

**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]
4. **Discuss ND Opportunity Fund (Jim Gilmour)**
  - a. Opportunity Fund information [Page 27-37]

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 Elliott Place 4
2. Address of project 4462 30th Ave South  
City Fargo County Cass
3. Mailing address of project operator 325 Broadway  
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. \_\_\_\_\_
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 G. Matthew Pike  
 Mailing address 325 Broadway  
 City, State, Zip Fargo, ND 58102 Phone No. 701-478-2560

### 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)
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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
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## 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 ..... \$ 4,160,000d. 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**  
\$ 384,980d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... **\$208,000**  
\$ 187,200e. Enter the consolidated mill rate for the appropriate taxing district ..... **275.32**  
288.60f. 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.

	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	479,917	489,515	499,305	509,291	519,476
Annual expense	454,329	467,958	481,996	496,455	511,348
Net income	25,588	21,557	17,309	12,836	8,128

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) _____	2	2	2	2	2
	(2) _____	2	2	2	2	2
Estimated payroll	(1) _____	15,395	81,844	84,299	86,827	92,035
	(2) _____	9,549	28,649	29,508	30,393	31,304

(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

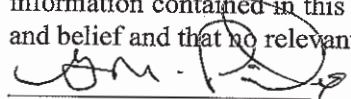
**Use Only When Reapplying**

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.

  
Signature

Executive Director & CEO

Title

5.15.2020

Date



15 Year Cash Flow Projection - Elliott Price 4%																		
Annual Increases:	2%	Rental Expense Increase	3%	Replacement Reserve Increase	3%													
Potential Residential Gross Income	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	
	495,324	505,230	516,335	525,642	536,155	546,776	557,616	568,872	580,351	591,995	603,787	615,733	628,190	640,754	653,969	666,640	679,973	
Less Vacancy and Collection Loss	(24,766)	(29,292)	(35,767)	(42,282)	(49,806)	(57,344)	(67,891)	(84,449)	(101,018)	(129,596)	(160,180)	(193,794)	(231,410)	(272,036)	(326,676)	(393,332)	(473,999)	
Plus Other Income	9,360	9,347	9,736	9,933	10,132	10,335	10,542	10,750	10,968	11,187	11,411	11,639	11,872	12,109	12,351	12,598	12,850	
Effective Gross Income	479,918	489,515	499,306	509,293	519,479	529,889	540,467	551,276	562,301	573,547	585,018	596,718	608,632	620,825	633,242	645,906	658,824	
Less Annual Operating Expenses																		
Admin Expenses	(64,753)	(66,696)	(68,697)	(70,758)	(72,881)	(75,067)	(77,319)	(79,635)	(82,028)	(84,489)	(87,023)	(89,634)	(92,322)	(95,093)	(97,945)	(100,884)	(103,910)	
Maintenance	(65,420)	(67,182)	(69,017)	(70,908)	(72,855)	(74,857)	(76,924)	(79,056)	(81,246)	(83,494)	(85,799)	(88,161)	(90,580)	(93,057)	(95,592)	(98,184)	(100,833)	
Supplies and Benefits	(56,135)	(57,819)	(59,554)	(61,340)	(63,180)	(65,072)	(67,018)	(69,018)	(71,074)	(73,189)	(75,363)	(77,596)	(79,888)	(82,239)	(84,650)	(87,121)	(89,652)	
Utilities	(72,864)	(74,965)	(77,110)	(79,424)	(81,806)	(84,257)	(86,788)	(89,392)	(92,074)	(94,833)	(97,668)	(100,582)	(103,577)	(106,653)	(109,811)	(113,052)	(116,386)	
Insurance	(111,136)	(114,270)	(117,486)	(120,733)	(124,063)	(127,480)	(130,986)	(134,583)	(138,173)	(141,857)	(145,536)	(149,211)	(152,883)	(156,553)	(160,221)	(163,887)	(167,551)	
Special Assessments	(6,543)	(6,512)	(6,586)	(6,166)	(6,351)	(6,541)	(6,737)	(6,938)	(7,144)	(7,355)	(7,571)	(7,791)	(8,016)	(8,246)	(8,481)	(8,721)	(8,965)	
Payment in Lieu of Taxes	(6,239)	(6,426)	(6,619)	(6,818)	(7,023)	(7,233)	(7,450)	(7,673)	(7,903)	(8,140)	(8,385)	(8,636)	(8,891)	(9,152)	(9,417)	(9,687)	(9,961)	
Total Annual Operating Expenses	(274,354)	(282,485)	(291,063)	(299,195)	(306,788)	(313,952)	(320,594)	(327,421)	(334,544)	(341,970)	(349,709)	(357,771)	(366,164)	(374,899)	(414,986)	(427,435)	(440,258)	
Net Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less Replacement Reserves	(20,800)	(21,424)	(22,067)	(22,729)	(23,411)	(24,113)	(24,836)	(25,581)	(26,348)	(27,136)	(27,952)	(28,791)	(29,655)	(30,545)	(31,461)	(32,405)	(33,377)	
Less Reserve Payments (HOME OWNERSHIP)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less Annual Debt Service 1ST Loan	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	
HIT/HIF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Developer Fee	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	
Total Debt Service	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	
Annual Cash Flow	29,771	30,453	31,123	31,716	32,227	32,651	32,984	33,221	33,366	33,396	33,304	33,103	32,780	32,328	31,742	31,013	30,136	

