>246,078</u>	<u>176,265</u>	<u>192,191</u>	<u>208,435</u>	<u>225,005</u>	<u>241,905</u>	<u>259,144</u>	<u>276,727</u>	<u>294,662</u>	<u>312,956</u>
Debt Service Ratio		168%	128%	131%	134%	136%	139%	142%	145%	148%	150%
Cash on Cash	5,000,000	4.92%	3.53%	3.84%	4.17%	4.50%	4.84%	5.18%	5.53%	5.89%	6.26%
Unleveraged CAP rate		4.35%	5.70%	5.81%	5.93%	6.05%	6.17%	6.29%	6.42%	6.55%	6.68%

ASSESSMENT DEPARTMENT

TAX EXEMPT REVIEW COMMITTEE PILOT APPLICATION SUMMARY

Scheduled Meeting Date: 6/25/2019

APPLICATION #1

Applicant	Great Plains Antique Holdings, LLC (Kilbourne)
Address	1017 4 th Ave N
Parcel Number	01-2382-03253-000
Project Type	Apartments in Downtown Area Plan
Project Timing	Commencement of operations December 2020
Request	15 Year PILOT on increased value of project
Comments	PILOT Payment structured to retain tax amount currently being paid
Policy Concerns	Meets existing policy for downtown apartments & significant development

APPLICATION #2

Applicant	1001 Holdings, LLC (Kilbourne)
Address	1001 NP Ave. & 28 10 th St. N.
Parcel Number	01-2382-02530-000 & 01-2382-02745-000
Project Type	Apartments and commercial development
Project Timing	Commencement of operations late 2020 – early 2021
Request	15 Year PILOT on increased value of project
Comments	PILOT Payment structured to retain tax amount currently being paid
Policy Concerns	Meets existing policy for downtown apartments & significant development

APPLICATION #3

Applicant	DFI Kesler, LLC (Kilbourne)
Address	624 2 nd Ave. N., 617 & 621 1 st Ave N.
Parcel Number	01-2381-00350-000, 01-2382-00330-000 & 01-2382-00420-000
Project Type	Apartments, retail, and parking
Project Timing	Commencement of operations April 2021
Request	15 Year PILOT on increased value of project
Comments	PILOT Payment structured to retain tax amount currently being paid
Policy Concerns	Meets existing policy for downtown apartments & significant development



June 10, 2019

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

Dear Mr. Gilmour:

Attached is the application for Payment in Lieu of Taxes for Great Plains Antique Holdings, LLC. The first files contain the applications and other information. The second files contain our financial information on both projects, which the City should consider proprietary, non-public information.

Kilbourne Group is proposing a five-story project on the former Dakota Electric Supply Co site. This project would contain four floors of market rate apartments and structured parking on the ground floor. The \$11.6MM project will be approximately 90,146SF, 68 units, and 90 parking stalls.

Thank you for your consideration of this request and let me know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Allmendinger', is written over a horizontal line.

Mike Allmendinger
President

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>Great Plains Antique Holdings, LLC</u>	
2.	Address of project <u>1017 4th Ave N</u>	
	City <u>Fargo</u>	County <u>Cass</u>
3.	Mailing address of project operator <u>210 Broadway Suite 300</u>	
	City <u>Fargo</u>	State <u>ND</u> Zip <u>58102</u>
4.	Type of ownership of project	
	<input type="checkbox"/> Partnership	<input type="checkbox"/> Subchapter S corporation
	<input type="checkbox"/> Corporation	<input type="checkbox"/> Cooperative
		<input type="checkbox"/> Individual proprietorship
		<input checked="" type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No. <u>84-1914674</u>	
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>Mike Allmendinger</u>	
	Mailing address <u>210 Broadway - Suite 300</u>	
	City, State, Zip <u>Fargo, ND 58102</u> Phone No. <u>701.237.2279</u>	

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 checked="" type="checkbox"/> Payments In Lieu of Taxes 2020 Beginning year X Amount of annual payments (attach schedule if payments will vary)	2036 Ending year _____	
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

Lot: 5 Block: 30 ROBERTS 2ND ADDN LTS 1,2,3 & 4, B LK 30 INCLUSIVE, INCL THE W1/2 OF THE VACA ALLEY A DJ THERETO & ALL THAT PT OF E1/2 OF VAC ALLEY ADJ TO LT 9 DESC AS FOLL: BEG AT THE SW COR OF SD LT 9; THN W ALG THE S LN OF LT 9 EXT WLY A DIST OF 10'; THN N ALG A LN PARA W& PERP DIST 10' W OF THE W LN OF SD LT 9 A DIST OF 50'; THN SELY TO A PT ON THE W LN OF SD LT 9, A DIST OF 49' N OF THE SW COR THEREOF; THN S ALG SD W LN A DIST OF 49' TO THE PLACE OF BEG; & ALL THAT PT OF THE E1/2 OF VAC ALL

