

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND FORKS**

**APPROVING**

**RENEWAL AND DEVELOPMENT PLAN 2021-01**

**TAX INCREMENT FINANCE DISTRICT NO. 2021-01**

**AND**

**TAX INCREMENT FINANCING DEVELOPMENT AGREEMENT**

**FOR BEACON DEVELOPMENT PROPERTY**

**WHEREAS**, the City Council of the City of Grand Forks, North Dakota (the “City”) has considered, reviewed, and held a public hearings on February 1, 2021 and August 16, 2021 regarding (a) the development and redevelopment, and attendant proposed tax increment financing for the Beacon Development Property, (b) the City of Grand Forks Renewal and Development Plan 2021-01 for Beacon Development Property (attached hereto as Exhibit 1 and referred to as the “Beacon Development Plan”), (c) the Tax Increment Finance District 2021-01, and (d) the Tax Increment Financing Development Agreement (attached hereto as Exhibit 2 and referred to herein as the “TIF Agreement”):

**NOW THEREFORE, BASED ON SUCH CONSIDERATION, REVIEW AND PUBLIC HEARINGS BY THE CITY COUNCIL, THE CITY COUNCIL DOES HEREBY MAKE THE FOLLOWING RESOLUTIONS:**

**1. Findings Relating to Beacon Development Plan and Tax Increment Financing.**

The City Council does approve and adopt the following findings:

**1.1.** The Beacon Development Plan relates only to the development and redevelopment commercial property, and therefore, pursuant to N.D.C.C. § 40-58-06(2), the Planning and Zoning Commission is not required to review the Beacon Development Plan.

**1.2.** No families will be displaced as a result of the Beacon Development Plan and the development and redevelopment of the Beacon Development Property.

**1.3.** The Beacon Development Plan, and the proposed development and redevelopment of the Beacon Development Property thereunder, conforms and is consistent with and furthers the general plan for the City, which includes the 2045 Land Use Plan and the Grand Forks Renaissance Zone Plan, setting forth therein its development plans and goals for the City (collectively the “General Plan”).

**1.4.** The Beacon Development Plan, and the proposed development and redevelopment of the Beacon Development Property thereunder, will afford maximum

opportunity, consistent with the sound needs of the City as a whole, for the development and redevelopment of the Beacon Development Property by a private enterprise.

**1.5.** The Beacon Development Plan, and the proposed development and redevelopment of the Beacon Development Property thereunder, will activate a downtown space with a new high quality redevelopment consisting of residential and commercial properties.

**1.6.** The Beacon Development Plan, and the proposed development and redevelopment of the Beacon Development Property thereunder, will promote economic development by rehabilitating a high visibility and high priority site.

**1.7.** The Beacon Development Plan, and the proposed development and redevelopment of the Beacon Development Property thereunder, will enhance and diversify the City's economic base.

**1.8.** The Beacon Development Plan, and the proposed development and redevelopment of the Beacon Development Property thereunder, will meaningfully contribute to the City's tax base based on the preliminary estimated incremental tax value of the Beacon Development Property after development and redevelopment exceeding at least \$30 million dollars.

**1.9.** The Beacon Development Plan, and the proposed development and redevelopment of the Beacon Development Property thereunder, will broaden and connect to the existing downtown without the need for significant City infrastructure development and investment.

**1.10.** The financial strength of the project has been reviewed by independent third party Baker Tilly.

**1.11.** On December 10, 2020, the City's Local Government Advisory Committee reviewed proposed development and redevelopment of the Beacon Development Property, including the attendant proposal for tax increment financing for such development and redevelopment, and provided a consensus and non-binding recommendation to move forward with the Beacon Development, with the proposed tax increment financing as more particularly described herein.

**1.12.** The City, pursuant to N.D.C.C. §§ 40-05-24 and 40-58-20.2(2), has obtained the consent of the Grand Forks Public School District and Grand Forks County to participate in the property tax incentive that will be in the form of tax increment financing for the development and redevelopment of the Beacon Development Property, and the Grand Forks Park District has likewise provided a general consensus to move forward with the same.

