

Combined Grand Forks Local Government Subdivisions Payment in lieu of Property Tax Incentive Review Process

Date: January 9, 2026

Step 1:

The City of Grand Forks (City) Planning & Community Development Department receives a tax incentive pre-application form. After City review and approval of the tax incentive pre-application, a copy of the tax incentive pre-application is sent to all local taxing entities and a fee of \$10,000¹ is collected from the project developer seeking the tax incentive. The approval by the City Council is only with respect to permitting the process for consideration of the requested tax incentive to proceed forward, and is not considered approval of the requested tax incentive. In addition, the Planning & Community Development Department shall contact and consult with the North Dakota Department of Commerce regarding the PILOT incentive request, as required by N.D.C.C. § 40-57.1-03(3). Competitive industrial projects will not be subject to the 'but-for-test' nor any associated fees (*e.g., Agristo, Simplot high bay freezer*), the rest of the process remains the same.

\$5,000 for a 3rd party but-for-test analysis (*The City currently utilizes Baker Tilly² as its financial advisor*).

\$5,000 for a 3rd party financial accountability review at the one-year mark after project completion. Potential claw backs or disqualification from any future tax incentives would be potential remedies per a development agreement.

Step 2:

A combined City Council, School Board, and County Commission meeting is noticed and held for the project developer to present the project and answer initial questions from the local taxing entities governing boards. The meeting will be considered a work session for the purpose of initially introducing the requested PILOT incentive to the School Board and County Commission, commence the negotiation and deliberation for such incentive, and for opening questions or concerns the members of these governing bodies may have.

A co-presentation from the finance directors of each of the local subdivisions outlining financial impacts will be a part of the first work session meeting. A legal review will be provided by the City Attorney, citing applicable state and local legal requirements.

During this working session, a second local taxing entities governing boards combined meeting and vote will be set for approximately six weeks after the initial joint governing board's work session. This six week period is set to allow sufficient time for further fact gathering and discussion by the City, School and County, including continued deliberation for such incentive and for the developer to prepare responses and/or make project adjustments as may be needed.

Both joint governing body meetings will be scheduled as needed and on dates on which the governing bodies of the City, School and County do not meet (anticipated being Thursdays at 5:30 PM and reasonable efforts will be made to consolidate project developer applications to allow for consolidated, efficient, and effective joint local governing board meetings.

Step 3:

The City will send out the statutorily required notice letter under N.D.C.C. § 40-05-24 with sufficient time to allow for the second combined meeting to occur within the 30-day statutory period.

Step 4:

During the six-week period of time after the first working session and the scheduled second meeting, timely notice to competitors shall be published as per N.D.C.C. § 40-57.1-03(5) for the City Council's public hearing on the PILOT application.

Step 5:

Before the City's Council's public hearing and before the expiration of the 30 day period relative to the letter described in step 3 expires, a second combined City Council, School Board, and County Commission meeting will occur where a vote on whether the School Board and County Commission elects to participate in the granting of the PILOT on their respective tax levied on the property that is the subject of the PILOT application. The City Council may provide comment at this second meeting, but its decision on the PILOT application after it has conducted its public hearing on the application as described in Step 6. Public input and comments are allowed during a maximum of one (1) hour comment period. Commentors both in favor and against the project will have the opportunity to speak to all the respective local governing boards at the same time. Three (3) minutes per speaker followed by a group discussion and vote by each board separately. The project developer will be available to answer any further questions. This public comment period is in addition to the comment period afforded by the City for final consideration by the City Council under step 5.

Step 6:

After the second joint governing body meeting described in Step 5, a Public Hearing will be held by City Council and its decision of the proposed PILOT tax incentive request will be made.

¹Currently the preapplication fee is \$2,500 and there is no review post project completion.

²Baker Tilly has more than 43,000 employees across the globe and over \$5.2 billion in annual revenue. Baker Tilly is the 6th largest accounting firm in the United States and 9th largest in the world.

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