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 September 2019

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

?

c. Projected number of construction employees during the project construction 15

14. Approximate date of commencement of this project's operations December 202015. Estimated market value of the property used for this project:

a. Land..... \$ 909,940

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

c. Newly constructed buildings and structures when completed \$ 10,294,522

d. Total..... \$ 11,204,461

e. Machinery and equipment \$ 0

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..... \$ 10,294,522

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 10,294,522

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

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ 144,432

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).

Leasing of residential apartments

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

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	743,657	1,136,200	1,156,900	1,177,800	1,199,300
Annual expense	302,752	308,800	315,000	321,300	327,700
Net income	440,905	827,400	841,900	856,500	871,600

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) n/a						
	(2)						
Estimated payroll	(1) n/a						
	(2)						

(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).

n/a - new project on this location

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

n/a - new project on this location

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

President

Signature

Title

Date

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

Project	Great Plains Antique Holdings, LLC			
Project Value	\$10,294,522			
Current Value	\$757,000			
Mills	0.2886			
	Current Taxes	New Taxes	Abatement	Proposed Schedule
Year 1	\$10,923.51	\$0.00	100%	\$10,923.51
Year 2	\$10,923.51	\$0.00	100%	\$10,923.51
Year 3	\$10,923.51	\$0.00	100%	\$10,923.51
Year 4	\$10,923.51	\$0.00	100%	\$10,923.51
Year 5	\$10,923.51	\$0.00	100%	\$10,923.51
Year 6	\$10,923.51	\$14,854.99	90%	\$25,778.50
Year 7	\$10,923.51	\$14,854.99	90%	\$25,778.50
Year 8	\$10,923.51	\$29,709.99	80%	\$40,633.50
Year 9	\$10,923.51	\$44,564.98	70%	\$55,488.49
Year 10	\$10,923.51	\$59,419.98	60%	\$70,343.49
Year 11	\$10,923.51	\$74,274.97	50%	\$85,198.48
Year 12	\$10,923.51	\$89,129.97	40%	\$100,053.48
Year 13	\$10,923.51	\$103,984.96	30%	\$114,908.47
Year 14	\$10,923.51	\$118,839.96	20%	\$129,763.47
Year 15	\$10,923.51	\$133,694.95	10%	\$144,618.46



May 9, 2019

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

Dear Mr. Gilmour:

Attached is the application for Payment in Lieu of Taxes for Great Plains 1001 Holdings, LLC. The first files contain the application and other information. The second files contain our financial information on both projects, which the City should consider proprietary, non-public information.

Kilbourne Group is proposing a four-story mixed-use project on the former Nestor Site and current Park Company property. This project would contain three floors of market rate apartments and ground floor with structured parking, a corner restaurant, and walk up units. The \$25.5MM project will be approximately 220,000 SF, 5,500 SF commercial, 160 units, and 230 parking stalls.

Thank you for your consideration of this request and let me know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike', with a stylized flourish at the end.

Mike Allmendinger
President

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>Great Plains 1001 Holdings, LLC</u>
2.	Address of project <u>1001 NP; 28 ST N; 1016 1 AVE N; 11 11 ST N</u>
	City <u>Fargo</u> County <u>Cass</u>
3.	Mailing address of project operator <u>210 Broadway Suite 300</u>
	City <u>Fargo</u> State <u>ND</u> Zip <u>58102</u>
4.	Type of ownership of project
	<input type="checkbox"/> Partnership <input type="checkbox"/> Subchapter S corporation <input type="checkbox"/> Individual proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input checked="" type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No. <u>being processed</u>
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>Mike Allmendinger</u>
	Mailing address <u>210 Broadway - Suite 300</u>
	City, State, Zip <u>Fargo, ND 58102</u> Phone No. <u>701.237.2279</u>

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Property Tax Exemption _____ Number of years _____ Percent of exemption </div> <div style="width: 45%;"> <input checked="" type="checkbox"/> Payments In Lieu of Taxes 2020 Beginning year 2036 Ending year X Amount of annual payments (attach schedule if payments will vary) </div> </div>
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

