

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND FORKS

APPROVING

PAYMENT IN LIEU OF PROPERTY TAX DEVELOPMENT AGREEMENT

FOR BLOCK V PROPERTY

WHEREAS, the City Council of the City of Grand Forks, North Dakota (the “City”) has considered, reviewed, and held public hearings on February 1, 2021 and October 11, 2021 regarding (a) the development and redevelopment of the Block V Property, and attendant proposed property tax incentive in the form of a payment in lieu of taxes under N.D.C.C. § 40-57.1-03(2) (“PILOT”), and (b) the Payment in Lieu of Property Tax Development Agreement (attached hereto and referred to herein as the “Block V Development 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 Block V Development Project and PILOT. The City Council does approve and adopt the following findings:

1.1. The property that is the subject of the development and renovation is the following described parcel of real property, and the five (5) story building and three (3) story annex building located thereon, having a street address of 2 North 3rd Street, Grand Forks, ND 58202 and more particularly described as follows:

The Front 100 feet of Lot 6, in Block 24, Subdivision of Blocks 16, 17, and 24 of the Town of Grand Forks, ND

AND

The Rear 50 feet of the Front 150 feet of Lots 4, 5, and 6, in Block 24, Subdivision of Blocks 16, 17 and 24 of the Town of Grand Forks, ND

1.2. Block V Development Project concerns the development, redevelopment and renovation of the Block V Property, and includes the following: (a) renovation of the commercial floors on the lower and elevated first floor levels and the remaining upper four floor levels to contain a mix of studio, one, two and three bedroom units, (b) the installation of a new elevator to address ADA compliance requirements, (c) installation of new exterior windows, (d) complete renovation of the attached three story Annex building to include first floor commercial space and second and third floor residential units, and (e) a possible addition of an outdoor roof deck patio.

1.3. The Block V Development Project and the proposed development and redevelopment of the Block V 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. As outlined and for the reasons stated in the staff report submitted at the December 14, 2020 Committee of the Whole and the December 21, 2020 City Council meeting, the Block V Development Project meets and is aligned with the Downtown Action Plan’s Principles.

1.5. As outlined and for the reasons stated in the staff report submitted at the December 14, 2020 Committee of the Whole and the December 21, 2020 City Council meeting, the Block V Development Project meets and is aligned with the Downtown Action Plan’s Big Ideas.

1.6. As outlined and for the reasons stated in the staff report submitted at the December 14, 2020 Committee of the Whole and the December 21, 2020 City Council meeting, the Block V Development Project meets and is aligned with the Demers Avenues experiences and themes of the “Attractions.”

1.7. As an infill development project, the Block V Development Project does not require significant infrastructure development and investment.

1.8. The Block V Development Project meets and is aligned with the public purpose benefits for the granting of a PILOT, including the following:

- (a) Achieving high quality redevelopment and private investment on sites, which would not be redeveloped otherwise
- (b) Removing slum/blight and/or rehabilitate a high visibility/high priority site
- (c) Offsetting increased costs of infill development (e.g. demo, site remediation) over and above the costs normally incurred in “greenfield” development
- (d) Enhancing and diversifying the City’s economic base
- (e) Making meaningful contribution to the City’s tax base
- (f) Retaining and/or increasing the number and diversity of jobs that offer stable employment and/or attractive wages and benefits

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

1.10. On December 10, 2020, and in accordance with N.D.C.C. § 40-57.1-03(7), the City’s Local Government Advisory Committee (which committee include members of the Grand Forks City Council, Grand Forks County Commission, the Grand Forks School District and

Grand Forks Park District) reviewed proposed development and redevelopment of the Block V Property, including the attendant proposal for property tax incentive for such development and redevelopment, and provided a consensus and non-binding recommendation to move forward with Block V Development Project, with the proposed property tax incentive through a PILOT.

1.11. On or about December 9, 2020, the City Planning Department consulted and briefed the North Dakota Department of Commerce regarding the Block V Project and the property tax incentive for the Block V Property.

1.12. The City, pursuant to N.D.C.C. §§ 40-05-24 and 40-57-03(7), 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 PILOT for the development and redevelopment of the Block V 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. § 40-57.1-03(5), a notice to competitors was published in the Grand Forks Herald on September 18, 2021 and September 25, 2021.

1.14. 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. § 40-57.1-03(5) and the City's policy on tax increment financing, the Block V Development Project, and the proposed development and redevelopment of the Block V Property thereunder, and the granting of the PILOT described in the Block V Development Agreement, is the best interests of the City.

1.15. Based on the foregoing findings and pursuant to N.D.C.C. § 40-57.1-03, the Block V Development Agreement and the granting of the PILOT will not result in unfair competition and is in the best interests of the City.

2. Approval of Block V Development Agreement.

2.1. Based on the foregoing, the Block V Development Agreement is approved and adopted.

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

3. Approval of PILOT.

3.1 Based on the foregoing, the PILOT covering the Block V Property as described in Section 3 of the Block V Development Agreement, is approved and adopted.

3.2. 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.

Adopted by the Grand Forks City Council the 11th day of October, 2021.

CITY OF GRAND FORKS

Brandon Bochenski, Mayor
Dated: _____

ATTEST:

Maureen Storstad, City Auditor
Date: _____