CITY OF FARGO ASSESSMENT DEPARTMENT	
Parcel Number	01-6900-00560-000
Address	4402 30 Ave S
Year of Publication Received	5/6/2020
Year of Publication Date	5/10/2020
Year of Publication Date	5/28/2020
TRC Meeting Date	5/28/2020
Commission Hearing Date	6/15/2020
Notice Delivery To School County	5/20/2020
School/County 30-Day Response	6/19/2020
Exemption Type	PILOT
Estimated Improvements Value	\$4,160,000
Land Value	\$627,047
Anticipated Tax Growth	2.0%
Current Mill Levy @ Approval	275.32
Number of Years Granted	17
Discount Rate (for Present Value)	4.50%
Total Gross Estimated Benefit	\$990,334
Present Value of Benefit	\$412,900

5/22/2020

	% Ex	PILOT Print	Full Bldg Tax	Benefit	PV of Benefit	PILOT & Tax
1	100%	\$0	\$57,267	\$57,267	\$35,600	\$5,632
2	100%	\$0	\$56,412	\$56,412	\$35,500	\$5,632
3	100%	\$0	\$56,772	\$56,772	\$35,600	\$5,632
4	100%	\$0	\$57,987	\$57,987	\$35,600	\$5,632
5	100%	\$0	\$58,227	\$58,227	\$35,600	\$5,632
6	100%	\$0	\$58,451	\$58,451	\$35,600	\$5,632
7	100%	\$0	\$58,781	\$58,781	\$35,600	\$5,632
8	100%	\$0	\$59,088	\$59,088	\$35,600	\$5,632
9	100%	\$0	\$59,439	\$59,439	\$35,600	\$5,632
10	100%	\$0	\$59,808	\$59,808	\$35,600	\$5,632
11	100%	\$0	\$60,194	\$60,194	\$35,600	\$5,632
12	100%	\$0	\$60,592	\$60,592	\$35,600	\$5,632
13	100%	\$0	\$60,992	\$60,992	\$35,600	\$5,632
14	100%	\$0	\$61,392	\$61,392	\$35,600	\$5,632
15	100%	\$0	\$61,792	\$61,792	\$35,600	\$5,632
16	100%	\$0	\$62,192	\$62,192	\$35,600	\$5,632
17	100%	\$0	\$62,592	\$62,592	\$35,600	\$5,632
TOTALS		\$0	\$1,146,022	\$1,146,022	\$773,000	\$146,743
Annual Land Tax		\$8,632				

If County opted out of the incentive, PILOT Print + County Add Share will be the PILOT Payment in addition to Land Tax						
County Share	County Add Share	County Share Imp	Full Imp Net Tax	PILOT & Tax	% Ex-Benefit	PV of Benefit
\$0	\$10,192	\$10,192	\$57,267	\$18,824	62%	\$35,443
\$0	\$10,192	\$10,192	\$57,267	\$18,824	63%	\$36,800
\$0	\$10,192	\$10,192	\$57,267	\$18,824	63%	\$36,800
\$0	\$10,192	\$10,192	\$57,267	\$18,824	63%	\$36,800
\$0	\$10,192	\$10,192	\$57,267	\$18,824	64%	\$37,200
\$0	\$10,192	\$10,192	\$57,267	\$18,824	64%	\$37,200
\$0	\$10,192	\$10,192	\$57,267	\$18,824	64%	\$37,200
\$0	\$10,192	\$10,192	\$57,267	\$18,824	65%	\$37,200
\$0	\$10,192	\$10,192	\$57,267	\$18,824	65%	\$37,200
\$0	\$10,192	\$10,192	\$57,267	\$18,824	65%	\$37,200
\$0	\$10,192	\$10,192	\$57,267	\$18,824	65%	\$37,200
\$0	\$10,192	\$10,192	\$57,267	\$18,824	65%	\$37,200
\$0	\$10,192	\$10,192	\$57,267	\$18,824	65%	\$37,200
\$0	\$10,192	\$10,192	\$57,267	\$18,824	66%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,824	66%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,824	66%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,824	66%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,824	67%	\$39,443
\$0	\$10,192	\$10,192	\$57,267	\$18,824	67%	\$39,443
\$0	\$10,192	\$10,192	\$57,267	\$18,824	67%	\$39,443
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\$0	\$10,192	\$10,192	\$57			

CALCULATION OF ADDITIONAL TAX DUE TO COUNTY						
Land Value	Improve Value	Year	Mill Levy	CO Levy	%	Full Impr Net Tax
\$627,047	\$4,160,000	2022	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2023	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2024	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2025	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2026	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2027	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2028	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2029	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2030	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2031	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2032	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2033	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2034	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2035	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2036	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2037	275.32	49.00	17.8%	\$57,267
\$627,047	\$4,160,000	2038	275.32	49.00	17.8%	\$57,267

## 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**  
**5/15/2020**

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 <u>Elliott Place 9</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.
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> <b>Property Tax Exemption</b>            _____ Number of years            _____ Percent of exemption         </div> <div style="width: 45%;"> <input checked="" type="checkbox"/> <b>Payments In Lieu of Taxes</b>            _____ 2021 Beginning year <u>2038</u> Ending year            _____ 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

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 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.....\$ 2,560,000d. 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**  
115,200d. Total taxable valuation of property eligible for exemption (Add lines b and c).....\$ **\$128,000**  
115,200e. Enter the consolidated mill rate for the appropriate taxing district.....**275.32**  
288.60f. Annual amount of the tax exemption (Line d multiplied by line e).....\$ **\$35,241**  
33,246

## 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.

	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	301,264	307,289	313,434	319,702	326,096
Annual expense	283,657	292,166	300,931	309,958	319,256
Net income	17,607	15,123	12,503	9,744	6,840

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

(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 and 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.