1001NP = Lot: 1 Block: 25 ROBERTS 2ND LOTS 1-12 BLK 25 EXC S 8.5' & E 7.5'

~~28-10 ST N = Lot: 7 Block: 26 ROBERTS 2ND LOTS 7 THRU 12 BLK 26 LESS E 7 1/2' **2-21-94 SPL FR 01-2382-02730-000, 2740-000, 2760-000 & 2770-000~~

11 11 ST N = Lot: 1 Block: 26 ROBERTS 2ND W 70' OF LOT 1 BLK 26 W 70' OF LOT 2 **2-26-94 LOT DESC CORR

~~4016-1 Ave N = Lot: 1 Block: 26 ROBERTS 2ND E 70' OF LOT 1, 2 & 3 BLK 26 S 1' OF E 70' OF LOT 4 **2-25-94 LOT DESC CORR~~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 Fall 2019

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

A four-story mixed-use project with three floors of market rate apartments and ground floor with structured parking, a corner restaurant, and apartments.Project Metrics: • +/- 220,000 SF • 5,500 SF commercial • +/- 160 units • +/- 230 parking stallsc. Projected number of construction employees during the project construction 1514. Approximate date of commencement of this project's operations Late 2020 (phase 1). Early 2021 (phase 2)15. Estimated market value of the property used for this project:a. Land.....\$ 823,000b. Existing buildings and structures for which an exemption is claimed.....\$ 0c. Newly constructed buildings and structures when completed.....\$ 27,427,417d. Total.....\$ 28,250,417e. Machinery and equipment.....\$ 0

16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:

a. Land (not eligible) 823,000 [REDACTED]b. Eligible existing buildings and structures.....\$ 0c. Newly constructed buildings and structures when completed.....\$ 27,427,417d. Total taxable valuation of property eligible for exemption (Add lines b and c).....\$ 27,427,417e. Enter the consolidated mill rate for the appropriate taxing district.....288.60f. Annual amount of the tax exemption (Line d multiplied by line e).....\$ 395,777

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).

Leasing of residential apartments and commercial space

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

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 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
Annual revenue	2514169	2991800	3046500	3102400	3159400
Annual expense	698096	689242	703000	717100	731400
Net income	1816073	2302557	2343500	2385300	2428000

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) n/a					
	(2)					
Estimated payroll	(1) n/a					
	(2)					

(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).

n/a - new project on this location

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

n/a - new project on this location

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

Signature

President

Title

Date

5.13.19

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

Project	Great Plains 1001 Holdings, LLC				
Project Value	\$27,427,417				
Current Value	\$1,584,000				
Mills	0.2886				
	Current Taxes	New Taxes	Incentive	Abatement	Proposed Schedule
Year 1	\$22,857.12	\$0.00	RZ	100%	\$22,857.12
Year 2	\$22,857.12	\$0.00	RZ	100%	\$22,857.12
Year 3	\$22,857.12	\$0.00	RZ	100%	\$22,857.12
Year 4	\$22,857.12	\$0.00	RZ	100%	\$22,857.12
Year 5	\$22,857.12	\$0.00	RZ	100%	\$22,857.12
Year 6	\$22,857.12	\$39,577.76	PILOT	90%	\$62,434.88
Year 7	\$22,857.12	\$39,577.76	PILOT	90%	\$62,434.88
Year 8	\$22,857.12	\$79,155.52	PILOT	80%	\$102,012.64
Year 9	\$22,857.12	\$118,733.29	PILOT	70%	\$141,590.41
Year 10	\$22,857.12	\$158,311.05	PILOT	60%	\$181,168.17
Year 11	\$22,857.12	\$197,888.81	PILOT	50%	\$220,745.93
Year 12	\$22,857.12	\$237,466.57	PILOT	40%	\$260,323.69
Year 13	\$22,857.12	\$277,044.34	PILOT	30%	\$299,901.46
Year 14	\$22,857.12	\$316,622.10	PILOT	20%	\$339,479.22
Year 15	\$22,857.12	\$356,199.86	PILOT	10%	\$379,056.98



May 9, 2019

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

Dear Mr. Gilmour:

Attached is the application for Payment in Lieu of Taxes for DFI Kesler, LLC. The first files contain the applications and other application information. The second files contain our financial information, which the City should consider proprietary, non-public information.

Kilbourne Group is proposing a six-story mixed-use project on the Kesler and Barnick parking lots (624 2nd Ave N and 617/621 1st Ave N) spanning between 2nd Ave and 1st Ave. This project would contain five floors of market rate apartments, ground floor retail and structured parking.