**1.13.** Pursuant to N.D.C.C. § 40-58-06(1) and based on the foregoing findings, the Beacon Development Property is designated as an area appropriate for a renewal and development project, as defined in N.D.C.C. § 40-58-01.1(9).

**1.14.** The Beacon Development Property, as described in the attached Beacon Development Plan, is unused or underutilized real property that is zoned or used as a commercial site and therefore the Beacon Development Property is “industrial or commercial property,” as defined in N.D.C.C. § 40-58-01.1(14), that exists within the City.

**1.15.** Based on the review and recommendations by the City Council, the City’s Local Government Advisory Committee, the independent review by Baker Tilly and City staff reports, and pursuant to N.D.C.C. § 40-58-05(2) and the City’s policy on tax increment financing, the Beacon Development Plan, and the proposed development and redevelopment of the Beacon Development Property thereunder, is necessary in the interest of the public economy, health, safety, morals, or welfare of the residents of the City.

**1.16.** Based on the foregoing findings and pursuant to N.D.C.C. § 40-58-20.1(2), the TIF Agreement will not result in unfair competition and the TIF Agreement is in the best interests of the City as a whole.

**2. Approval of Beacon Development Plan.**

**2.1.** Based on the foregoing findings, the Beacon Development Plan is approved and adopted.

**2.2.** The City reserves the right to amend and modify Beacon Development Plan, with any such amendment and modification being subject to further approval by the City Council.

**3. Approval of Tax Increment Finance District 2021-01.** Having adopted the General Plan and the Beacon Development Plan, and based on the foregoing findings, the Tax Increment District No. 2021-01 covering the Beacon Development Property is adopted and approved as follows:

**3.1.** The property tax incentive under Tax Increment District No. 2021-01 shall be the tax increment, calculated pursuant to N.D.C.C. § 40-58-20(4), resulting from the development or redevelopment of the Beacon Development Property pursuant to the Beacon Development Plan and the TIF Agreement, (any approved modifications thereof), based on eighty percent (80%) of the incremental value of the Beacon Development Property computed and certified pursuant to N.D.C.C. § 40-58-20(3).

**3.3.** The improvements to be funded by tax increment financing shall be the costs of development and redevelopment of the Beacon Development Property described and allowable under N.D.C.C. § 40-58-20.1(3) and subject to the terms of the Beacon Development Plan and the TIF Agreement.

**3.2.** The City reserves the right to finance the costs incurred in implementing the Beacon Development Plan, as may be allowed by law, which may include the use of tax increment financing exemption, tax increment financing bonds under N.D.C.C. ch. 40-58 and/or contributions by private enterprise or other private sources of funds.

**3.4.** The Tax Increment District No. 2021-01 shall be for a period of twenty-five taxable years, commencing with taxable year in which the City requests the Grand Forks County Auditor and Treasurer to compute, certify and remit tax increments, pursuant to N.D.C.C. § 40-58-20(1) resulting from the development and redevelopment of the Beacon Development Property. By way of example only, if the City makes the request on January 1, 2022, the Beacon TIF District shall commence in the 2021 taxable year and shall terminate on December 31, 2047, with the attendant tax increment for such period then being due and payable to the City in 2023 and ending in 2048.

**3.5.** The City reserves the right to amend and modify Tax Increment District No. 2021-01, with any such amendment and modification being subject to further approval by the City Council.

**4. Approval of Tax Increment Financing Agreement.**

**4.1.** Based on the foregoing findings, the TIF Agreement is adopted and approved.

**4.2.** The City reserves the right to amend and modify the TIF Agreement, with any such amendment and modification being subject to further approval by the City Council.

Adopted by the Grand Forks City Council the 16<sup>th</sup> day of August, 2021.

**CITY OF GRAND FORKS**

\_\_\_\_\_  
Brandon Bochenski, Mayor

Dated: \_\_\_\_\_

**ATTEST:**

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Maureen Storstad, City Auditor

Date: \_\_\_\_\_