Signature

Executive Director & CEO

Title

5.15.2020

Date



15 Year Cash Flow Projection - Elliott Place 9%																		
Annual Increases: 2% 3% 3%	Rental Increase Expense Increase Replacement Reserve Increase	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
Potential Residential Gross Income		304,644	310,737	316,592	323,291	329,757	336,552	343,079	349,941	356,940	364,079	371,361	378,786	386,364	394,091	401,973	410,012	418,212
Less Vacancy and Collection Loss		(15,222)	(15,537)	(15,848)	(16,165)	(16,486)	(16,816)	(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		5,760	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 Vacancy 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	313,229	319,504	325,694	332,412	339,061	345,842	352,759	359,815	367,011	374,351	381,857	389,474	397,283	405,206
Less Annual Operating Expenses																		
Admin Expenses	(46,974)	(48,393)	(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)	(77,630)
Maintenance	(50,400)	(51,912)	(53,469)	(55,073)	(56,726)	(58,427)	(60,180)	(61,986)	(63,845)	(65,761)	(67,733)	(69,765)	(71,856)	(73,999)	(76,194)	(78,442)	(80,743)	(83,097)
Salaries and Benefits	(23,987)	(24,583)	(25,183)	(25,788)	(26,398)	(27,012)	(27,631)	(28,253)	(28,880)	(29,513)	(30,151)	(30,794)	(31,441)	(32,092)	(32,747)	(33,406)	(34,069)	(34,735)
Utilities	(2,800)	(27,604)	(28,432)	(29,285)	(30,164)	(31,069)	(32,001)	(32,961)	(33,949)	(34,966)	(36,011)	(37,097)	(38,210)	(39,357)	(40,537)	(41,750)	(43,006)	(44,305)
Insurance	(12,202)	(12,965)	(13,753)	(14,553)	(15,374)	(16,215)	(17,077)	(17,961)	(18,867)	(19,795)	(20,745)	(21,717)	(22,711)	(23,726)	(24,762)	(25,819)	(26,897)	(27,997)
Special Assessments	(3,472)	(3,576)	(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)	(5,409)	(5,571)	(5,737)
Payment in Lieu of Taxes	(3,837)	(3,932)	(4,031)	(4,133)	(4,239)	(4,348)	(4,459)	(4,572)	(4,687)	(4,804)	(4,923)	(5,044)	(5,167)	(5,292)	(5,419)	(5,548)	(5,679)	(5,812)
Total Annual Operating Expenses	(167,532)	(172,579)	(177,736)	(183,089)	(188,592)	(194,239)	(200,066)	(206,065)	(212,230)	(218,616)	(225,176)	(231,932)	(238,889)	(246,056)	(253,438)	(261,041)	(268,872)	(276,941)
Less Reserve Payments 5%																		
Less Replacement Reserves																		
Net Operating Income		114,820	115,312	115,761	116,163	116,515	116,816	117,062	117,250	117,377	117,440	117,457	117,361	117,212	116,993	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)
HST/HST		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred 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	21,964	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												Avg rents
Number	Bedrooms	Baths	Rents	Incomes	Gross Rents	Utility Allowance	Net Rents	Voucher Pmt	Rents	Total 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>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
Net Cash Flow	\$ 26,118.37
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

NDHFA	
Expenses	
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%
Less Developers Fee	\$ 1,163,128.00	\$ 1,141,970.00	\$ 1,163,128.00	\$ 1,141,970.00
<b>Subtotal</b>	<b>\$ 6,966,953.64</b>	<b>\$ 9,400,124.19</b>	<b>\$ 5,871,952.82</b>	<b>\$ 10,495,125.01</b>
Applicable Federal Rate	130%	100%	130%	100%
<b>Subtotal</b>	<b>\$ 9,057,039.73</b>	<b>\$ 9,400,124.19</b>	<b>\$ 7,633,538.67</b>	<b>\$ 10,495,125.01</b>
Add Back Developers Fee	\$ 1,163,128.00	\$ 1,141,970.00	\$ 1,163,128.00	\$ 1,141,970.00
<b>Subtotal</b>	<b>\$ 10,220,167.73</b>	<b>\$ 10,542,094.19</b>	<b>\$ 8,796,666.67</b>	<b>\$ 11,637,095.01</b>
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	

## CITY OF FARGO ASSESSMENT DEPARTMENT

5/22/2020

Eligible Plan 9 LHMTC	01-8800-00550-0000
Plan Number	4462 30 Ann St
Address	
Date Application Received	5/6/2020
1st Publication Date	5/19/2020
2nd Publication Date	5/28/2020
TRC Meeting Date	5/28/2020
Commission Hearing Date	6/15/2020
Notice Delivery to School/County	5/20/2020
School/County 30-Day Response	6/19/2020
Escrow/Option Type	
Estimated Improvements Value	\$3,660,000
Land Value	\$369,953
Anticipated Tax Growth	2.0%
Current Mill Levy & Approval	27.532
Number of Years Granted	17
Discount Rate (for Present Value)	4.50%
Total Gross Estimated Benefit	\$604,437
Present Value of Benefit	\$294,100

[illegible]

