



# CITY OF GRAND FORKS

24 North 4<sup>th</sup> Street  
GRAND FORKS, NORTH DAKOTA 58203

OFFICE OF CITY ATTORNEY

## E-MEMORANDUM

To: City File  
CC:  
From: DLG  
Re: Procedures for PILOT – Northridge Reserve  
Date: 07-19-2025

Statute	Requirement	Date Completed
N.D.C.C. § 40-57.1-03(3)	Consult with the department of commerce.	6/23/2025 e-mail from A. Conlon and 6/27/2025 letter from ND DOC (See attached pages 1-2)
N.D.C.C. § 40-57.1-03(5)	Unless the City Council determines there is no existing business within the City for which the potential project would be a competitor, the potential project operator shall publish two notices to competitors, the form of which must be prescribed by the tax commissioner, of the application for payments in lieu of taxes in the official newspaper of the municipality at least one week apart.	Grand Forks Herald on 6/25/2025 & 7/2/2025 (see affidavit of publication at attached page 3)

N.D.C.C. § 40-57.1-03(5)	The City shall determine whether the payments in lieu of taxes is in the best interest of the municipality before it give approval.	<b>Public Hearing 7/21/2025</b>
N.D.C.C. § 40-57.1-03(7)	During the negotiation of the option to make payments in lieu of taxes, the City shall include, as nonvoting ex officio members of its governing body, a representative appointed by the school board and a representative appointed by the board of township supervisors of each township affected by the proposed action.	<b>LGAC meeting on 6/23/2025</b>
N.D.C.C. § 40-57.1-03(7)	Must comply with N.D.C.C. § 40-05-24 if more than 5 years.	
N.D.C.C. § 40-05-24(1)	Send the Chairman of the County Commission and president of the school district a letter, by certified mail, notice of the terms of the proposed property tax incentive.	<b>Sent 6/19/2025 Rec'd 6/23/2025 (See attached pages 4-31)</b>
N.D.C.C. § 40-05-24(2)	Within 30 days, the County and school district shall notify the City whether they elect to participate in granting the tax incentive.	<b>School District declined July 14, 2025 – willing to negotiate  County declined July 15, 2025 – willing to negotiate (See attached pages 32-33)</b>
N.D.C.C. § 40-05-24(3)	No response is treated as participating.	

## Dan Gaustad

---

**From:** Conlon, Andrew <AConlon@grandforksgov.com>  
**Sent:** Monday, June 23, 2025 11:51 AM  
**To:** rgarman@nd.gov; jaylin.meyer@nd.gov  
**Cc:** Feland, Todd; Dan Gaustad; Storstad, Maureen; Lazur, Tami; Lundmark, Sherie; Brooks, Ryan  
**Subject:** Grand Forks PILOT Consultation - The Reserve (Northridge)  
**Attachments:** Northridge Application 06172025.pdf

Hi Rich and Jaylin,

As promised, the application for the second PILOT project, titled The Reserve and being led by Northridge Construction, is attached. The Reserve is a multi-family development in Grand Forks of approximately 155 units and comprising an investment of approximately \$38 million. As is the case in many communities, Grand Forks is facing a housing crunch and is in critical need of additional housing of any and all types and this project is one of several that will help to address the issue. The recommendation is for a 15-year declining PILOT. As before, a staff report further explaining the project can be [found here](#) should you want additional context.

As always, happy to answer any questions you may have. Thank you!

### **ANDY CONLON**

Economic Development Manager  
City of Grand Forks  
701-746-2642  
[aconlon@grandforksgov.com](mailto:aconlon@grandforksgov.com)

### **Disclaimer**

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

This email has been scanned for viruses and malware, and has been automatically archived by Mimecast.

June 27, 2025

Tami Lazur, City Assessor  
City of Grand Forks  
255 N. 4<sup>th</sup> Street  
Grand Forks, ND 58201

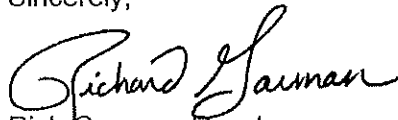
Dear Tami:

The Department of Commerce Division of Economic Development & Finance (ED&F) has reviewed the application for property tax incentives for new or expanding businesses for **Northridge Properties 01, LLC**.

Based upon the submitted application for property tax incentives by **Northridge Properties 01, LLC**, it is determined there is no further action required by the North Dakota Department of Commerce on this request since the type of business to be engaged in is real estate development. This application is approved to move forward for local consideration.

If you have any further questions, feel free to contact our office at 701-328-5300.

Sincerely,



Rich Garman, Director  
Economic Development & Finance Division  
North Dakota Department of Commerce



**AFFIDAVIT OF PUBLICATION**

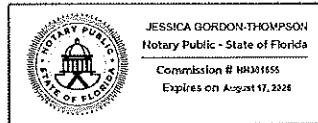
State of Florida, County of Orange, ss:

Edmar Corachia, being first duly sworn, deposes and says: That (s)he is a duly authorized signatory of Column Software, PBC and duly authorized agent of the Grand Forks Herald, a newspaper printed and published in the City of Grand Forks, County of Grand Forks, State of North Dakota.

1. I am the designated agent of The Grand Forks Herald, under the provisions and for the purposes of, Section 31-04-06, NDCC, for the newspaper listed on the attached exhibit.
2. The newspaper listed on the exhibit published the advertisement of: **General Public Notice Notice**; (2) *time: Wednesday, June 25, 2025, Wednesday, July 2, 2025*, as required by law or ordinance.
3. All of the listed newspapers are legal newspapers in the State of North Dakota and, under the provisions of Section 46-05-01, NDCC, are qualified to publish any public notice or any matter required by law or ordinance to be printed or published in a newspaper in North Dakota.

*Edmar Corachia*

(Signed)



**VERIFICATION**

State of Florida  
County of Orange

Subscribed in my presence and sworn to before me on this: 07/02/2025

Notary Public  
Notarized remotely online using communication technology via Proof.

**NOTICE TO COMPEITORS OF HEARING ON APPLICATION FOR PROPERTY TAX INCENTIVES**

Notice is hereby given that the City Council of the City of Grand Forks, North Dakota, will meet at 5:30 p.m. on July 21, 2025, at Grand Forks City Hall to consider the application of Northridge Properties 01, LLC, 214 N 4th Street Suite 701, Grand Forks, ND, for property tax relief on the project which the applicant will use in the operation of The Reserve, a new construction 155 unit apartment building with underground parking and attached amenity building, located at 4551 S 17th St, Grand Forks, ND, Lot 2, Block 2, Edgewood Village First Resubdivision.

Any competitor may appear and be heard by the Grand Forks City Council at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing. This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code § 40-57.1-03 (Jun. 25; Jul. 2, 2025)

255 N. 4th St.  
PO Box 5200  
Grand Forks, ND 58206-5200



FINANCE AND  
ADMINISTRATIVE SERVICES  
(701) 746-2620

June 19, 2025

Dave Berger, President  
Grand Forks School Board  
Grand Forks Public Schools  
P.O. Box 6000  
Grand Forks, ND 58206-6000

Kimberly Hagen, Chair  
Grand Forks County Commission  
P.O. Box 5726  
Grand Forks, ND 58206-5726

Tim Skarperud, President  
Grand Forks Park Board  
Grand Forks Park District  
P.O. Box 12429  
Grand Forks, ND 58208-2429

This is to notify you that the City of Grand Forks has received an application from Northridge Properties 01, LLC, dba The Reserve, for property tax relief in the form of a 15 year step down Payment in Lieu of Taxes (PILOT), Years 1-5 100%, Years 6-10 80% and Years 11-15 60% (Years 16 and beyond 0%), for a project proposed: new construction of a 155 unit multi-family residential rental building with underground parking and attached amenity building, at 4551 S 17<sup>th</sup> St, Grand Forks, ND, (Lot 2, Block 2, Edgewood Village First Resubdivision).

The city council has scheduled a public hearing in the council chambers in City Hall on the application for Monday, June 21, 2025 at 5:30 p.m. to hear any comments or testimony in favor of or in opposition to the granting of the tax incentives. Copy of the application for the PILOT is enclosed.

