

City of Grand Forks, ND  
Financial Review Summary of the Request for Public Assistance through Property Tax Exemption

Project Name	The Reserve
Developer	Northridge Construction
File Submittal	Updated Request: August 2025

Project Sources/Uses					
Sources	Amount	Percentage	Uses	Amount	Percentage
Mortgage	24,050,000	65%	Land Acquisition	1,600,000	4%
Equity	12,950,000	35%	Soft Costs	1,700,000	5%
			Construction Costs	32,300,000	87%
			FFE	600,000	2%
			Construction Bank Fees	800,000	2%
<b>Total</b>	<b>37,000,000</b>	<b>100%</b>		<b>37,000,000</b>	<b>100%</b>

Operating Assumptions							
Revenues		Year 1 Stabilized					
Rents	# of Units	Sq. Feet	Monthly Rent	\$ PSF	Per Month	Annual	
Studio	20	550	1,100	2.00	22,000	264,000	
1 BR	54	700	1,218	1.74	65,772	789,264	
2 BR	62	1,100	1,716	1.56	106,392	1,276,704	
3 BR	19	1,500	2,100	1.40	39,900	478,800	
4 BR	-	1,800	2,430	1.35	-	-	
<b>Total</b>	<b>155</b>		<b>17,683</b>	<b>1.61</b>	<b>234,064</b>	<b>2,808,768</b>	
Parking	155		100		15,500	186,000	
					19,896	238,750	
<b>Total</b>					<b>269,460</b>	<b>3,233,518</b>	
Vacancy	5%				(11,700)	(149,700)	
Commercial					-	-	
					257,760	3,083,818	

Expenses				
Category	Per Unit	Per Month	Annual	
Management Fee (% of EGI)	6.0%	1,194	15,419	185,029
Cleaning	1.8%	364	4,700	56,400
Maintenance Tech	1.6%	323	4,167	50,000
Snow & Lawn	1.3%	258	3,333	40,000
Utilities and WM	5.1%	1,032	13,333	160,000
Insurance	2.7%	548	7,083	85,000
Amenity Expense	2.6%	516	6,667	80,000
Advertising	0.5%	97	1,250	15,000
Maintenance & Repairs	1.6%	323	4,167	50,000
Property Taxes	0.4%	106	1,372	16,461
<b>Total</b>	<b>23.5%</b>	<b>4,761</b>	<b>61,491</b>	<b>737,890</b>

NOI				2,345,928
Debt Service Payments	24,050,000	6.50%	25 years	162,387
Before-Tax Cash Flow				397,280
DSCR with exemption		Without	0.98	With
				1.20
IRR	12,950,000	Without		With
				6.700%
Estimated Property Taxes without Exemption	460,898	444,437	Estimated Exemption	

Request: 20-year 100% property tax exemption  
Recommendation: Up to 5-year exemption

25 Year Amortization

Project Name	The Reserve
Developer	Northridge Construction
File Submittal	Updated Request: August 2025 with modified assumptions including reduced interest rate to meet minimum DSCR

Project Sources/Uses					
Sources	Amount	Percentage	Uses	Amount	Percentage
Mortgage	24,050,000	65%	Land Acquisition	1,600,000	4%
Equity	12,950,000	35%	Soft Costs	1,700,000	5%
			Construction Costs	32,300,000	87%
			FFE	600,000	2%
			Construction Bank Fees	800,000	2%
<b>Total</b>	<b>37,000,000</b>	<b>100%</b>		<b>37,000,000</b>	<b>100%</b>

Operating Assumptions							
Revenues		Year 1 Stabilized					
Rents	# of Units	Sq. Feet	Monthly Rent	\$ PSF	Per Month	Annual	
Studio	20	550	1,100	2.00	22,000	264,000	
1 BR	54	700	1,218	1.74	65,772	789,264	
2 BR	62	1,100	1,716	1.56	106,392	1,276,704	
3 BR	19	1,500	2,100	1.40	39,900	478,800	
4 BR	-	1,800	2,430	1.35	-	-	
<b>Total</b>	<b>155</b>		<b>17,683</b>	<b>1.61</b>	<b>234,064</b>	<b>2,808,768</b>	
Parking	155		100		15,500	186,000	
					19,896	238,750	
<b>Total</b>					<b>269,460</b>	<b>3,233,518</b>	
Vacancy	5%				(11,700)	(149,700)	
Commercial					-	-	
					257,760	3,083,818	