If County opted out of this incentive, PILOT Pymt + County Addl Share will be the PILOT Payment in Addition to Land Tax						
County Share	County Addl Share	County Share Impmt	Full Impmt Net Tax	PILOT & Tax	% Exemption	PV of Benefits
\$0	\$6,272	\$6,272	\$5,241	\$11,585	82%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$35,241	83%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$59,241	83%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$83,241	83%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$107,241	84%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$131,241	84%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$155,241	84%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$179,241	85%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$203,241	85%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$227,241	85%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$251,241	85%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$275,241	85%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$300,241	86%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$324,241	86%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$348,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$372,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$396,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$420,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$444,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$468,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$492,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$516,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$540,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$564,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$588,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$612,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$636,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$660,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$684,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$708,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$732,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$756,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$780,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$804,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$828,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$852,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$876,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$900,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$924,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$948,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$972,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$996,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,020,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,044,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,068,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,092,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,116,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,140,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,164,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,188,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,212,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,236,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,260,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,284,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,308,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,332,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,356,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,380,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,404,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,428,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,452,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,476,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,500,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,524,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,548,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,572,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,596,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,620,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,644,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,668,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,692,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,716,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,740,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,764,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,788,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,812,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,836,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,860,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,884,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,908,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,932,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,956,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$1,980,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,004,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,028,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,052,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,076,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,100,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,124,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,148,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,172,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,196,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,220,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,244,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,268,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,292,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,316,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,340,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,364,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,388,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,412,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,436,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,460,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,484,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,508,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,532,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,556,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,580,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,604,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,628,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,652,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,676,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,700,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,724,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,748,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,772,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,796,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,820,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,844,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,868,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,892,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,916,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,940,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,964,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$2,988,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,012,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,036,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,060,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,084,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,108,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,132,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,156,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,180,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,204,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,228,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,252,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,276,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,300,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,324,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,348,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,372,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,396,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,420,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,444,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,468,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,492,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,516,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,540,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,564,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,588,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,612,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,636,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,660,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,684,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,708,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,732,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,756,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,780,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,804,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,828,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,852,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,876,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,900,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,924,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,948,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,972,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$3,996,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$4,020,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$4,044,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$4,068,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$4,092,241	87%	\$23,656
\$0	\$6,272	\$6,272	\$5,241	\$4,116,241		

Calculation of Additional Tax Due to Country						
Land Value	Improvement Value	Year	Mill Levy	CO Levy	%	Full Imp Net Tax
\$385,953	\$2,560,000	2022	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2023	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2024	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2025	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2026	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2027	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2028	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2029	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2030	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2031	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2032	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2033	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2034	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2035	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2036	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2037	275.32	49.00	17.8%	\$35,241
\$385,953	\$2,560,000	2038	275.32	49.00	17.8%	\$35,241



## 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 <u>PRx Performance</u>		
2. Address of project <u>4125 24th Ave N</u>		
City <u>Fargo</u>	County <u>Cass</u>	
3. Mailing address of project operator <u>2402 8th Ave N</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 checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Cooperative	<input type="checkbox"/> Limited liability company
5. Federal Identification No. or Social Security No. <span style="background-color: black; color: black;">[REDACTED]</span>		
6. North Dakota Sales and Use Tax Permit No. <span style="background-color: black; color: black;">[REDACTED]</span>		
7. If a corporation, specify the state and date of incorporation <u>12/17/2013 North Dakota</u>		
8. Name and title of individual to contact <u>Mike Harlan</u>		
Mailing address <u>2402 8th Ave N</u>		
City, State, Zip <u>Fargo, ND 58102</u>		Phone No. <u>701-566-0452</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> <u>          </u> Number of years <u>2022</u> <u>          </u> Percent of exemption <u>10</u>	<input checked="" type="checkbox"/> <b>Payments In Lieu of Taxes</b> Beginning year <u>2031</u> Ending year <u>          </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:		
<input type="checkbox"/> New business project	<input checked="" type="checkbox"/> 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~~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 09/01/20b. 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.c. Projected number of construction employees during the project construction 75-10014. Approximate date of commencement of this project's operations September 202115. Estimated market value of the property used for this project:a. Land..... \$ 1,264,950b. Existing buildings and structures for which an exemption is claimed..... \$ 0c. Newly constructed buildings and structures when completed ..... \$ 8,400,000d. Total..... \$ 9,664,950e. 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 ..... \$ 0c. Newly constructed buildings and structures when completed..... \$ 420,000d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 420,000e. Enter the consolidated mill rate for the appropriate taxing district ..... 275.32f. 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.

	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	_____	_____	_____	_____	_____
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)	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
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**

	<b>% of Tax</b>	<b>Amount</b>
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	# Jobs				
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		



PRA Performance 2020		
Parcel Number		01-8695-02505-000
Address		4125 24 Ave N
Date Application Received		6/15/2020
1st Publication Date		
2nd Publication Date		6/23/2020
TRC Meeting Date		
Commission Hearing Date		
Notice Delivered To School/County		
School/County 30-day Response		
Exemption Type		PILOT
Estimated Improvements Value		\$8,400,000
Building Value to Remain Variable		\$0
Estimated Land Value		\$1,265,000
County Share of Levy (%)		17.4%
Anticipated Tax Growth		0.0%
Current Mill Levy		275.33
Number of Years Granted		32
Discount Rate (for Present Value)		4.50%
Total Gross Estimated Benefit		\$967,298
Present Value of Benefit		\$593,200

Year	% Bid Ex	Pilot Pymt	Full Bldg Tax	Benefit	PV of Benefit	Pilot & Land Tax
2022	100%	\$0	\$115,634	\$115,634	\$110,720	\$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	\$98,358
2031	10%	\$104,071	\$115,634	\$11,563	\$7,400	\$121,485
TOTALS		\$289,086	\$1,156,344	\$867,258	\$718,500	\$306,500
Building Tax To Remain		\$0	Current Land Tax	\$17,414		

[illegible]

CALCULATION OF ADDITIONAL TAX DUE TO COUNTY						
Land Value	Improve Value	Year	Mill Levy	CO Levy	%	Full Imp Net Tax
\$1,265,000	\$8,400,000	2022	275.32	48.00	17.4%	\$115,634
\$1,265,000	\$8,400,000	2023	275.32	48.00	17.4%	\$115,634
\$1,265,000	\$8,400,000	2024	275.32	48.00	17.4%	\$115,634
\$1,265,000	\$8,400,000	2025	275.32	48.00	17.4%	\$115,634
\$1,265,000	\$8,400,000	2026	275.32	48.00	17.4%	\$115,634
\$1,265,000	\$8,400,000	2027	275.32	48.00	17.4%	\$115,634
\$1,265,000	\$8,400,000	2028	275.32	48.00	17.4%	\$115,634
\$1,265,000	\$8,400,000	2029	275.32	48.00	17.4%	\$115,634
\$1,265,000	\$8,400,000	2030	275.32	48.00	17.4%	\$115,634
\$1,265,000	\$8,400,000	2031	275.32	48.00	17.4%	\$115,634