ND CC 40-05-24 states in part that you are required within thirty days from receipt of this letter, to notify the City, in writing, whether the County or School District elects to participate in granting the tax incentive on the County or School District portion of tax levied on the property. If the County or School District elects to not participate, you must include within your letter an explanation of any reason for which the entity

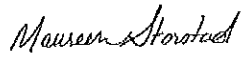
elected not to participate and whether the County or School District is willing to negotiate the terms of the property tax incentive with the City.

If the City does not receive a response from an affected County or School District within thirty days of delivery of the letter, the County and School District must be treated as participating in the property tax incentive.

While the Park Board does not have the same legal duty as the County or School District, the City feels it appropriate to notify the Park Board of the proposed project.

Should you have any questions, please contact my office.

Sincerely,

  
Maureen Storstad  
City Auditor

sll

enclosure: Application for Tax Incentive  
Impact Analysis  
3<sup>rd</sup> Party Financial Review

cc: Todd Feland, City Administrator  
Tami Lazur, City Assessor  
Ryan Brooks, City Planner  
Dan Gaustad, City Attorney  
Colleen Morstad, County Auditor  
George Hellyer, Executive Director, Park District  
Terry Brenner, Superintendent, Grand Forks Public Schools

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

N.D.C.C. Chapter 40-57.1

Project Operator's Application To Grand Forks  
City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

**This application is a public record**

**Identification Of Project Operator**

1.	Name of project operator of new or expanding business <u>Northridge Properties 01 LLC.</u>		
2.	Address of project <u>4551 S 17th Street</u>		
	City <u>Grand Forks</u>	County <u>Grand Forks</u>	
3.	Mailing address of project operator <u>214 N 4th Street Suite 701</u>		
	City <u>Grand Forks</u>	State <u>ND</u>	Zip <u>58203</u>
4.	Type of ownership of project		
	<input type="checkbox"/> Partnership	<input type="checkbox"/> Subchapter S corporation	<input type="checkbox"/> Individual proprietorship
	<input type="checkbox"/> Corporation	<input type="checkbox"/> Cooperative	<input checked="" type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No. <u>39-2722991</u>		
6.	North Dakota Sales and Use Tax Permit No. _____		
7.	If a corporation, specify the state and date of incorporation <u>N/A</u>		
8.	Name and title of individual to contact <u>Jon Miskavige</u>		
	Mailing address <u>214 N 4th Street Suite 701</u>		
	City, State, Zip <u>Grand Forks ND 58203</u>	Phone No. <u>701-330-3237</u>	

**Project Operator's Application For Tax Incentives**

9.	Indicate the tax incentives applied for and terms. Be specific.		
	<input type="checkbox"/> Property Tax Exemption	<input checked="" type="checkbox"/> Payments In Lieu of Taxes	
	Number of years _____	<u>2027</u> Beginning year	<u>2042</u> Ending year
	Percent of exemption _____	<u>See Schedule</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 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

4551 S 17TH ST. LOT 2 BLOCK 2 EDGEWOOD VILLAGE FIRST RESUBDIVISION

12. Will the project property be owned or leased by the project operator?  Owned  Leased

If the answer to 12 is leased, will the benefit of any incentive granted accrue to the project operator?

Yes  No

If the property will be leased, attach a copy of the lease or other agreement establishing the project operator's benefits.

13. Will the project be located in a new structure or an existing facility?  New construction  Existing facility

If existing facility, when was it constructed? \_\_\_\_\_

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application Fall 2025

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

New construction of a 155-unit apartment building with underground parking and attached amenity building.

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

14. Approximate date of commencement of this project's operations Spring 2027

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

a. Land..... \$ 714,000

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

c. Newly constructed buildings and structures when completed ..... \$ 36,286,000

d. Total ..... \$ 37,000,000

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

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

a. Land (not eligible) ..... 

b. Eligible existing buildings and structures..... \$ 0

c. Newly constructed buildings and structures when completed..... \$ 1,814,300

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 1,814,300

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

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

**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).

---



---



---

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

N/A

---



---

20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption.

Year (12 mo. periods)	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
	<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 annual average number of persons to be employed by the project itself at the project location for each year for the first five years and the estimated annual payroll.

Year	Company-wide (before project)	New/ Expansion Project only	New/ Expansion Project only	New/ Expansion Project only	New/ Expansion Project only	New/ Expansion Project only
		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
No. of Employees	(1)					
	(2)					
Estimated payroll	(1)					
	(2)					

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

**Previous Business Activity**

22. Is the project operator succeeding someone else in this or a similar business?  Yes  No
23. Has the project operator conducted this business at this or any other location either in or outside of the state?  
 Yes  No (The Officers have conducted other multifamily projects)
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).  
Some of the officers have received a property tax incentive on the Franklin on 4th project in downtown Grand Forks which was approved in 2021.

**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  
There are a number of other multifamily apartments in Grand Forks.

**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

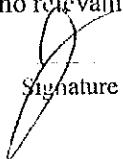
**Use Only When Reapplying**

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

  
Signature

President  
Title

6/9/25  
Date

**PRIVACY ACT NOTIFICATION**

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 40-57.1-03, 40-57.1-07, and 57-01-15, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

**Certification of Governing Body (To be completed by the Auditor of the City or County)**

The municipality shall, after granting any property tax incentives, certify the findings to the State Tax Commissioner and Director of Tax Equalization by submitting a copy of the project operator's application with the attachments. The governing body, on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, granted the following:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Property Tax Exemption</b> | <input type="checkbox"/> <b>Payments in lieu of taxes</b>               |
| _____ Number of years                                  | _____ Beginning year      _____ Ending year                             |
| _____ Percent of exemption                             | _____ Amount of annual payments (Attach schedule if payments will vary) |

\_\_\_\_\_  
Auditor

**Notice To Competitors Of Hearing On Application  
For Property Tax Incentives**

Notice is hereby given that the City \_\_\_\_\_  
(City or county governing body)

of Grand Forks \_\_\_\_\_, North Dakota, will meet at \_\_\_\_\_  
(City or county) (Time)

on \_\_\_\_\_ at \_\_\_\_\_ to consider the application of  
(Date) (Location)

Northridge Accommodations, LLC 214 N 4th Street Suite 701 Grand Forks, ND 58203  
(Project operator name and address)

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

\_\_\_\_\_ The Reserve \_\_\_\_\_  
(Type of business)

at 4551 S 17th Street Grand Forks, ND 58201 \_\_\_\_\_  
(Address)

4551 S 17TH ST LOT 2 BLOCK 2 EDGEWOOD VILLAGE FIRST RESUBDIVISION \_\_\_\_\_  
(Legal description)

Any competitor of that applicant may appear and be heard by the City \_\_\_\_\_  
(City or county governing body)