Total Project: \$22.8MM; +/-95 units, +/- 13,000 SF commercial, +/- 85 parking stalls

Thank you for your consideration of this request and let me know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Allmendinger', with a small dot at the end.

Mike Allmendinger
President

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>DFI Kesler LLC</u>
2.	Address of project <u>624 2 AVE N - 621 1 AVE N - 617 1 AVE N</u>
	City <u>Fargo</u> County <u>Cass</u>
3.	Mailing address of project operator <u>210 Broadway Suite 300</u>
	City <u>Fargo</u> State <u>ND</u> Zip <u>58102</u>
4.	Type of ownership of project
	<input type="checkbox"/> Partnership <input type="checkbox"/> Subchapter S corporation <input type="checkbox"/> Individual proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input checked="" type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No. <u>47-4587299</u>
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>Mike Allmendinger</u>
	Mailing address <u>210 Broadway Suite 300</u>
	City, State, Zip <u>Fargo, ND 58102</u> Phone No. <u>701.237.2279</u>

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Property Tax Exemption _____ Number of years _____ Percent of exemption </div> <div style="width: 50%;"> <input checked="" type="checkbox"/> Payments In Lieu of Taxes 2021 Beginning year <u>2037</u> Ending year <u>X</u> Amount of annual payments (attach schedule if payments will vary) </div> </div>
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

see attached

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
- 10/1/2019

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

A 140,000SF six-story mixed-use project with 13K SF ground floor retail, five floors market-rate apts (96) and 88 parking stalls.

- c. Projected number of construction employees during the project construction
- 20

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

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

a. Land \$ 423,000b. Existing buildings and structures for which an exemption is claimed..... \$ 0c. Newly constructed buildings and structures when completed \$ 19,392,626d. Total \$ 19,815,626e. Machinery and equipment \$ 0

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 \$ 0c. Newly constructed buildings and structures when completed..... \$ 19,392,626d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 19,392,626e. Enter the consolidated mill rate for the appropriate taxing district 288.60f. Annual amount of the tax exemption (Line d multiplied by line e) \$ 279,835.00

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).

Leasing of residential apartments and commercial space

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

n/a

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	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
Year (12 mo. periods)	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Annual revenue	<u>1,398,100</u>	<u>1,991,300</u>	<u>2,031,100</u>	<u>2,071,700</u>	<u>2,113,114</u>
Annual expense	<u>471,600</u>	<u>481,000</u>	<u>490,600</u>	<u>500,400</u>	<u>510,408</u>
Net income	<u>926,500</u>	<u>1,510,300</u>	<u>1,540,500</u>	<u>1,571,300</u>	<u>1,602,706</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

Year	(Before project)	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
No. of Employees	(1) <u>n/a</u>					
	(2) _____					
Estimated payroll	(1) <u>n/a</u>					
	(2) _____					

(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).
~~n/a - new project on this location~~

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


 Signature

President
 Title

5/13/19
 Date

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)

DFI Kesler LLC - 210 Broadway Suite 300, Fargo, ND 58102

(Project operator name and address)

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

Real Estate Development

(Type of business)

at 624 2nd Ave N and 621/617 1 AVE N

(Address)

see attached

(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

Parcel #: 01-2381-00350-000

Address: 624 2 AVE N

Lot: A Block: 2 ROBERTS - HAGAMANS SUB LOTS A B C D E & F BLK 2

Parcel #: 01-2381-00420-000

Address: 621 1 AVE N

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

Parcel #: 01-2381-00330-000

Address: 617 1 AVE N

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

Project	DFI Kesler LLC				
Project Value	\$19,392,626				
Current Value	\$423,000				
Mills	0.2886				
	Current Taxes	New Taxes	Incentive	Abatement	Proposed Schedule
Year 1	\$6,103.89	\$0.00	RZ	100%	\$6,104
Year 2	\$6,103.89	\$0.00	RZ	100%	\$6,104
Year 3	\$6,103.89	\$0.00	RZ	100%	\$6,104
Year 4	\$6,103.89	\$0.00	RZ	100%	\$6,104
Year 5	\$6,103.89	\$0.00	RZ	100%	\$6,104
Year 6	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000
Year 7	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000
Year 8	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000
Year 9	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000
Year 10	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000
Year 11	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000
Year 12	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000
Year 13	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000
Year 14	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000
Year 15	\$6,103.89	\$100,000.00	PILOT	64%	\$100,000