Expenses				
Category	Per Unit	Per Month	Annual	
Management Fee (% of EGI)	6.0%	1,194	15,419	185,029
Cleaning	1.8%	364	4,700	56,400
Maintenance Tech	1.6%	323	4,167	50,000
Snow & Lawn	1.3%	258	3,333	40,000
Utilities and WM	5.2%	1,032	13,333	160,000
Insurance	2.8%	548	7,083	85,000
Amenity Expense	2.6%	516	6,667	80,000
Advertising	0.5%	97	1,250	15,000
Maintenance & Repairs	1.6%	323	4,167	50,000
Property Taxes	0.4%	106	1,372	16,461
<b>Total</b>	<b>23.7%</b>	<b>4,761</b>	<b>61,491</b>	<b>737,890</b>

NOI				2,345,928
Debt Service Payments	24,050,000	4.40%	25 years	132,316
Before-Tax Cash Flow				758,132
DSCR with exemption		Without	1.20	With
				1.48
IRR	12,950,000	Without		With
Estimated Property Taxes without Exemption	460,898	444,437	Estimated Exemption	

Request: 20-year 100% property tax exemption  
Recommendation: Potential no property tax exemption

30 Year Amortization

Project Name	The Reserve
Developer	Northridge Construction
File Submittal	Updated Request: August 2025 with modified assumptions including reduced interest rate to meet minimum DSCR

Project Sources/Uses					
Sources	Amount	Percentage	Uses	Amount	Percentage
Mortgage	24,050,000	65%	Land Acquisition	1,600,000	4%
Equity	12,950,000	35%	Soft Costs	1,700,000	5%
			Construction Costs	32,300,000	87%
			FFE	600,000	2%
			Construction Bank Fees	800,000	2%
<b>Total</b>	<b>37,000,000</b>	<b>100%</b>		<b>37,000,000</b>	<b>100%</b>

Operating Assumptions							
Revenues		Year 1 Stabilized					
Rents	# of Units	Sq. Feet	Monthly Rent	\$ PSF	Per Month	Annual	
Studio	20	550	1,100	2.00	22,000	264,000	
1 BR	54	700	1,218	1.74	65,772	789,264	
2 BR	62	1,100	1,716	1.56	106,392	1,276,704	
3 BR	19	1,500	2,100	1.40	39,900	478,800	
4 BR	-	1,800	2,430	1.35	-	-	
<b>Total</b>	<b>155</b>		<b>17,683</b>	<b>1.61</b>	<b>234,064</b>	<b>2,808,768</b>	
Parking	155		100		15,500	186,000	
					19,896	238,750	
<b>Total</b>					<b>269,460</b>	<b>3,233,518</b>	
Vacancy	5%				(11,700)	(149,700)	
Commercial					-	-	
					257,760	3,083,818	

Expenses				
Category	Per Unit	Per Month	Annual	
Management Fee (% of EGI)	6.0%	1,194	15,419	185,029
Cleaning	1.8%	364	4,700	56,400
Maintenance Tech	1.6%	323	4,167	50,000
Snow & Lawn	1.3%	258	3,333	40,000
Utilities and WM	5.2%	1,032	13,333	160,000
Insurance	2.8%	548	7,083	85,000
Amenity Expense	2.6%	516	6,667	80,000
Advertising	0.5%	97	1,250	15,000
Maintenance & Repairs	1.6%	323	4,167	50,000
Property Taxes	0.4%	106	1,372	16,461
<b>Total</b>	<b>23.7%</b>	<b>4,761</b>	<b>61,491</b>	<b>737,890</b>

NOI				2,345,928
Debt Service Payments	24,050,000	5.20%	30 years	132,061
Before-Tax Cash Flow				761,194
DSCR with exemption		Without	1.20	With
				1.48
IRR	12,950,000	Without		With
Estimated Property Taxes without Exemption	460,898	444,437	Estimated Exemption	

Request: 20-year 100% property tax exemption  
Recommendation: Potential no property tax exemption

City of Grand Forks, ND  
 Financial Review Summary of the Request for Public Assistance through Property Tax Exemption

Project Name	The Reserve
Developer	Northridge Construction
File Submittal	Updated Request: August 2025

Project Sources/Uses					
Sources	Amount	Percentage	Uses	Amount	Percentage
Mortgage	24,050,000	65%	Land Acquisition	1,600,000	4%
Equity	12,950,000	35%	Soft Costs	1,700,000	5%
			Construction Costs	32,300,000	87%
			FFE	600,000	2%
			Construction Bank Fees	800,000	2%
<b>Total</b>	<b>37,000,000</b>	<b>100%</b>		<b>37,000,000</b>	<b>100%</b>