at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code § 40-57.1-03

Year of Valuation	True & Full Value		Improvements Value		Tax from Land		Tax from Improvements		City Share of Tax		County/State Share of Tax		School Share of Tax		Parks Share of Tax	
	PILOT Based on		STEP DOWN: YRS 1-5 100%		STEP DOWN: YRS 6-10 80%, 11-15 60%		STEP DOWN: YRS 16 & forward 0%		PILOT Based on		STEP DOWN: YRS 1-5 100%		STEP DOWN: YRS 6-10 80%, 11-15 60%		STEP DOWN: YRS 16 & forward 0%	
	PILOT 100%	80% (15 YR; 5 YR STEP DOWN)	PILOT 100%	80% (15 YR; 5 YR STEP DOWN)	PILOT 100%	80% (15 YR; 5 YR STEP DOWN)	PILOT 100%	80% (15 YR; 5 YR STEP DOWN)	PILOT 100%	80% (15 YR; 5 YR STEP DOWN)	PILOT 100%	80% (15 YR; 5 YR STEP DOWN)	PILOT 100%	80% (15 YR; 5 YR STEP DOWN)	PILOT 100%	80% (15 YR; 5 YR STEP DOWN)
1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	28,000,000	28,000,000	1,000,000	27,000,000	16,461	16,461	16,461	0	4,382	4,133	4,133	6,199	6,199	1,748	1,748	1,748
3	28,280,000	28,280,000	1,040,000	27,240,000	16,625	16,625	16,625	0	4,426	4,174	4,174	6,261	6,261	1,765	1,765	1,765
4	28,562,800	28,562,800	1,020,100	27,542,700	16,792	16,792	16,792	0	4,470	4,216	4,216	6,323	6,323	1,783	1,783	1,783
5	28,848,428	28,848,428	1,030,301	27,818,127	16,959	16,959	16,959	0	4,515	4,258	4,258	6,387	6,387	1,800	1,800	1,800
6	29,136,912	29,136,912	1,040,604	28,096,308	17,129	17,129	17,129	0	4,560	4,300	4,300	6,450	6,450	1,818	1,818	1,818
7	29,428,281	29,428,281	1,051,010	28,377,271	17,300	17,300	17,300	93,422	29,475	27,797	27,797	41,696	41,696	11,755	11,755	11,755
8	29,722,564	29,722,564	1,061,520	28,661,044	17,473	17,473	17,473	94,356	29,769	28,075	28,075	42,113	42,113	11,872	11,872	11,872
9	30,019,790	30,019,790	1,072,135	28,947,655	17,648	17,648	17,648	95,299	30,067	28,356	28,356	42,534	42,534	11,991	11,991	11,991
10	30,319,988	30,319,988	1,082,857	29,237,131	17,825	17,825	17,825	96,252	30,368	28,659	28,659	42,959	42,959	12,111	12,111	12,111
11	30,623,188	30,623,188	1,093,685	29,529,502	18,003	18,003	18,003	97,215	30,671	28,916	28,916	43,389	43,389	12,232	12,232	12,232
12	30,929,420	30,929,420	1,104,622	29,825,797	18,183	18,183	18,183	98,178	30,976	29,176	29,176	43,823	43,823	12,354	12,354	12,354
13	31,238,774	31,238,774	1,115,666	30,125,108	18,365	18,365	18,365	99,150	31,282	29,424	29,424	44,261	44,261	12,477	12,477	12,477
14	31,551,101	31,551,101	1,126,825	30,427,276	18,548	18,548	18,548	200,321	31,589	29,674	29,674	44,703	44,703	12,601	12,601	12,601
15	31,866,612	31,866,612	1,138,093	30,732,519	18,734	18,734	18,734	202,325	31,896	29,926	29,926	45,149	45,149	12,726	12,726	12,726
16	32,185,278	32,185,278	1,149,474	31,039,804	18,921	18,921	18,921	204,348	32,204	30,179	30,179	45,597	45,597	12,851	12,851	12,851
17	32,507,131	32,507,131	1,160,969	31,346,162	19,110	19,110	19,110	515,978	32,511	30,432	30,432	46,048	46,048	12,977	12,977	12,977
18	32,832,202	32,832,202	1,172,579	31,659,623	19,301	19,301	19,301	521,138	32,818	30,686	30,686	46,501	46,501	13,104	13,104	13,104
19	33,160,524	33,160,524	1,184,304	31,976,220	19,494	19,494	19,494	526,349	33,125	30,941	30,941	46,956	46,956	13,231	13,231	13,231
20	33,492,129	33,492,129	1,196,147	32,295,982	19,689	19,689	19,689	531,613	33,432	31,196	31,196	47,413	47,413	13,359	13,359	13,359
21	33,827,051	33,827,051	1,208,109	32,618,942	19,886	19,886	19,886	536,929	33,739	31,451	31,451	47,871	47,871	13,487	13,487	13,487
22	34,165,321	34,165,321	1,220,190	32,945,131	20,085	20,085	20,085	542,298	34,046	31,706	31,706	48,331	48,331	13,616	13,616	13,616
23	34,506,974	34,506,974	1,232,392	33,274,582	20,286	20,286	20,286	547,721	34,351	31,961	31,961	48,792	48,792	13,745	13,745	13,745
24	34,852,044	34,852,044	1,244,716	33,607,328	20,489	20,489	20,489	553,198	34,656	32,216	32,216	49,254	49,254	13,875	13,875	13,875
25	35,200,565	35,200,565	1,257,163	33,944,401	20,694	20,694	20,694	558,730	34,961	32,471	32,471	49,717	49,717	14,005	14,005	14,005
26	35,552,570	35,552,570	1,269,735	34,282,836	20,901	20,901	20,901	564,318	35,266	32,726	32,726	50,181	50,181	14,136	14,136	14,136
27	35,908,096	35,908,096	1,282,432	34,625,664	21,110	21,110	21,110	569,961	35,571	32,981	32,981	50,646	50,646	14,267	14,267	14,267
28	36,267,177	36,267,177	1,295,256	34,971,921	21,321	21,321	21,321	575,661	35,876	33,236	33,236	51,111	51,111	14,398	14,398	14,398
29	36,629,849	36,629,849	1,308,209	35,321,640	21,534	21,534	21,534	581,417	36,181	33,491	33,491	51,576	51,576	14,529	14,529	14,529
30	36,996,147	36,996,147	1,321,291	35,674,856	21,749	21,749	21,749	587,231	36,486	33,746	33,746	52,031	52,031	14,660	14,660	14,660
31	37,366,109	37,366,109	1,334,504	36,031,605	21,967	21,967	21,967	593,104	36,791	34,001	34,001	52,483	52,483	14,791	14,791	14,791

\*Note: Fully taxable during construction; PILOT begins upon Project Completion

Assumptions:  
 Based on estimates - value to be assessed determined annually  
 1% inflationary factor in valuation  
 Level mill levy over time period shown

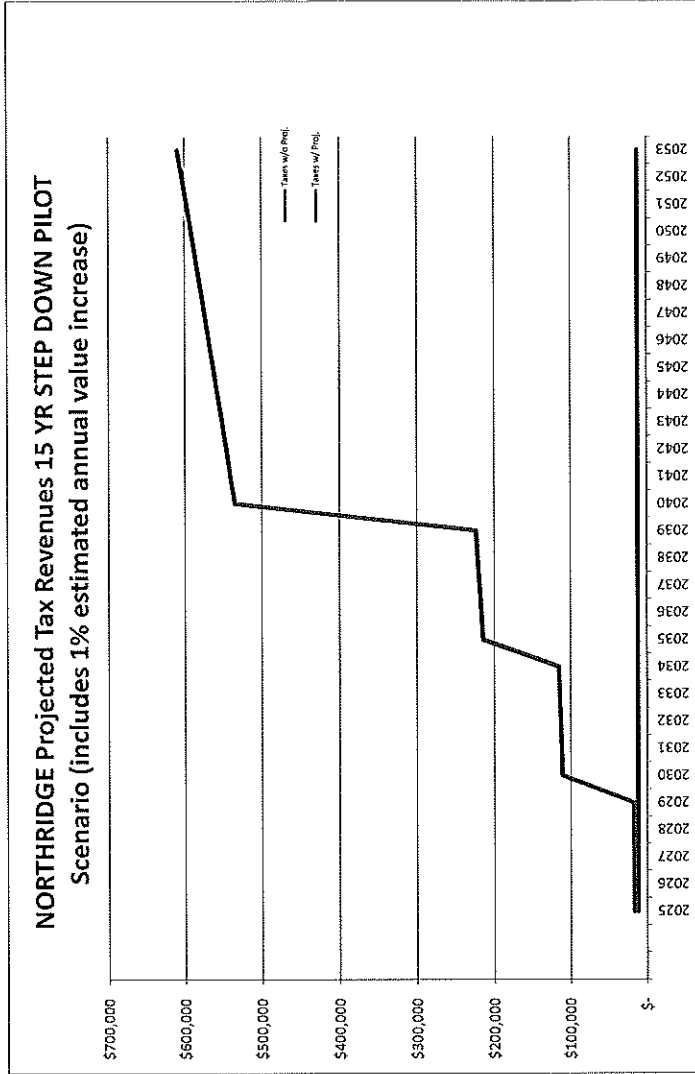
VALUE IS YET TO BE DETERMINED; BASED ON CURRENT TAX RATE, THIS EXAMPLE DISPLAYS THE PROPERTY TAX DURING THE CONSTRUCTION PERIOD & PILOT PERIOD