April 2020

North Dakota Opportunity Fund Consortium Member,

As you know, the North Dakota Opportunity Fund originated as part of the Small Business Jobs Act of 2010, which created the State Small Business Credit Initiative. The SSBCI program was intended to leverage private financing to help small businesses and manufacturers attain loans and investments needed to expand and create jobs. A consortium of 38 municipalities led by the City of Mandan was allocated \$9,734,641.00 funding for operation of a loan participation program. The program began in September 2012. The consortium has operated the loan participation program under the name of the **North Dakota Opportunity Fund**.

The SSBCI is a one-time program of limited duration. The authorities and duties of the Secretary of Treasury to implement and administer the program terminated on September 27, 2017. The obligations of the Mandan Consortium as outlined in the terms of the Allocation Agreement between the Treasury and the Mandan Consortium expired on March 31, 2017.

Effective April 1, 2017, The “North Dakota Opportunity Fund” (hereafter referred to as “Opportunity Fund”) operates under the framework of policies and procedures established by the North Dakota Opportunity Fund Consortium Steering Committee (Steering Committee) with a goal of furthering economic development for the municipalities participating in the Consortium.

At its March 22, 2017 meeting, the Steering Committee determined that moving forward, Lewis and Clark Regional Development Council will:

Provide semi-annual financial statements to Municipalities.

- a. The reports will be for periods ending March 31 and September 30.
- b. The reports will be provided within 30 days of the period just ended.
- c. The reports will include the total amount of funds used for administrative costs, funds re-lent, the amount of program income generated, loan activity and status of existing loan portfolio and amount of charge-offs.

**Herein is the semi-annual report for the period of October 1, 2019 through March 31, 2020.**

<b>NDOF Loan Activity</b>	<b>Cumulative 09/31/2012 Thru 09/30/2019</b>	<b>10/01/2019 Thru 03/31/2020</b>	<b>Cumulative 09/31/2012 Thru 03/31/2020</b>
Total Loan Funds disbursed	\$ 21,266,248.32	\$ 1,157,300.15	\$ 22,423,548.47
Committed Funds during current / prior period and undisbursed at the end of the period			356,253.00
	<u>\$ 21,266,248.32</u>		<u>\$ 22,779,801.47</u>

As shown above, the North Dakota Opportunity Fund has disbursed over \$22.4 million in loan proceeds. Including obligated funds the NDOF has \$22.7 million in disbursements and obligations through March 31, 2020.

<b>Eight loans totaling \$1,157,300.15 were closed and funded for seven different businesses in four communities for the 6-month period ending March 31, 2020 including:</b>		
<b>Community</b>	<b>Project Description</b>	<b>Business</b>
Mandan	Local Flex PACE buydown	Shawn's Repair
Williston	Equipment	Safari Trampoline Park
Mandaree	Local Flex PACE buydown	Banker Consulting
Bismarck	Local Flex PACE buydown	Solid Rock Music
Williston	Interim construction	Nova Energy Services
Williston	Local Flex PACE buydown	
Bismarck	Local Flex PACE buydown	Solid Rock Music
Mandan	Local Flex PACE buydown	Paddle Trap Bar & Grill

<b>Funds totaling \$356,253 are obligated with disbursement pending for three different businesses in three communities for the 6-month period ending March 31, 2020 including:</b>		
<b>Community</b>	<b>Project Description</b>	<b>Business</b>
Fargo	Long - Term Real Estate	Fancy Land
Mandan	Local Flex PACE buydown	Malloy Electric
Mandan	Local Flex PACE buydown	DaWise Perry Funeral Services

- As of March 31, 2020 There is currently over \$3.9 million available to lend to businesses in the NDOF Consortium Communities. However, as shown above there are approximately \$356 thousand in obligated funds leaving approximately \$3.5 million in unobligated funds available for relending for the period ending March 31, 2020.
- The total NDOF loans that have been paid in full is \$12.7 million (original balance) as of the end of the period ending March 31, 2020.
- 67 businesses have received NDOF loans in 16 NDOF Communities including Beach, Beulah, Bismarck, Carson, Casselton, Dickinson, Fargo, Garrison, Mandan, McClusky, Minot, Steele, Turtle Lake, Watford City, West Fargo, Williston. With the endorsement of an NDOF Consortium Community, businesses in the following ND communities have also received NDOF Loan funding: Heil, Mapleton, Davenport and Mandaree.

As of 03/31/2020, Outstanding Loans Receivable is: \$5,968,450.30. The Allowance for Loan losses is \$1,135,460.18.

There were four NDOF Loan Committee Meetings; two NDOF Executive Committee Meetings; and two NDOF Steering Committee Meetings held in the period from October 1, 2019 through March 31, 2020.

The NDOF Steering Committee held its annual meeting December 12, 2019. The Steering Committee reelected the executive committee including Ellen Huber from Mandan as Chair; John Machacek from Fargo as Vice Chair; Scott Bollinger from Dickinson as Secretary/Treasurer and elected Keith Hunke from Bismarck as At-Large member. These 4 positions comprise the Executive Committee which met March 13 and March 24.

With the onset of the economic devastation as a result of the Corona virus pandemic in February and March and continuing, the NDOF Steering Committee directed that \$2 million of Available NDOF Funds be made available for the NDOF Disaster Assistance Loan Program. Under the program, small businesses...

