



Grand Forks Growth Fund, a Jobs Development Authority  
Staff Report  
Growth Fund Committee – July 21, 2025  
JDA – August 4, 2025

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Agenda Item: FlexPACE Loan Request from Northern Tier Seed Co., LLC

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Submitted by: Andy Conlon, Economic Development Manger  
Prepared by: Anna Henningsgard, Planner

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**Staff Recommended Action:**

1. Approve request for FlexPACE loan of \$53,947.48 to buy down the interest rate on commercial loan;
  2. Hold a public hearing on this request at the JDA meeting on August 4, 2025;
  3. Authorize JDA officials to execute necessary documents.
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**Committee Recommended Action: CONCUR**

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**JDA Action:**

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Northern Tier Seed Company, LLC (NTS) is a primary sector certified, seed conditioning facility located ½ mile west of Thompson, North Dakota in Grand Forks County. NTS conditions approximately 1.5 million bushels of soybean and wheat for several major U.S. companies and place production seed acres throughout North Dakota and Minnesota.

NTS continues to experience increased demand and is looking to expand its current storage capacity and upgrade the current handling system to increase outputs. The company plans to purchase six 6,000-bushel hopper bins that will be placed on the west side of the plant on a new concrete structure while also increasing the capacity of the existing conveyors to improve loadout times. This project will increase the company's overall capacity and efficiency and they are seeking FlexPACE assistance to buy down the interest on a First State Bank loan.

**Job/Compensation Information:** Northern Tier Seed Company expects this project will create 1 new FTE and help retain 13 FTE's with an average hourly compensation of \$39.00 in wages and benefits.

<b>Sources:</b>		<b>Uses:</b>	
Owner Equity	\$ 18,340	Equip. Purchase & Constr.	\$ 868,340
First State Bank Loan	<u>\$ 850,000</u>		
TOTAL:	\$ 868,340	TOTAL:	<u>\$ 868,340</u>

PACE Interest Subsidy Loan:	BND Grant	\$ 161,842.32
	JDA Loan	\$ 53,947.48

**Terms:** Payment and interest accrual will be deferred 10 years; thereafter it will be repaid in 12 monthly payments at 3.25%.

**Security:** Subordinate mortgage, UCC on equipment, and personal guaranties from William Weber and Paul Sproule.

**ANALYSIS AND FINDINGS OF FACT:**

- As proposed, the JDA loan would be subordinate to a First State Bank loan of \$850,000 and approx. \$4.52 million in existing debt; overall loan-to-value is approximately 40.50%.
- The request complies with Growth Fund policies and procedures.
- Confidential financial documents are available to Growth Fund Committee and JDA members upon request.
- Northern Tier Seed has received 8 FlexPACE/PACE loans in the past from the Growth Fund.
  - 2013 FlexPACE to Northern Tier Seed - \$42,343 (paid in full June 2020)
  - 2014 PACE to Northern Tier Seed - \$28,618 (paid in full 1/29/2025)
  - 2015 FlexPACE to Northern Tier Seed - \$32,305 (paid in full 9/15/2022)
  - 2017 FlexPACE to Northern Tier Seed - \$41,311 (deferred until 10/1/2027)
  - 2018 PACE to Northern Tier Seed - \$58,960 (deferred until 12/1/2028)
  - 2020 PACE to Northern Tier Seed - \$60,881 (deferred until 1/1/2031)
  - 2022 FlexPACE to Northern Tier Seed - \$35,099.17 (deferred until 10/1/2032)
  - 2023 FlexPACE to Northern Tier Seed - \$32,092.21 (deferred until 1/1/2034)

**SUPPORTING MATERIAL:**

- Business Financing Application

## Program Overview

Completed by randykn@firststatebanks.com on 6/17/2025 3:21 PM

**Case Id:** 30488

**Name:** Northern Tier Seed Co., L.L.C. - 2025

**Address:** 1340 7th Ave NE, PO Box 132, Thompson, ND

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### Program Overview

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Please provide the following information.