<b>Assumptions:</b>	
Post-proj. value (Improvements)	\$ 27,000,000
Post-proj. value (Land)	\$ 1,000,000
Initial land value:	\$ 714,000
Effective tax rate	1.65%
Ann. Value Incr.	1%
% taxable during PILOT (yrs 1-5)	0%
% taxable during PILOT (yrs 6-10)	20%
% taxable during PILOT (yrs 11-15)	40%
% taxable during PILOT (thereafter)	100%

<b>Entity Revenue Splits:</b>		<b># of mills</b>
City	27%	92.25
County/State/Other	25%	87.00
School - District	38%	130.50
Parks	11%	36.79
	100%	<b>346.54</b>

<b>TOTAL Revenue:</b>	
5-year revenue total (With Project):	\$ 83,966
10-year revenue total (With Project):	\$ 648,759
15-year revenue total (With Project):	\$ 1,743,216
30-year revenue total (With Project):	\$ 10,356,480

<b>TOTAL Outcomes:</b>	
5-year revenue total (Net increase with project):	\$ 25,201
10-year revenue total (Net increase with project):	\$ 531,230
15-year revenue total (Net increase with project):	\$ 1,566,922
30-year revenue total (Net increase with project):	\$ 10,003,893



An abstract graphic consisting of a series of vertical bars of varying heights and widths, arranged in a row. Behind the bars are two large, overlapping arches that create a sense of depth and structure. The entire graphic is rendered in shades of gray and black.

# **But-For Analysis**

The Reserve Proposed Housing Development by  
Northridge Development

City of Grand Forks, North Dakota

Draft Dated: June 5, 2025

# Contents

EXECUTIVE SUMMARY .....	2
PURPOSE AND APPROACH .....	3
DISCLOSURE AND RELIANCE.....	3
BACKGROUND .....	4
DESCRIPTION OF ASSISTANCE REQUEST .....	4
THE PROJECT .....	5
REVIEW OF APPLICANT'S FINANCIAL MODEL.....	8
INTERNAL RATE OF RETURN .....	10
CONCLUSION .....	12
APPENDIX .....	13
APPENDIX – DATA SOURCES .....	14
APPENDIX – GLOSSARY OF TERMS .....	15

SH



This information should not be construed as a recommendation or an offer of services. The commentaries provided are opinions of Baker Tilly Municipal Advisors, LLC and are for informational purposes only. While the information is deemed reliable, Baker Tilly Municipal Advisors, LLC cannot guarantee its accuracy, completeness, or suitability for any purpose and makes no warranties with regard to the results to be obtained from its use, or whether any expressed course of events will actually occur. Past performance does not guarantee future results.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP, a tax and advisory firm. Baker Tilly Advisory Group, LP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2025 Baker Tilly Advisory Group, LP.

---

## Executive Summary

The City of Grand Forks (the "City") retained Baker Tilly Municipal Advisors ("BTMA") to review a request for public financial assistance from Northridge Development (the "Applicant"). The Applicant has proposed the construction of a new multi-family housing development with 155 housing units that are a mix of studio, 1, 2, 3 and 4-bedroom units and approximately \_\_\_\_\_ square feet in size. (the "Project")

The Applicant has requested public financial assistance for the Project. Specifically, the Applicant is seeking an annual property tax exemption for up to 20 years, referred to as a PILOT (the "Incentive"). The City seeks to understand whether the Project reasonably requires the requested financial assistance. Prior to approving a property tax incentive and providing public assistance for a project, the City must make several findings, including the "but for" test which is to find: that the proposed development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, therefore making tax increment financing public assistance necessary for the project to proceed. The Applicant has provided financial information demonstrating that the operating cash flow requires annual property tax exemption to decrease total operating expenses. Financial assistance through tax exemption will allow the projected revenues to support annual operating expenses and debt service, while providing a reasonable return on investment. The "but-for" test is used to determine whether a project is likely to proceed as proposed without public financial assistance.

The profitability measurement used to evaluate the need for assistance is the return on investment, termed the internal rate of return ("IRR" or "Return"). To determine the likelihood that the Project would be undertaken without the Incentive, the Applicant's estimated IRR without Incentive is compared to the Return sought by investors in similar projects in the current marketplace.






BTMA reviewed the Applicant's pro forma and the underlying assumptions regarding Project financing, construction costs and operations. BTMA determined that the proposed Project without the requested Incentive falls below the national benchmark average. The graphic on the following page illustrates the forecasted IRR compared to the market benchmark returns from the PWC Real Estate Investor Survey, First Quarter 2025. It is important to note that the financial analysis includes a review of the Project with and without the requested Incentive, and provides sensitivity as to the level of recommended public assistance. Following additional analysis, it is recommended that the initial request for a 20-year property tax exemption be reduced to a 15-year property tax exemption with a step-down approach as follows to result in a blended 80% exemption over the 15-year term:

- Years 1-5: 100% exemption
- Years 6-10: 80% exemption
- Years 11-15: 60% exemption

## PURPOSE AND APPROACH

---

A summary of the Report's key points is also included below.

 Project Description	<i>Support adding 155 market rate housing units in the City of Grand Forks</i>
 Assistance Request	<i>A maximum 20-year term of property tax exemption (PILOT) - recommended reduced term of 15 years with blended 80% participation</i>
 Project Cost Analysis	<i>Estimates are sensitive to financing assumptions, including debt coverage, interest rates, capitalization rates and total project costs/funding sources</i>
 Operating Revenues and Expenditures	<i>The Applicant's operating revenues and expenditures are considered reasonable with no proposed changes from BTMA</i>
 Conclusion	<i>The Project would not proceed in the current market without the requested Incentive</i>

### Purpose and Approach

BTMA evaluated Project information provided by the Applicant - including Project financing, timing, revenues and operating costs- to measure the Applicant's expected profit relative to Project risks. If it is assumed that the Project is owned and operated as an investment, a measure of return can be calculated considering the time value of money and an assumed sale of the asset(s) at an appropriate market price. This analysis is termed the internal rate of return ("IRR" or "Return") and estimates the profitability of an investment. To determine the likelihood that the Project would be undertaken without public assistance, the Applicant's estimated levered IRR, without assistance, is compared to the Return sought by investors for like projects in the current marketplace, as represented as a property tax exemption.

Unless stated otherwise, this Report references Incentive amounts in terms of net present value (NPV), rather than gross value. The Incentive gross value is simply the total amount of money expected to be received in the future, without considering how time affects its worth. The Incentive net present value recognizes that money today is worth more than the same amount in the future because of interest, inflation, or other investment opportunities. Depending on the structure of the Incentive, the benefits of the Incentive may be spread across multiple years; therefore, it is necessary to express the value of those future dollars in today's terms.

### Disclosure and Reliance

This analysis is not an opinion of the Project's feasibility, including the likelihood the relevant trade area will absorb the Project during the development period forecast by the Applicant. Rather, BTMA was engaged to independently review the Applicant's assumptions for the Project and determine whether the Project would likely realize an acceptable market rate of return in the current marketplace. BTMA has based this

analysis upon projections provided by the Applicant. BTMA has completed due diligence to review the Applicant's projections using its institutional knowledge and, where applicable, third-party sources. BTMA utilized the Applicant's projections as provided unless otherwise noted.

Where BTMA suggests alternative projections or assumptions, the reason and source of the proposed alternatives are described. Projecting outcomes for projects of this nature involves subjective judgment which may or may not prove correct. BTMA makes no representations or warranties, expressed or implied, as to the predictive accuracy of this analysis, and nothing herein is, or shall be relied upon as, a representation or warranty with respect to future result.

BTMA has no financial interest in the Project, the Applicant, or any entities affiliated with the Project or the request for public incentives.

### **Background**

The City of Grand Forks (the "City") has received a request for financial assistance from Northridge Development for the construction of a new 155-unit multifamily residential rental housing project with a mix of studio, 1, 2, 3 and 4-bedroom units and 155 underground and 180 surface parking spaces. The total estimated development cost is approximately \$37 million. To support the application for public financial assistance, the developer has provided financial information including sources and uses of funds and operating proforma illustrating financial performance of the project both with and without financial incentives from the City of Grand Forks. The operating proforma is based on projected revenues from the residential components following construction, occupancy and stabilization.

