

The Committee of the Whole met on Monday, October 27, 2025, at 5:30 p.m. President Sande called the meeting to order. Present at roll call were Osowski, Berg, Weigel, Lunski, Fridolfs, Vein, & Sande: absent none.

INFORMATIONAL ITEMS

Beacon Development Project

City staff presented to council members information on the Beacon Development Agreement. Staff provided a comparison of the current 25-year 80% TIF to the revised 15-year 80% PILOT, as well as the estimates on the public plaza construction and ownership.

Council Member Osowski expressed interest in potentially minimizing the public plaza due to costs. Council member Lunski asked if the 3rd building needs to be completed prior to the plaza being completed, and if the \$2.3 million for the stage included what has already been completed. Council member Lunski wanted to know if the location of the Splash park in the front has been discussed with the police department on how to keep the area safe, such as closing it up in the evenings. President Sande and Council member Osowski expressed concern with the City of Grand Forks taking over ownership of the Public Plaza due to not having any information on what the cost may be to run and maintain the area. Questions from committee members were provided information. The City Attorney discussed the agreement with committee members as well. Committee members. Questions on parking, as well as whether there is a possibility of renting out the public plaza.

The consensus was to move forward with the proposed Beacon Development Agreement.

DISCUSSION ITEMS

Lead Service Line Replacement Program, Project #8843

City staff presented the staff recommendation to committee members to approve the Lead Service Line Replacement program for the City of Grand Forks, extending funding for Project #8843. The city had requested and received approval from DWSRF to implement a lead service line program. This is a requirement of the EPA's Final Lead and Copper Rule Improvement for Service Line Inventory and Replacement Requirements, October 2024. Initially, the City's funding request of \$375,000 was approved in 2022, with 90% of these funds being loan forgiveness. This program has gone well, and the City was able to receive additional funding, \$1,050,000. This was supposed to be 66% loan forgiveness, but it was 75%; loan forgiveness, as the State was able to use its 75% loan forgiveness funding for the City's project. This funding is almost all spent; it has been allocated through the council approval process. Therefore, staff are requesting an additional \$16 million to be able to fund all the remaining replacements within the community.

The Department of Environmental Quality DEQ agreed to allocate \$12,825,000 at 66% loan forgiveness to Grand Forks instead of the \$16 million. This allows city staff to replace almost all the lead service lines in Grand Forks. As requested in 2023, city staff are recommending that the City fund the 24% of the project to be able to help out with 90% of the cost for the residents. This has been approved in the budget and is in the city's current CIP for the next 10 years. The cost of the average service line replacement has been \$9,000. As part of this program, the city asked the residents to share 10% of the total project cost or up to \$1,000. City staff have been able to replace approximately 100 lines per year.

Motion by Osowski, second by Lunski, to move the staff recommendation to City Council with a recommendation to approve. Motion carried unanimously.

Brookstone Apartments LLC Tax Incentive Application and Set Public Hearing Date

City staff presented to committee members the staff recommendation to approve the Brookstone Apartment, LLC Tax Incentive Application and approve moving through the tax incentive final review and approval process to include the preliminary recommendation of a 20-year and 90% Payment in Lieu of Taxes (PILOT) and set the City Council Public Hearing date for Monday, December 1, 2025. The proposed Brookstone Apartments, LLC project is a partnership between Dakota Commercial, MAK Capital/Construction, and Red River Regional Council. Dakota

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Commercial is the lead developer and will be the property management company. MAK Capital/Construction is the lead general contractor and will assist with capital raising and development. The Red River Regional Council is a non-profit developer that will support the project through the application for North Dakota Housing & Finance Agency Funds (HIF) and Federal Low Income Housing Tax Credits (LIHTC).

HIF and LIHTC programs provide equity for the developers in exchange for a 15-25 year commitment to rent and income restrictions in the development. The project aims to have 100 percent of the units restricted to moderate income and rent levels to help fill the gap of workforce housing in Grand Forks. The developer is requesting a property tax incentive in the form of a PILOT based on the restriction on rents for a duration of the restricted period. Phase 1 of the Brookstone Apartments, LLC development has an estimated market value of \$33 million and includes 160 income and rent-restricted apartment units located at 3810, 3900, and 3950 39th Avenue South. The master plan for the site includes an additional 130-140 units directly south of phase 1. The development project will not require significant public infrastructure development, as it is an infill development and served by public infrastructure. The developer is requesting the consideration of a property tax incentive in the form of a PILOT for a period greater than five (5) year period. The development will meet the Grand Forks community's strategic interest in growing the tax and economic base and provide further and needed housing opportunities.

Motion by Fridolfs, second by Vein, to move the staff recommendation to the City Council with a recommendation to approve. Motion carried 6-1 with Osowski dissenting.

Children's Museum Development Agreement

City staff presented to committee members the staff recommendation to review and approve the revised Grand Forks Children's Museum Development Agreement, subject to final review and approval of the Jobs Development Authority. Recommend that the Jobs Development Authority approve a ground lease with the Children's Museum. Make all approvals subject to final review and approval of the City Attorney.

Motion by Berg, second by Fridolfs, to move the staff recommendation to the City Council with a recommendation to approve. Motion carried 6-1 with Osowski dissenting.

CITY COUNCIL MEMBER DISCUSSION MATTERS

None

ADJOURNMENT

Motion by Osowski, second by Berg, to adjourn the meeting at 6:46 p.m. Motion carried unanimously.