- Must show they've been adversely affected by the pandemic
- May apply for up to \$50,000 in loans
- Will pay zero percent (0%) interest
- Will not make any payments for the first six months; after six months, the loan will be four percent (4%) amortized for up to five years
- Typically, businesses may use the North Dakota Opportunity Fund for construction, real estate, equipment purchases, working capital, and for interim SBA 504 loans. However, under the terms of the disaster loan program, **impacted businesses can seek loans only for working capital.**

By designating \$2 million for NDOF Disaster Assistance, there remains approximately \$1.5 million available for relending for regular NDOF projects

For more information on how the North Dakota Opportunity Fund is assisting businesses effected by the Corona virus pandemic, go to: <https://lcdgroup.org/covid-19-info/>

NDOF Disaster Loan Activity subsequent to March 31 to the writing of this report includes: 10 businesses filed complete applications and 3 filed incomplete applications. 3 applications were denied by loan committee. 5 businesses have been approved by loan committee for a total of \$229,000. Communities in which the businesses are located include: Mandan (1); Bismarck (3); Fargo (2); Williston (1) and Linton (1). The businesses that filed incomplete applications have all been contacted by staff regarding what is needed for a complete application.

#### **Loan losses and collections:**

- Prior to October 1, 2019, one businesses (Shri Properties – Bismarck) in the North Dakota Opportunity Fund has been charged off in the amount of \$475,268.53
- The Steering committee, at its December 5, 2019 approved a \$527,875.22 charge off of Ryan Heller and Ryan's Found-It-Now of Watford City. Total Chargeoffs as of March 31, 2020 are at \$1,003,143.75.
- MKS Properties has had all of the collateral fully liquidated and an unpaid balance of \$529,897.65 remains Staff is working closely with the prinicpals in servicing these loans to maximize recovery.
- (Lucky Ducks, LLC Bismarck remains n liquidation.

- You will note on the balance sheet “Allowance for Loan Losses” of \$1,135,460.18. This reflects the estimated loss of the loans in liquidation and is subject to change.

In accordance with the **Contract For Administrative Services**, Exhibit B  
COMPENSATION SUBSEQUENT SSBCI AWARD PERIOD, Upon close out of the  
SSBCI Award, the Council shall be compensated as follows: Council shall retain all  
origination fees and administration fees paid by borrower; Council shall retain all late  
fees incurred and paid by borrower; Council shall retain 50% of interest paid by  
borrowers.



The balance sheets for the North Dakota Opportunity Fund the period March 31, 2020 and March 31, 2019 is below:

	900 - NDOF-SSBCI 03/31/2020	NDOF - SSBCI 03/31/2019
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
1010 · Capital Funds Checking-Am Bank	20.00	10.00
1020 · Savings - Loan Funds		
1029 · NDOF Am Bank Center	3,904,791.96	3,566,850.46
<b>Total 1020 · Savings - Loan Funds</b>	<u>3,904,791.96</u>	<u>3,566,860.46</u>
<b>Total Checking/Savings</b>	3,904,811.96	3,566,860.46
<b>Other Current Assets</b>		
1160 · Due from Other Funds	20.00	
<b>Total Other Current Assets</b>	<u>20.00</u>	
<b>Total Current Assets</b>	3,904,831.96	
<b>Other Assets</b>		
1509 · Loans Receivable-NDOF	5,968,450.30	6,611,555.11
1513 · Allowance for Loan Losses	-1,135,460.18	-641,787.26
<b>Total Other Assets</b>	<u>4,832,990.12</u>	<u>5,969,767.85</u>
<b>TOTAL ASSETS</b>	<u><b>8,737,822.08</b></u>	<u><b>9,536,628.31</b></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
2001 - Other Payables		10.00
<b>Total Current Liabilities</b>		10.00
<b>Long Term Liabilities</b>		
2920 · Payable to SSBCI Consortium	7,864,039.87	7,462,543.37
<b>Total Long Term Liabilities</b>	<u>7,864,039.87</u>	<u>7,462,543.37</u>
<b>Total Liabilities</b>	7,864,039.87	7,462,553.37
<b>Equity</b>		
3000 · Unrestricted Net Assets	932,056.41	1,992,394.80
Net Income	-58,274.20	81,680.14
<b>Total Equity</b>	<u>873,782.21</u>	<u>2,074,074.94</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>8,737,822.08</b></u>	<u><b>9,536,628.31</b></u>

**The North Dakota Opportunity Fund Income Statements for the 6 – months ended March 31, 2020 and March 31, 2019 are below:**

	<u>Oct '19 - Mar 20</u>	<u>Oct '18 - Mar '19</u>
<b>Income</b>		
<b>4030 · Earned Income</b>		
<b>4100 · Interest Income - Bank</b>	32,108.49	30,864.72
<b>4110 · Interest Income - Loans</b>	150,722.25	124,603.75
<b>4200 · Fees Income</b>	9,844.52	2,012.65
<b>4300 · SSBCI Consortium Adjustment</b>	-149,934.64	
<b>Total 4030 · Earned Income</b>	<u>42,740.62</u>	<u>157,481.12</u>
<b>Total Income</b>	<u>42,740.62</u>	<u>157,481.12</u>
<b>Expense</b>		
<b>5650 · Dues</b>	15,000.00	
<b>5801 · Legal &amp; Accounting</b>		965.28
<b>8000 · Transfer Out</b>	<u>86,014.82</u>	<u>74,835.69</u>
<b>Total Expense</b>	<u>101,014.82</u>	<u>75,800.97</u>
<b>Net Income</b>	<u><b>-58,274.20</b></u>	<u><b>81,680.15</b></u>

For the 6-month period ending March 31, 2020, total Income for the NDOF fund was \$42,740.62 compared to \$157,481.12 for the same period ending March 31, 2019. Fees Income of -\$149,934.6 is a decrease in the income of the fund due to the increase in the allowance for doubtful accounts. The increase in the allowance is split 90% fund and 10% LCRDC. Total expenses were \$101,014.82 for a Net Income of -\$58,274.20 compared to a net income of \$81,680.15 for the period ending March 31, 2019.