### **Description of Assistance Request**

The Applicant has requested public financial support through annual property tax exemption for up to 20 years to complete the project as proposed and be financially feasible. Analysis of the Applicant's operating proformas with and without assistance provides a range of projected returns to the investor and an understanding as to the need for assistance. Certain assumptions were made based upon information provided by the Applicant: Substantial changes to these assumptions would likely have an impact on analysis of the proposed project.

- debt and equity amounts
- lease rates for residential apartments
- lease rates for office/commercial space
- vacancy rates
- annual revenue and operating expense inflators
- estimated project costs, including developer fee

The Applicant's upfront sources and uses statement and operating proformas with and without assistance incorporate certain assumptions relative to cash flow performance of the Project. They include private debt financing of approximately 70% with remaining 30% equity based on the \$37 million project. The projected debt coverage ratio (DCR) is expected to meet minimum thresholds as required by the anticipated Project financing lender of 1.3x only with assistance. Property tax exemption as requested provides the cash flow necessary to achieve the minimum required DCR. A scaled down annual percentage exemption over 15

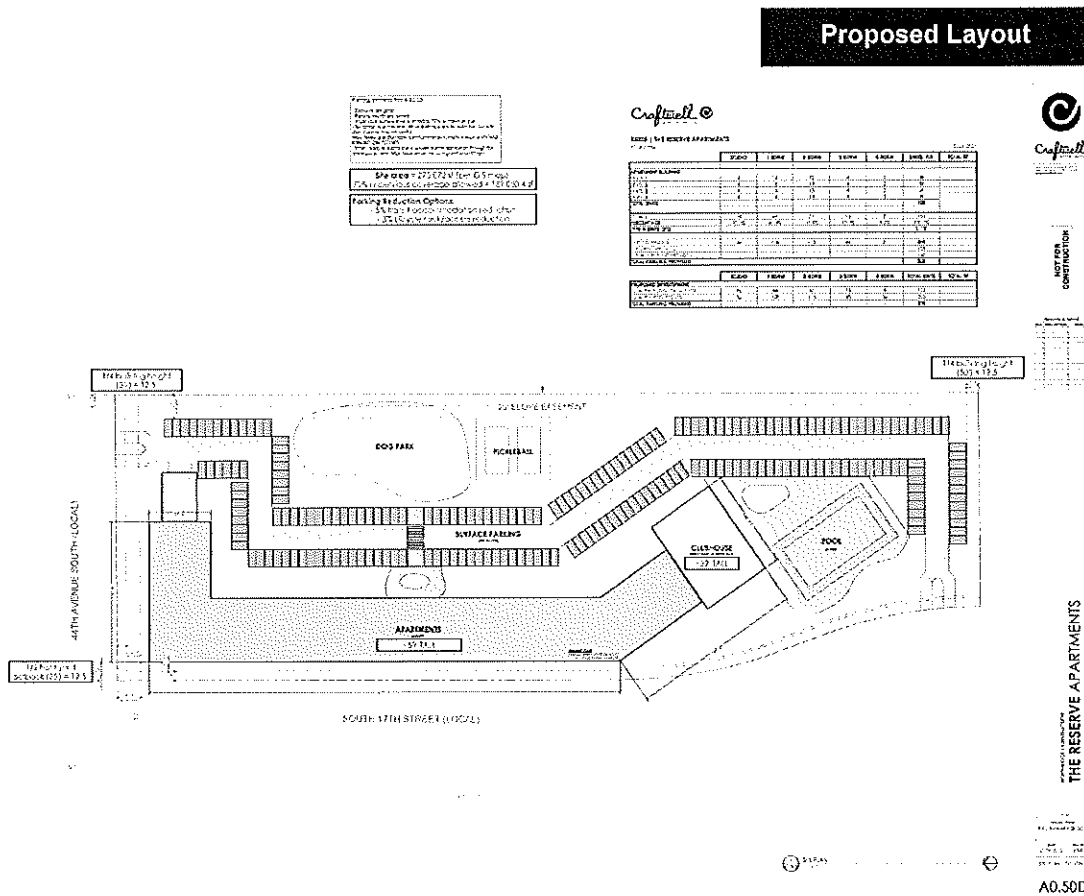
years still allows the minimum DCR to be met upon project stabilization as required to obtain financing and would be reduced as the annual DCR grows with future cash flow growth.

## The Project

The Applicant has proposed a four story, 155-unit multifamily residential building on the corner of 44<sup>th</sup> Avenue South and South 17<sup>th</sup> Street. The Project will include 155 underground and 180 surface parking stalls to support the development tenants, as well as several amenities including a pool, clubhouse, pickleball court and dog park.

The Project will have a range of units between studio, 1, 2, 3 and 4 bedroom units with market rate rents. This translates to monthly gross rents ranging from \$1,100 for studio, \$1,219 for one bedroom, \$1,716 for two bedroom, \$2,100 for three bedroom and \$2,430 for four bedroom apartments.

A site map of the existing lot and preliminary renderings of the development are provided below for reference.



Preliminary Rendering



THE RESERVE APARTMENTS



Total sources and uses for the Applicant's request are outlined in the following table. Note that the sources of financing include private debt and equity based on a ratio of 70%/30%, respectively. The anticipated lender provided a term sheet that includes \$26 million, subject to the lesser of 75% of appraised value or cost and a projected DSC of 1.30x with 18-month construction and 5-year permanent financing terms. The permanent financing includes a 25-year amortization schedule with current interest rates of 6.53%.

Sources	Amount	% of Project Total	Status
First Mortgage	26,000,000	70%	Term sheet dated 5/6/25
Equity	11,000,000	30%	
<b>Total</b>	<b>\$37,000,000</b>		

Uses	Amount	% of Project Total	\$ PSF
Land Acquisition	1,600,000	4%	
Construction	32,000,000	86%	
Soft Costs	2,000,000	5%	
Fixtures, Furniture & Equipment	600,000	2%	
Construction Bank Fees	800,000	2%	
<b>Total</b>	<b>\$37,000,000</b>		

### *Review of Project Costs and Uses*

#### *Construction Costs*

The Applicant's estimated construction costs are approximately \$32,000,000. To provide a cost comparison, BTMA utilizes the RSMeans Data from Gordian to estimate the cost of constructing a new multi-family development with similar characteristics to the proposed Project. RSMeans provides accurate and regularly updated construction cost estimates which can be used as a reference point to verify the reasonableness of the Applicant's estimated costs. PSF estimates can vary widely depending on the building material and type of framing used. Given that the Project is still in preliminary design stages, BTMA created three separate cost models. All models share the baseline assumptions of a building of similar square footage in size, 4 stories in height and each story approximately 10 feet tall. The PSF cost is estimated to range between \$150.00 on the low end and \$190.00 at the highest. Our midpoint estimate is around \$170.00. The higher PSF estimates reflect additional costs associated with building materials such as brick veneer and reinforced concrete or steel framing which adds considerably to the cost. The Applicant's reported PSF falls within the observed range and is therefore considered reasonable.

#### *Financing Assumptions*

There are generally two ways in which assistance can be provided for most projects, either upfront or on a property tax exemption basis. With upfront financing, the City would finance a portion of the initial project costs through the issuance of bonds or as an internal loan. Future revenues would be collected by the City and used to pay debt service on the bonds or repayment of the internal loan. With tax exemption, the developer would finance all project costs upfront and would receive an annual property tax exemption to provide additional cash flow to repay the private financing (debt and equity).

Tax exemption is generally more acceptable than upfront financing for the City because it shifts the risk to the developer. If the tax exemption is less than originally projected, the developer receives less and therefore bears the risk of not being reimbursed the full amount of their financing. However, in some cases property tax exemption may not be financially feasible. With bonds, the City would still need to make debt service payments and would have to use other sources to fill any shortfall of revenues. With internal financing, the City repays the loan with future revenue collections and may risk not repaying itself in full if revenues are not sufficient. There are security provisions that can be included with upfront financing that results in mitigating, reducing and limiting potential City risk.