City of Grand Forks  
PACE/Flex PACE  
Interest Buy Down  
Program Application

Grand Forks Region EDC  
120 N. 4th Street  
Grand Forks, ND 58203  
(701) 746-2724  
[kevinh@grandforks.org](mailto:kevinh@grandforks.org)

### Program Overview

#### PACE Loan

Through the Participating in Assisting Community Expansion (PACE) program, the Grand Forks Growth Fund may provide a no-interest, deferred loan up to \$269,000 to leverage a Bank of North Dakota grant up to \$500,000 to collectively reduce the interest paid on a loan used to acquire land or equipment or for working capital. Projects considered for PACE are those that result in the creation of new jobs. Applicants must be primary sector certified through the North Dakota Department of Commerce.

#### Flex PACE

For companies that do not fit the traditional definition for the PACE program, FlexPACE may be an option. The Grand Forks Growth Fund may provide a loan up to \$107,000 to leverage Bank of North Dakota support up to \$200,000. The FlexPACE program is used for a variety of project types including childcare centers and quality of life investments.

## A. Contact Information

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**Case Id:** 30488

**Name:** Northern Tier Seed Co., L.L.C. - 2025

**Address:** 1340 7th Ave NE, PO Box 132, Thompson, ND

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### A. Contact Information

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Please provide the following information.

#### A.1. Business Name

Northern Tier Seed Co., L.L.C.

#### A.2. Federal Tax Identification Number

#### A.3. Primary Contact Name

Beth Hughes

#### A.4. Title

Office Manager

#### A.5. Phone

#### A.6. Email

#### A.7. Date Business Established

07/2001

#### A.8. Legal Structure

Limited Liability Company

#### A.9. Business Address

1340 7th Ave NE PO Box 132 Thompson, ND 58278

#### A.10. Company Description

Northern Tier Seed, located in Thompson, ND specializes in seed conditioning. Their primary business includes conditioning of approximately 1,500,000 bushels of soybeans and wheat for several major U.S. companies. Along with their conditioning business, they also place production seed acres within North Dakota and Minnesota. Placement of these acres includes field inspections, bin sampling and estimates, as well as contract negotiations with growers.

#### A.11. What loan type are you applying for?

FlexPace



## B. Project Information

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**Case Id:** 30488

**Name:** Northern Tier Seed Co., L.L.C. - 2025

**Address:** 1340 7th Ave NE, PO Box 132, Thompson, ND

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## B. Project Information

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Please provide the following information.

### B.1. Project Description

Northern Tier Seed is a seed conditioning business located 1/2 mile west of Thompson, North Dakota. The company has been fully operational since 2001 and has experienced significant growth in demand and expansion opportunities over the years, in large part because of the continuous support from the Grand Forks Growth Fund. The company conditions approximately 1,500,000 bushels of soybeans and wheat annually for 6 nationally known companies. Additionally, they place production acres throughout North Dakota and Minnesota. With these production acres, they also provide field inspections, bin sampling and estimates as well as contract negotiations with growers. With increased demand, Northern Tier needs to expand its current storage capacity as well as upgrade some of its handling system to increase the output of a few conveyors. Northern Tier Seed's project includes purchasing six 6,000 bushel hopper bins. These hopper bins will be placed on a new concrete structure that expands their system on the west side of the plant. This increased capacity will assist the need to store the additional volume requested from one of their companies. They will also increase the capacity of the existing conveyors to increase loadout times. This new project will increase their capacity and efficiency.

### B.2. Project Address

1340 7th Ave NE PO Box 132 Thompson, ND 58278

### B.3. Current Number of Employees

12

### B.4. Projected Number of Employees (within 24 months)

13

### B.5. Current Average Hourly Wage Plus Benefits

\$38.00

### B.6. Projected Average Hourly Wage Plus Benefits

\$39.00

### B.7. Describe the benefits that will be offered.

Northern Tier Seed offers health, dental, vision as well as profit sharing to its employees.

## LENDER INFORMATION

### B.8. Primary Lender

First State Bank

**B.9. Lender Contact Person**

Randy Knudsvig, Senior Lender

**B.10. Lender Phone**

**B.11. Lender Email**

## C. Sources & Uses

Case Id: 30488

Name: Northern Tier Seed Co., L.L.C. - 2025

Address: 1340 7th Ave NE, PO Box 132, Thompson, ND

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### C. Sources & Uses

Please provide the following information.