Dues of \$15,000.00 was the contribution as directed by the Steering Committee to ND Small Business Development Centers for 2020 Operating of the Centers. Transfer Out of \$86,014.82 compared to \$74,835.69 for the period ending March 31, 2019 was paid to Lewis and Clark Regional Development Council in accordance with the Contract for Administrative Services.

The Lewis and Clarks Profit and Loss statements involving administration of the NDOF for the 6 – months ended March 31, 2020 and March 31, 2019 are below:

	<u>Oct '19 - Mar 20</u>	<u>Oct '18 - Mar '19</u>
<b>Income</b>		
<b>4900 · Transfer In</b>	<u>85,564.82</u>	<u>82,160.34</u>
<b>Total Income</b>	<u>85,564.82</u>	<u>82,160.34</u>
<b>Expense</b>		
<b>5000 · Salaries</b>	35,252.30	38,847.70
<b>5050 · Fringe Benefits</b>	8,509.86	9,623.41
<b>5100 · Travel</b>		
<b>5102 · Travel - Marketing</b>	77.50	898.68
<b>5103 · Travel - Lending</b>	<u>252.30</u>	<u>172.14</u>
<b>Total 5100 · Travel</b>	<u>329.80</u>	<u>1,070.82</u>
<b>5350 · Marketing</b>		
<b>5351 · Marketing - Printing</b>	214.63	178.04
<b>5354 · Marketing - Advertising</b>	<u>1,494.66</u>	<u>2,959.53</u>
<b>Total 5350 · Marketing</b>	<u>1,709.29</u>	<u>3,137.57</u>
Processing fees, postage, seminars		280.18
<b>5700 · Equipment</b>		
<b>5703 · Software Maintenance Fees</b>	<u>878.86</u>	<u>862.75</u>
<b>Total 5700 · Equipment</b>	<u>878.86</u>	<u>862.75</u>
<b>5800 · Professional Fees</b>		
<b>5801 · Legal &amp; Accounting</b>	<u>2,213.00</u>	<u>2,213.00</u>
<b>Total 5800 · Professional Fees</b>	<u>2,213.00</u>	<u>2,213.00</u>
<b>6000 · Indirect</b>	<u>28,231.71</u>	<u>26,640.05</u>
<b>Total Expense</b>	<u>77,124.82</u>	<u>82,675.48</u>
<b>Net Income</b>	<u><b>8,440.00</b></u>	<u><b>-515.14</b></u>

For the 6-month period ending March 31, 2020, Total Income for Lewis and Clark administering the NDOF fund was \$85,864.82 and \$82,160.34. Total expenses were \$77,124.82 and \$82,675.48 for a Net Income of \$8,440.00 and -\$515.14

In the event of a liquidation of the NDOF Consortium Fund, the disbursement of the total assets of the fund of \$8,885,918.03 is illustrated on the attached **Liquidation Value**.

LCD Group Staff outreach and marketing activities that included North Dakota Opportunity Fund for October 1, 2019 – March 31, 2020 included:

- **October 1 – 2:** Energizing Entrepreneurs in Garrison
- **October 1 – 2:** Fusion Conference in Bowman
- **October 21 – 23:** EDND Dickinson
- **October 29 – 31:** Main Street Summit Bismarck
- **November 14 –** Vision West Conference in Beulah
- **December 4 –** NDOF Loan Committee teleconference
- **December 5 –** NDOF Steering Committee teleconference
- **December 12 –** RDC; CDC; CWND Joint Board of Directors Meeting
- **January 16 –** Mandan Progress Organization Annual Dinner
- **February 5 –** Lunch with Board member for the LCRDC Ken Schneider in Ft Yates.
- **February 5 –** Attended Bowman County EDC Annual Dinner in Bowman
- **February 6 –** Attended w Brent Main Street Meeting in Glen Ullin
- **February 18 –** Attended Dickinson EDC Annual Luncheon
- **February 25 –** Attended Minot Area Development Corporation's annual dinner

We are always exploring opportunities to get the word out and would greatly appreciate visiting with your community or organization to give a presentation on the opportunities available with the North Dakota Opportunity Fund.

Please contact me at 701-667-7601 or by email at [matt@lcdgroup.org](mailto:matt@lcdgroup.org) if you have any questions or comments on this report.