The primary financing structure for the project has been requested and proposed as annual property tax exemption (PILOT) for the developer up to a certain period of time and annual exemption percentage

For the private financing component, the developer would finance all costs upfront through a combination of bank financing and equity and would receive annual property tax exemption to assist with project cash flow as needed to repay debt obligations and provide adequate investor returns. Estimated taxable value of the apartment building and land upon completion is \$28 million with estimated annual total taxes of the incremental building portion is \$445,000. The estimated taxable value of the land below the mixed-use building is \$719,714 and estimated to increase to \$1,000,000. The Applicant has estimated annual taxes of \$12,375 based on existing land value. Only taxes generated by the new building may be included in the property tax exemption with taxes generated from the land as required to be paid.

## REVIEW OF APPLICANT'S FINANCIAL MODEL

### Review of Applicant's Financial Model

The Applicant provided a pro forma and sizing model detailing timing, financing, operating revenues and expenditures and assumptions for the Project. Utilizing the baseline pro forma provided by the Applicant, BTMA calculated the internal rate of return with and without the requested Incentive. The Return realized by the Applicant is a result of the assumptions used in the creation of the operating pro forma and sizing model. Therefore, several steps must be taken to analyze the reasonableness of the assumptions used.

#### *Step One – Evaluate Operating Revenues and Expenditures*

##### *Operating Revenues*

The Applicant's expected unit mix and gross rents are as follows:

Market Rate Housing Units						
	# of Units	Sq. Feet	Monthly Rent	\$ PSF	Total Monthly	Total Annual
Studio	16	550	\$1,100	\$2.00	\$17,600	\$211,200
1 BR	64	700	\$1,218	\$1.74	\$77,952	\$935,424
2 BR	51	1100	\$1,716	\$1.56	\$87,516	\$1,050,192
3 BR	16	1500	\$2,100	\$1.40	\$33,600	\$403,200
4 BR	8	1800	\$2,430	\$1.35	\$19,440	\$233,280
<b>Total</b>	<b>155</b>				<b>\$236,108</b>	<b>\$2,833,296</b>

To evaluate the Applicant's rent and vacancy assumptions, BTMA compares the Applicant's estimates to market data available from CoStar. CoStar groups cities, villages, and towns by markets and submarkets. The Applicant also provided an initial market assessment for general occupancy rental housing in the City. Costar reports the historical and current key performance indicators for the Grand Forks submarket that can be used to compare to the projected performance of the Project.

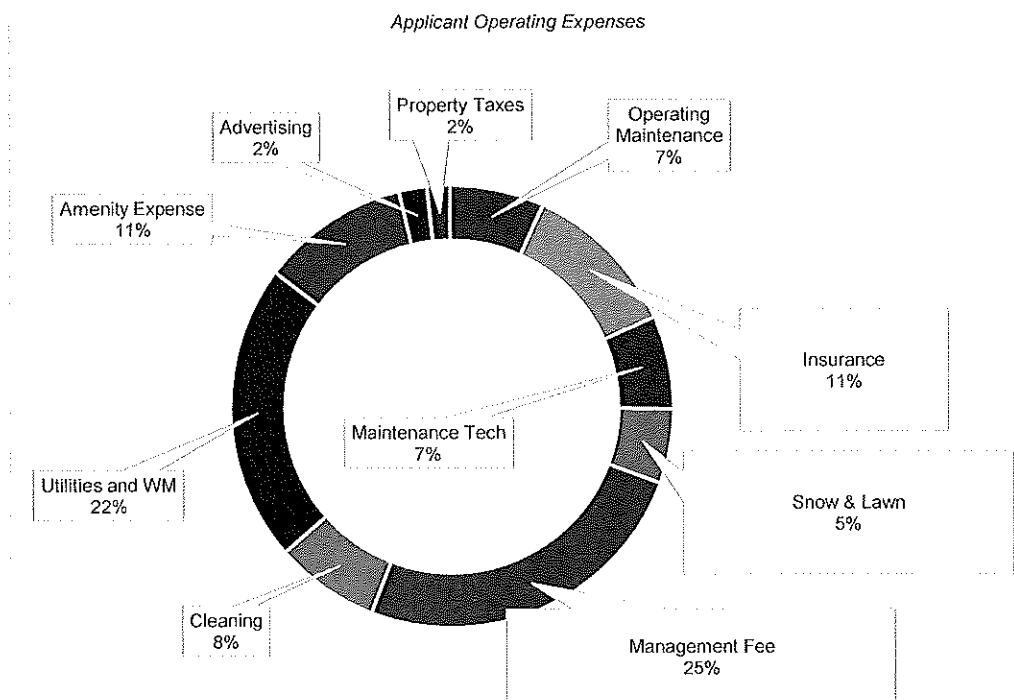
When forecasting future vacancy rates and growth of rental rates, the Applicant assumed 5.00% for stabilized future vacancy rates which is slightly lower than the forecasted average vacancy of 5.9%. The Applicant has assumed annual growth trends for annual rent increases of 2% and operating expenses of 1%. The operating proforma with assistance and the property tax exemption includes a net operating income (NOI) of the Project that is available to support debt service payments and must meet minimum cash flow requirements to demonstrate a minimum debt coverage ratio (DCR) of 1.30 upon conversion to permanent financing as required by the potential lender terms.

The submarket historical average for rent growth has been approximately 1.2% with future forecasts from CoStar to be slightly higher at 2.7% annually. The Applicant's assumption for 2.0% growth is considered reasonable and no modification or adjustment is suggested.

## REVIEW OF APPLICANT'S FINANCIAL MODEL

### *Operating Expenditures*

The Applicant's operating pro forma expenditures are summarized as follows.



Finally, the Applicant provided 6.58% for the term of the construction loan and a 6.53% permanent mortgage from Bremer Bank. According to Q1 of 2025 PWC survey, interest rates for the national apartment market currently range between 5.50% and 8.00%; therefore, the Applicant's interest rate assumptions are considered reasonable.

### *Step Two – Evaluate Hypothetical Sale Assumptions*

The second step in analyzing the return to the Applicant is to determine the value of a hypothetical sale of the assets in the final year of the operating pro forma. The determination of the potential market value of the Project, through a hypothetical sale, is necessary as it allows for the inclusion of the value of the assets in the rate of return calculation. The calculation of an IRR without the hypothetical sale would result in an understated return. The assumption of a hypothetical sale should not be interpreted to convey that the Applicant intends to sell elements of the Project proposed for ownership and operation at the assumed or any other date.

It should be noted that BTMA generally evaluates requests with the hypothetical sale in years 10 and 15. For the purpose of providing a more comprehensive analysis, we provide the estimated IRR assuming the standard ten-year period along with a 15-year scenario based on the terms of the proposed property tax exemption.

## INTERNAL RATE OF RETURN

---

The critical assumption when valuing the asset at the time of the hypothetical sale is the capitalization rate. The estimated net operating income is divided by the capitalization rate, which results in the assumed fair market value of the asset. The capitalization rate is intended to represent the yield of an investment over one year and is also a useful measure of risk.

BTMA compared the forecasted Project Returns and evaluated the capitalization rates based on third-party reference, the *PwC Real Estate Investor Survey, First Quarter 2025*, a national survey which publishes data on the commercial real estate marketplace sampled from active investors. BTMA also compared the PWC Survey's cap rate to the Grand Forks submarket and the broader market for multifamily buildings.