#### C.1. Sources

	Lender/Source Name	Rate	Months Amortized	Term Months	Amount
Equity	Cash	0.00%			\$18,340.00
Source A	First State Bank	6.95%	120	120	\$850,000.00
Source B		0.00%			\$0.00
Source C		0.00%			\$0.00
Source D		0.00%			\$0.00
Source E		0.00%			\$0.00
Source F		0.00%			\$0.00
	Debt Financing Total				\$868,340.00

#### C.2. Uses

Use of Funds	Equity	Source A	Source B	Source C	Source D	Source E	Source F	Total Uses
Working Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Inventory	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Machinery/Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Building Fit-Up	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Acquistion/Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Bldg.Construction	\$0.00	\$868,340.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$868,340.00
Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Sources	\$0.00	\$868,340.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$868,340.00

NOTE: Include a detailed explanation of uses of funds, including specific equipment (if applicable), on a separate page.

#### C.3. PACE Buydown Information

Lending Entity	Term Months	Amortization Months	Rate	Amount
Bank of North Dakota (Rate: 0% - Months Amortized: 0 )			0	\$161,842.32

Grand Forks Growth Fund (Rate: 1% - Months Amortized: 12 )	120	132	3.25	\$53,947.48
Bank of North Dakota				\$0.00
Grand Forks Growth Fund				\$0.00

## D. Valuation & Security

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Case Id: 30488

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Address: 1340 7th Ave NE, PO Box 132, Thompson, ND

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### D. Valuation & Security

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Please provide the following information.

#### D.1. How will the loan be secured?

- Mortgage
- UCC Equipment Lien
- Corporate Guaranty
- Personal Guaranty
- Other

#### VALUE OF COLLATERAL

##### D.2. Value

\$11,867,972.00

##### D.3. Proposed Growth Fund Security Position

2nd

##### D.4. Address of Secured Property

1340 7th Ave NE Thompson, ND 58278

##### D.5. Private Debt Secured by Property (include existing & proposed private debt) - Select "Add a Row" to complete the table

Creditor	Amount
First State Bank	\$4,524,491.00
Grand Forks Growth Fund	\$228,344.00
Total Private Debt Secured by Property	\$4,752,835.00

##### D.6. Proposed Growth Fund PACE/FlexPACE Loan

\$53,947.48

##### D.7. Total Proposed Debt Secured by Property

\$4,806,782.48

##### D.8. Proposed Growth Fund Loan-to-Value

40.50%

#### EQUITY

Printed By: Anna Henningsgard on 7/14/2025

**D.9. Describe equity sources and how they will be obtained and appraised.**

Appraisal was completed on May 10, 2018 by Jeff Berg of Crown Appraisals, Inc. for \$11,500,000. Other assets such as A/R and prepaids are from year-end financials. More than \$3,400,000 in improvements have been made since this appraisal. A new appraisal has been ordered and should be completed no later than July 15, 2025. FSB expects the valuation to be higher than the 2018 appraisal.

**GUARANTY**

**D.10. List all guarantors in the table below. Select "Add a Row" to complete the table below.**

Name	Amount
William J. Weber	\$4,806,782.48
Paul D. Sproule	\$4,806,782.48

## E. Additional Company Information

**Case Id:** 30488

**Name:** Northern Tier Seed Co., L.L.C. - 2025

**Address:** 1340 7th Ave NE, PO Box 132, Thompson, ND

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### E. Additional Company Information

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Please provide the following information.

#### E.1. Company Ownership

Name	% Ownership	Address	Phone
William J. Weber	50.00%	1316 7th Ave NE Thompson, ND 58278	
Paul D. Sproule	45.00%	PO Box 14866 Grand Forks, ND 58208	
Michael T. Sproule	5.00%	1597 Kings View Dr Grand Forks, ND 58201	

#### E.2. Company Management

Name	Title	Address	Phone
William J. Weber	President	1316 7th Ave NE Thompson, ND 58278	
Beth Hughes	Office Manager	1340 7th Ave NE Thompson, ND 58278	

#### E.3. Key Advisors

	Name	Firm/Company	Email	Phone
Attorney				
Accountant	Jared Myers	Burke, Myers & Assoc.		
Insurance Agent	Patrick Greff	USI Insurance Services		

*NOTE: All persons for whom contact information has been provided may be contacted as part of the Grand Forks Growth Fund's review and evaluation of this application.*

## F. Required Documents

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## F. Required Documents

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Please provide the following information.