Sincerely,

Matt Burthold  
Commercial Lending Director

Original Allocation	Allocation	\$9,778,671.00			
Administration		\$239,049.00			
LCRDC Liquidation value		\$977,867.10			
Net Allocated by population		\$8,561,754.90			
<b>Current Consortium Value</b>					
		\$	<b>8,885,918.03</b>	Formula: Total Gross Assets - LCRDC Liquidation Fee \$9,873,242.26 - \$987,324.23 = \$8,885,918.03	
Municipality	Population	% Total	Original Allocation	Gain/Loss on performance	Potential Share
1 Almont city	122	0.0385%	\$ 3,294.27	\$ 124.73	\$3,419.00
2 Beach city	1,019	0.3214%	\$ 27,515.26	\$ 1,041.78	\$28,557.04
3 Beulah city	3,121	0.9843%	\$ 84,273.92	\$ 3,190.76	\$87,464.68
4 Bismarck city	61,272	19.3241%	\$ 1,654,479.83	\$ 62,641.52	\$1,717,121.35
5 Bowman city	1650	0.5204%	\$ 44,553.66	\$ 1,686.88	\$46,240.54
6 Carson city	293	0.0924%	\$ 7,911.65	\$ 299.55	\$8,211.20
7 Casselton city	2,329	0.7345%	\$ 62,888.16	\$ 2,381.06	\$65,269.22
8 Crosby city	1,070	0.3375%	\$ 28,892.37	\$ 1,093.92	\$29,986.29
9 Dickinson city	17,787	5.6097%	\$ 480,288.43	\$ 18,184.57	\$498,473.00
10 Dodge city	87	0.0274%	\$ 2,349.19	\$ 88.94	\$2,438.14
11 Dunn Center city	146	0.0460%	\$ 3,942.32	\$ 149.26	\$4,091.59
12 Fargo city	105,549	33.2882%	\$ 2,850,056.98	\$ 107,908.18	\$2,957,965.16
13 Garrison	1,453	0.4582%	\$ 39,234.22	\$ 1,485.48	\$40,719.70
14 Glen Ullin city	807	0.2545%	\$ 21,790.79	\$ 825.04	\$22,615.83
15 Halliday city	188	0.0593%	\$ 5,076.42	\$ 192.20	\$5,268.62
16 Hazelton city	235	0.0741%	\$ 6,345.52	\$ 240.25	\$6,585.77
17 Hazen city	2411	0.7604%	\$ 65,102.34	\$ 2,464.89	\$67,567.23
18 Hebron city	747	0.2356%	\$ 20,170.66	\$ 763.70	\$20,934.35
19 Hettinger city	1226	0.3867%	\$ 33,104.72	\$ 1,253.40	\$34,358.12
20 Killdeer city	751	0.2369%	\$ 20,278.66	\$ 767.79	\$21,046.45
21 Lincoln	2,406	0.7588%	\$ 64,967.33	\$ 2,459.78	\$67,427.11
22 Linton city	1,097	0.3460%	\$ 29,621.43	\$ 1,121.52	\$30,742.95
23 Mandan city	18331	5.7813%	\$ 494,977.64	\$ 18,740.73	\$513,718.36
24 McClusky city	380	0.1198%	\$ 10,260.84	\$ 388.49	\$10,649.34
25 Minot city	40888	12.8953%	\$ 1,104,066.64	\$ 41,801.91	\$1,145,868.55
26 Mott city	721	0.2274%	\$ 19,468.60	\$ 737.12	\$20,205.71
27 New England city	600	0.1892%	\$ 16,201.33	\$ 613.41	\$16,814.74
28 New Salem city	946	0.2984%	\$ 25,544.10	\$ 967.14	\$26,511.24
29 Regent city	160	0.0505%	\$ 4,320.35	\$ 163.58	\$4,483.93
30 Sentinel Butte city	56	0.0177%	\$ 1,512.12	\$ 57.25	\$1,569.38
31 Standing Rock Sioux Tribe	4153	1.3098%	\$ 112,140.21	\$ 4,245.83	\$116,386.03
32 Steele city	715	0.2255%	\$ 19,306.59	\$ 730.98	\$20,037.57
33 Turtle Lake city	581	0.1832%	\$ 15,688.29	\$ 593.99	\$16,282.27
34 Underwood city	778	0.2454%	\$ 21,007.72	\$ 795.39	\$21,803.11
35 Watford City city	1,744	0.5500%	\$ 47,091.87	\$ 1,782.98	\$48,874.85
36 West Fargo city	25,830	8.1463%	\$ 697,467.26	\$ 26,407.34	\$723,874.60
37 Williston city	14716	4.6412%	\$ 397,364.62	\$ 15,044.93	\$412,409.55
38 Wilton city	711	0.2242%	\$ 19,198.58	\$ 726.89	\$19,925.47
<b>TOTAL</b>	<b>\$ 317,076.00</b>		<b>\$ 18,434,997.16</b>	<b>\$ 1,311,487.36</b>	<b>\$ 8,885,918.03</b>

**James Gilmour**

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**From:** chelsey@brightfuturesfargo.com  
**Sent:** Tuesday, June 16, 2020 6:07 PM  
**To:** James Gilmour  
**Cc:** chelsey@brightfuturesfargo.com; 'Andrew Hanson'  
**Subject:** Bright Futures Learning Center - PACE Program

**CAUTION:** This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Mr. James Gilmore,

My name is Chelsey Steinlicht, I work with the Bright Futures Learning Center located in South Fargo. We have two locations that provide early childhood educational programs to over 324 children in our community at our two Fargo Locations. We mostly work with working families with children aged 6 weeks to 12 years old. We have been serving children in our community for the past 7 years and have allocated resources to move one of child care locations from a rental strip area to a stand-alone, state-of-the-art building to be completed in Spring 2021 which will serve our community's children at a more safe, effective manner. Our business is a pillar in our community providing care for many members of our community that support our economy. We are writing to the City of Fargo to seek the support for our new construction project located at 2511 53<sup>rd</sup> Ave South for involvement in the financing of the PACE Program local match. **The NDOF requires an endorsement letter from the City of Fargo in support of the project and NDOF involvement in the financing of the PACE local match.** We are optimistic in hoping the program is still grant based, which will greatly benefit our industry. This option provides child care businesses to apply more of our monthly income to resources that benefit the children of our community, rather than a larger interest based mortgage. We absolutely appreciate your time and consideration for our project and welcome your questions!

Please let me know if you have any additional information or next steps that we can do to provide you with an additional assistance on our project.

Thank you,

Chelsey Steinlicht  
Bright Futures Learning Center  
Direct: 701-866-6744  
Rocking Horse Farm Location: 701-532-1576  
Prairie Groves Location: 701-478-3040

[www.brightfuturesfargo.com](http://www.brightfuturesfargo.com)