Operating Assumptions						
Revenues						
Rents	# of Units	Sq. Feet	Monthly Rent	\$ PSF	Per Month	Annual
Studio	20	550	1,100	2.00	22,000	264,000
1 BR	54	700	1,218	1.74	65,772	789,264
2 BR	62	1,100	1,716	1.56	106,392	1,276,704
3 BR	19	1,500	2,100	1.40	39,900	478,800
4 BR	-	1,800	2,430	1.35	-	-
<b>Total</b>	<b>155</b>		<b>17,683</b>	<b>1.61</b>	<b>234,064</b>	<b>2,808,768</b>
Parking	155		100		15,500	186,000
					19,896	238,750
<b>Total</b>					<b>269,460</b>	<b>3,233,518</b>
Vacancy	5%				(11,700)	(149,700)
Commercial					-	-
					257,760	3,083,818

Expenses				
Category	Per Unit	Per Month	Annual	
Management Fee (% of EGI)	6.0%	1,194	15,419	185,029
Cleaning	1.8%	364	4,700	56,400
Maintenance Tech	1.6%	323	4,167	50,000
Snow & Lawn	1.3%	258	3,333	40,000
Utilities and WM	5.1%	1,032	13,333	160,000
Insurance	2.7%	548	7,083	85,000
Amenity Expense	2.6%	516	6,667	80,000
Advertising	0.5%	97	1,250	15,000
Maintenance & Repairs	1.6%	323	4,167	50,000
Property Taxes	0.4%	106	1,372	16,461
<b>Total</b>	<b>23.5%</b>	<b>4,761</b>	<b>61,491</b>	<b>737,890</b>

NOI	2,345,928
-----	-----------

Debt Service Payments	24,050,000	6.50%	25 years	162,387	1,948,648
-----------------------	------------	-------	----------	---------	-----------

Before-Tax Cash Flow	397,280
----------------------	---------

DSCR with exemption	Without	0.98	With	1.20
---------------------	---------	------	------	------

IRR	12,950,000	Without	With	6.700%
-----	------------	---------	------	--------

Estimated Property Taxes without Exemption	460,898	444,437	Estimated Exemption
--	---------	---------	---------------------

Request 20-year 100% property tax exemption  
 Recommendation Up to 5-year exemption

30 Year Amortization

Project Name	The Reserve
Developer	Northridge Construction
File Submittal	Updated Request: August 2025 with modified assumptions including reduced interest rate to meet minimum DSCR

Project Sources/Uses					
Sources	Amount	Percentage	Uses	Amount	Percentage
Mortgage	24,050,000	65%	Land Acquisition	1,600,000	4%
Equity	12,950,000	35%	Soft Costs	1,700,000	5%
			Construction Costs	32,300,000	87%
			FFE	600,000	2%
			Construction Bank Fees	800,000	2%
<b>Total</b>	<b>37,000,000</b>	<b>100%</b>		<b>37,000,000</b>	<b>100%</b>

Operating Assumptions						
Revenues						
Rents	# of Units	Sq. Feet	Monthly Rent	\$ PSF	Per Month	Annual
Studio	20	550	1,100	2.00	22,000	264,000
1 BR	54	700	1,218	1.74	65,772	789,264
2 BR	62	1,100	1,716	1.56	106,392	1,276,704
3 BR	19	1,500	2,100	1.40	39,900	478,800
4 BR	-	1,800	2,430	1.35	-	-
<b>Total</b>	<b>155</b>		<b>17,683</b>	<b>1.61</b>	<b>234,064</b>	<b>2,808,768</b>
Parking	155		100		15,500	186,000
					19,896	238,750
<b>Total</b>					<b>269,460</b>	<b>3,233,518</b>
Vacancy	5%				(11,700)	(149,700)
Commercial					-	-
					257,760	3,083,818

Expenses				
Category	Per Unit	Per Month	Annual	
Management Fee (% of EGI)	6.0%	1,194	15,419	185,029
Cleaning	1.8%	364	4,700	56,400
Maintenance Tech	1.6%	323	4,167	50,000
Snow & Lawn	1.3%	258	3,333	40,000
Utilities and WM	5.2%	1,032	13,333	160,000
Insurance	2.8%	548	7,083	85,000
Amenity Expense	2.6%	516	6,667	80,000
Advertising	0.5%	97	1,250	15,000
Maintenance & Repairs	1.6%	323	4,167	50,000
Property Taxes	0.4%	106	1,372	16,461
<b>Total</b>	<b>23.7%</b>	<b>4,761</b>	<b>61,491</b>	<b>737,890</b>

NOI	2,345,928
-----	-----------

Debt Service Payments	24,050,000	4.40%	25 years	132,316	1,587,796
-----------------------	------------	-------	----------	---------	-----------

Before-Tax Cash Flow	758,132
----------------------	---------

DSCR with exemption	Without	1.20	With	1.48
---------------------	---------	------	------	------

IRR	12,950,000	Without	With
-----	------------	---------	------

Estimated Property Taxes without Exemption	460,898	444,437	Estimated Exemption
--	---------	---------	---------------------

Request 20-year 100% property tax exemption  
 Recommendation Potential no property tax exemption