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### Documentation

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**Business Plan / Business Opportunity Summary \*Required**

Northern Tier Seed Credit Presentation 6-17-25.pdf

**Commitment Letter from your bank relating to financing project \*Required**

Term Sheet 6-17-25.pdf

**Commitment Letter from your bank relating to working capital line of credit \*Required**

Growth Fund Letter 6-17-25.pdf

**Federal Tax Returns for previous 3 years for all entities on application \*Required**

Not Applicable.docx

**Interim Financial Statements (Balance sheet & income statement) \*Required**

NTSC, LLC 3-31-25 Financials.pdf

**Key Person Insurance \*Required**

Not Applicable.docx

**Personal Financial Statement (for all guarantors) \*Required**

Sproule Paul PFS 12-31-25.pdf

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Weber William PFS 12-31-25.pdf

 **Pro Forma \*Required**

Not Applicable.docx

## G. Company Disclosures

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### G. Company Disclosures

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Please provide the following information.

**G.1. Will the loan be secured by equipment/business assets?**

Yes

**If yes, provide detailed descriptions of said equipment/assets.**

All inventory, chattel paper, accounts, deposit accounts, equipment, general intangibles, fixtures and real estate.

**G.2. Has the company or any of its principals ever been involved in bankruptcy or insolvency proceedings?**

No

**G.3. Is the company or any of its principals involved in any pending lawsuits?**

No

**G.4. Does the company buy from, sell to, or use the services of any company in which someone in the company has a significant financial interest?**

No

**G.5. Are any of the company's existing loans delinquent?**

No

**G.6. Are there any judgments against the company or any of its principals?**

No

## Submit

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**Case Id:** 30488

**Name:** Northern Tier Seed Co., L.L.C. - 2025

**Address:** 1340 7th Ave NE, PO Box 132, Thompson, ND

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## Submit

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Please provide the following information.

The undersigned specifically acknowledge(s) that: (1) verification or re-verification of any information contained in the application may be made at any time by the Grand Forks Growth Fund, a Jobs Development Authority (Growth Fund), its agents, successors, and assigns; either directly or through a credit reporting agency from any source named in this application and the original copy of this application will be retained by the Growth Fund, even if the request is not approved; (2) the Growth Fund, its agents, successors, and assigns will rely on the information provided in this application and I/We, the undersigned, have a continuing obligation to amend and/or supplement the information provided in this application if any of the materials facts which I/We have represented herein should change prior to closing; and (3) in the event my/our payments indicated in this application become delinquent, the Growth Fund, its agents and assigns may, in addition to all their other rights and remedies, report my/our name(s) and account information to a credit reporting agency.

I/We, the undersigned, understand and acknowledge that this application is considered public record and the information contained herein may be discussed at public meetings. Conditions limiting public disclosure of certain proprietary and/or confidential information are outlined and governed by North Dakota Century Code Sections 44-04-17 through 44-04-20

I/We, the undersigned, authorize the Growth Fund, its agents, successors, or assigns, to make all inquiries it deems necessary to verify the accuracy of the information contained herein and to determine the credit worthiness of the undersigned.

I/We, the undersigned, authorize all lenders named herein, and their agents, successors, and assigns, to release information relevant to this application to the Grand Forks Growth Fund and the Grand Forks Region EDC. I/We further authorize the Grand Forks Growth Fund and Grand Forks Region EDC, and their agents, successors, and assigns, to release information regarding this application to those lenders named herein.

I/We, the undersigned, certify that the information provided in this application is true and correct as of this date and that I/We am/are duly authorized to submit this application and understand the conditions set forth herein.

### Signature

Randy Knudsvig, Sr. Lender

*Electronically signed by randykn@firststatebanks.com on 6/18/2025 1:41 PM*

### Date

06/18/2025

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**Equal Opportunity Lender. The Grand Forks Growth Fund, a Jobs Development Authority, does not discriminate against credit applicants on the basis of race, color, religion, national origin, sex, gender, sexual orientation, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.**