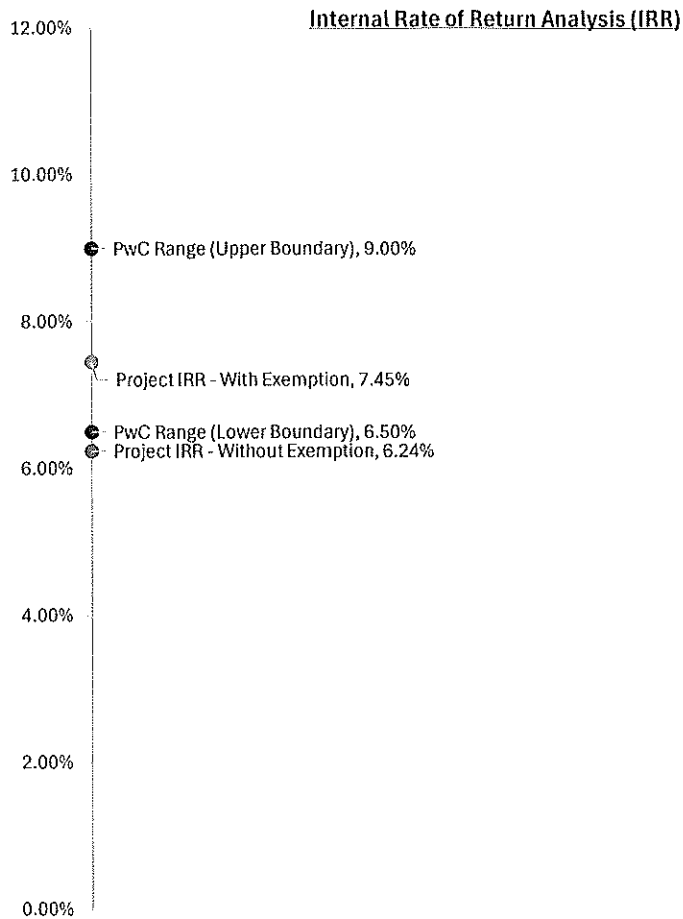
The comparisons illustrate the difference in the distribution of cap rate data from CoStar specifically for 4 & 5-star buildings in the Grand Forks area compared to the overall distribution of cap rates in the area. We assumed this would likely be a "4 & 5-star building" as similar buildings tend to reflect luxury apartment buildings with upscale amenities and high-quality finishes.

Capitalization rates in the Grand Forks area can also be compared to the surrounding submarkets with ranges between 6.5% and 8.5% since 2019. CoStar forecasts that cap rates for this particular submarket will remain somewhat elevated compared to surrounding areas well into 2029 at approximately 7.50%. According to the PWC Survey, capitalization rates for the national apartment market in Q1 of 2025 range between 4.00-6.25% with an average of 5.25%. It is the opinion of BTMA that a 6.5% cap rate would be an appropriate assumption for the terminal cap rate. Our assumption is based primarily on the elevated cap rates in the Grand Forks area compared to the national average.

### Internal Rate of Return

The profitability measurement used to evaluate the need for assistance is the return on investment, termed the internal rate of return ("IRR" or "Return"). To determine the likelihood that the Project would be undertaken without the Incentive, the Applicant's estimated IRR without Incentive is compared to the Return sought by investors in similar projects in the current marketplace. A full pro forma with detailed cash flows is included in the Appendix of this Report. The following graph illustrates the estimated range of returns that investors are seeking in the multifamily asset class, according to the Q1, 2025 PWC Survey, compared to the estimated unlevered return. It is also important to note in the IRR calculations that without the Incentive, the cash flows are projected to be negative, meaning the Project without assistance would not be able to support the level of debt financing as projected. Decreasing the level of debt to a feasible amount supported by the cash flows to meet minimum DCR would require an increased equity investment amount, expected to result in a further reduced IRR than what is projected. In summary the projected IRRs as illustrated in the following tables is expected to be further below the lower boundary minimum IRR levels.

## INTERNAL RATE OF RETURN



Typically, BTMA will evaluate the unlevered return to those reported in the *PWC Survey*. The “unlevered” return assumes that any debt used to finance the Project would be otherwise require an infusion of additional equity from the Applicant. Levered benchmarks are not readily available, but the benchmark unlevered returns from the *PWC Survey* can be converted to a levered return to provide an alternative benchmark. The following graph illustrates the Applicant’s estimated levered return compared to the converted benchmark. Note that the Applicant’s “without Incentive” return is estimated to be below than the lower boundary average. And similar results as described above relative to annual cash flow available to support minimum DCR requirements of 1.3x – meaning the estimated construction loan debt (and assumed permanent loan) amount would need to be reduced without a property tax exemption to meet the minimum DCR.



## Conclusion

BTMA determined that the proposed Project without the requested incentive has a forecasted Return that is below the national average benchmark return, making it unlikely that the Project would be undertaken without the requested Incentive in the current market. The significant variables impacting the return are tied to the market’s current elevated cost of capital (interest rates) and construction costs as compared to market supported rental rates.

BTMA’s conclusions are based on the evaluation of the information provided by the Applicant and sensitized to a band of market ranges that approximate a reasonable range of the Applicant’s expected terms of financing. The terms of financing, and therefore the returns contemplated in this analysis are preliminary and subject to change.

# Appendix

## Appendix – Data Sources

### CoStar Group

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

CoStar Group (NASDAQ: CSGP) is a leading global provider of commercial and residential real estate information, analytics, and online marketplaces. Included in the S&P 500 Index and the NASDAQ 100, CoStar has provided data and information services for over 37 years to the commercial real estate market. The platform allows access to a comprehensive inventory of over 7 million properties, twenty million lease and sale comparables, and 8.3 million commercial tenants.

### PWC Investor Survey

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

The PwC Investor Survey is a trusted source of research and investment criteria. For over 35 years, the PwC Investor Survey has provided data and insights for commercial real estate investors. The PwC Investor Survey includes regional and national data for investor expectations concerning commercial real estate and is published on a quarterly basis. Survey participants represent a cross-section of major institutional equity real estate investors who invest primarily in institutional-grade property. Survey results are intended to be interpreted as expectations and does not reflect actual property performance.

### RS Means

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

Gordian is a leading provider of facility and construction cost data, software and services for all phases of the building lifecycle. A pioneer of Job Order Contracting (JOC), Gordian's offerings also include proprietary RSMeans Data and facility intelligence solutions. The RS Means square foot estimator uses a predictive pricing model based on national, regional, and local data for a variety of commercial real estate developments.

---

## Appendix – Glossary of Terms

<b>Basis Point</b>	1/100th of a percentage point (0.01%)
<b>Capitalization Rate (Cap Rate)</b>	The relationship between a single year's net operating income expectancy and the market price or value. Also a useful measure of risk.
<b>Development Land / Pad Sites</b>	Land that has been purchased, readied for development (i.e. entitlements and infrastructure), and subsequently sold to builders.
<b>Developer's Fee / Profit</b>	A market-derived figure that reflects the amount a developer expects to receive for their contribution to a project and risk.
<b>Discount Rate</b>	Assumed rate of return used to discount future cash flows back to their present value.
<b>Equity</b>	Cash provided by the Developer for the Project or share of ownership.
<b>Levered Return</b>	The use of borrowed funds to increase the yield (return) that would otherwise be realized on an equity investment when there is no debt financing (see "Unlevered Return").
<b>Management Fee</b>	An expense representing the sum paid for or the value of management services, including incentives, expressed as a percentage of total revenue.
<b>Net Lease</b>	A lease in which the landlord passes all expenses on to the tenant. As an investment, an income-producing property leased, often for 20 years or longer, to a creditworthy tenant.
<b>Net Operating Income (NOI)</b>	Income remaining after deduction of all the property's operating expenses.
<b>Operating Expenses</b>	The ongoing expenditures incurred during the ordinary course of business necessary to maintain and continue the production of gross revenues, not including reserves, debt service, and capital costs.
<b>Replacement Reserve</b>	Amount allocated for periodic replacement of building components during a property's economic life.
<b>Tenant Improvement Allowance</b>	A dollar amount (usually expressed as an amount per square foot) provided to the tenant by the landlord for the construction of tenant improvements, which may or may not equal the cost of remodeling.
<b>Unlevered Return</b>	Assumes that a Project is financed and completed entirely with cash from the Developer and no debt. BTMA's preferred approach when estimating the internal rate of return.

9589 0710 5270 2238 3006 07

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

Certified Mail Fee \$ \_\_\_\_\_

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage and Fees \$ \_\_\_\_\_

Sent To Berger

Street and Apt. No., or PO Box No. \_\_\_\_\_

City, State, ZIP+4® \_\_\_\_\_

PS Form 3800, January 2023 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dave Berger, President  
Grand Forks School Board  
PO Box 6000  
Grand Forks, ND 58206-6000



2. Article Number (Transfer from service label)  
9590 9402 8374 3156 8051 98

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature  
 Corey Pesch  Agent  Addressee

B. Received by (Printed Name)  
Corey Pesch

C. Date of Delivery  
\_\_\_\_\_

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below: \_\_\_\_\_

3. Service Type

Adult Signature  Priority Mail Express®

Adult Signature Restricted Delivery  Registered Mail™

Certified Mail®  Registered Mail Restricted Delivery

Certified Mail Restricted Delivery  Signature Confirmation™

Collect on Delivery  Signature Confirmation Restricted Delivery

Collect on Delivery Restricted Delivery

Insured Mail

Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt

9589 0710 5270 2238 3006 14

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

Certified Mail Fee \$ \_\_\_\_\_

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage and Fees \$ \_\_\_\_\_

Sent To Skarperud

Street and Apt. No., or PO Box No. \_\_\_\_\_

City, State, ZIP+4® \_\_\_\_\_

PS Form 3800, January 2023 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Tim Skarperud, President  
Grand Forks Park Commission  
PO Box 12429  
Grand Forks, ND 58208-2429



2. Article Number (Transfer from service label)  
89 0710 5270 2238 3006 14

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature  
 Ross Parker  Agent  Addressee

B. Received by (Printed Name)  
Ross Parker

C. Date of Delivery  
6-23-25

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below: \_\_\_\_\_

3. Service Type

Adult Signature  Priority Mail Express®

Adult Signature Restricted Delivery  Registered Mail™

Certified Mail®  Registered Mail Restricted Delivery

Certified Mail Restricted Delivery  Signature Confirmation™

Collect on Delivery  Signature Confirmation Restricted Delivery

Collect on Delivery Restricted Delivery

Insured Mail

Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt

9589 0710 5270 2238 3006 21

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

Certified Mail Fee \$ \_\_\_\_\_

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage and Fees \$ \_\_\_\_\_

Sent To Hellyer

Street and Apt. No., or PO Box No. \_\_\_\_\_

City, State, ZIP+4® \_\_\_\_\_

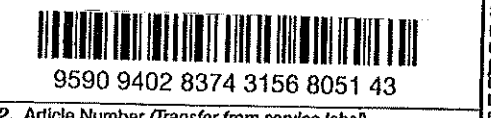
PS Form 3800, January 2023 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

George Hellyer, Exec Director  
Grand Forks Park District  
PO Box 12429  
Grand Forks, ND 58208-2429



2. Article Number (Transfer from service label)  
589 0710 5270 2238 3006 21

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature  
 Ross Parker  Agent  Addressee

B. Received by (Printed Name)  
Ross Parker

C. Date of Delivery  
6-23-25

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below: \_\_\_\_\_

3. Service Type

Adult Signature  Priority Mail Express®

Adult Signature Restricted Delivery  Registered Mail™

Certified Mail®  Registered Mail Restricted Delivery

Certified Mail Restricted Delivery  Signature Confirmation™

Collect on Delivery  Signature Confirmation Restricted Delivery

Collect on Delivery Restricted Delivery

Insured Mail

Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt

9589 0710 5270 2238 3005 84

U.S. Postal Service™  
CERTIFIED MAIL® REC  
Domestic Mail Only

For delivery information, visit our website

Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage and Fees \$

Sent To MORSTAD  
Street and Apt. No., or PO Box No.  
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9017

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
  
Colleen Morstad, County Auditor  
Grand Forks County  
PO Box 5726  
Grand Forks, ND 58206-5726



9590 9402 8374 3156 8051 67

2. Article Number (Transfer from service label)  
589 0710 5270 2238 3005 84

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature]  Agent  
 Addressee

B. Received by (Printed Name) John D. [Signature] C. Date of Delivery 6-23-25

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Insured Mail  
 Insured Mail Restricted Delivery (over \$500)  
 Priority Mail Express®  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Signature Confirmation™  
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

9589 0710 5270 2238 3005 77

U.S. Postal Service™  
CERTIFIED MAIL® REC  
Domestic Mail Only

For delivery information, visit our website

Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage and Fees \$

Sent To Hagen  
Street and Apt. No., or PO Box No.  
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9017

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
  
Kimberly Hagen, Chair  
Grand Forks County Commission  
PO Box 5726  
Grand Forks, ND 58206-5726



9590 9402 8374 3156 8051 74

2. Article Number (Transfer from service label)  
89 0710 5270 2238 3005 77

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature]  Agent  
 Addressee

B. Received by (Printed Name) John D. [Signature] C. Date of Delivery 6-23-25

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Insured Mail  
 Insured Mail Restricted Delivery (over \$500)  
 Priority Mail Express®  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Signature Confirmation™  
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

9589 0710 5270 2238 3005 91

U.S. Postal Service™  
CERTIFIED MAIL® REC  
Domestic Mail Only

For delivery information, visit our website

Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage and Fees \$

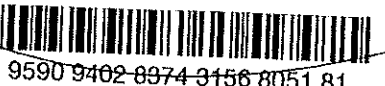
Sent To Brenner  
Street and Apt. No., or PO Box No.  
City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9017

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
  
Terry Brenner, Superintendent  
Grand Forks Public Schools  
PO Box 6000  
Grand Forks, ND 58206-6000



9590 9402 8374 3156 8051 81

2. Article Number (Transfer from service label)  
89 0710 5270 2238 3005 91

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature]  Agent  
 Addressee

B. Received by (Printed Name) Covery Pesul C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Insured Mail  
 Insured Mail Restricted Delivery (over \$500)  
 Priority Mail Express®  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Signature Confirmation™  
 Signature Confirmation Restricted Delivery

Domestic Return Receipt



Brandon Baumbach  
Business Manager

Department Phone: 701.787.4885  
Direct Phone: 701.746.2205, Ext. 7126  
Fax: 701.772.7739  
bbaumbach020@mygfschools.org

July 17, 2025

Mayor Brandon Bochenski  
City of Grand Forks  
255 N. 4th Street  
Grand Forks, ND 58203

RE: Northridge Properties, LLC PILOT Incentive


Mayor Bochenski,


During the July 14, 2025, School Board meeting, the Grand Forks Public School Board declined to participate in the PILOT incentive request from Northridge Properties, LLC, citing concerns over the existing tax base. However, the Commission expressed a willingness to engage in negotiations with the City and Northridge Properties, LLC.


Please let us know if you need further information.

Thank you.

Brandon Baumbach  
Business Manager  
Grand Forks Public School District

 Mark Sanford Education Center  
2400 47th Ave. S  
Grand Forks, ND 58201-3405

 PO Box 6000  
Grand Forks, ND 58206-6000

 [www.gfschools.org](http://www.gfschools.org)

Equal opportunity employer

Grand Forks School District prohibits discrimination and harassment based on race, color, religion, sex, sexual orientation, gender identity, gender expression, national origin, ancestry, disability, age, or other status protected by law. The District also provides equal access to the Boy Scouts and other designated youth groups, as required by federal law.

July 16, 2025

Mayor Brandon Bochenski  
City of Grand Forks  
255 N. 4<sup>th</sup> Street  
Grand Forks, ND 58203

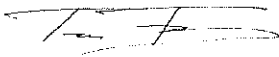
RE: Northridge Properties, LLC PILOT Incentive

Dear Mayor Bochenski,

During the July 15, 2025, County Commission meeting, the Grand Forks County Board of Commissioners declined to participate in the PILOT incentive request from Northridge Properties, LLC, citing concerns over the existing tax base. However, the Commission expressed a willingness to engage in negotiations with the City and Northridge Properties, LLC. If such discussions move forward, Chair Hagen will represent the County.

Please let us know if you need further information.

Thank you.



Tom Ford  
County Administrator

Cc. Kimberly Hagen, Chair, Grand Forks County Commission  
Colleen Morstad, Director of Finance and Tax  
Haley Wamstad, Grand Forks County State's Attorney