



Grand Forks Growth Fund, a JDA Staff Report

JDA – February 2, 2026

Agenda Item: The HIVE Operational Updates

Submitted by: Andy Conlon, Economic Development Manager

Staff Recommended Action: Approve operational updates as described herein and as presented by GFHIVE Management, subject to City Attorney review and approval.

February 2, 2026 – JDA Action:

BACKGROUND:

The HIVE formally transitioned to the management of GFHIVE Management, LLC in November 2025. Since that time, staff and GFHIVE Management have worked closely to ensure a smooth transition. As part of that transition, GFHIVE is proposing some operational modifications/updates, that will be detailed by GFHIVE representatives at the JDA meeting. There are two key substantive updates that staff wishes to highlight:

1. *Advisory Board:* The original operational plan for The HIVE involved a tech accelerator advisory board comprised of nine members representing various sectors/organizations. This structure was formalized in City Code. This group met one time in April 2023 and it quickly became evident that such a structure was impractical and poorly-suited to advise and guide The HIVE, for various reasons. Ultimate decision-making authority for The HIVE rests with the JDA and it is best suited to provide the necessary guidance and leadership for The HIVE. With the JDA's concurrence staff would begin the process of modifying code through City Council to reflect this structure.
2. *Operating Model:* The HIVE has operated under a lease/membership hybrid model since it opened in 2023; HIVE users utilized some larger spaces under leases while smaller or common spaces could be utilized via shorter-term monthly memberships. With operating experience, we have learned that a more flexible and adaptable arrangement is a better means of supporting both current and prospective HIVE users. Shifting to an annual membership-only model also offers various operational advantages, which will be described in further detail by GFHIVE Management. It is important to note that accelerator members would remain limited to a maximum three-year occupancy time period. The HIVE is a tech accelerator, not simply office space for an indefinite period of time. The time limit supports that mission and the buildings EDA-funded grant purpose.

GFHIVE Management staff will present a more detailed update at the JDA meeting.

ANALYSIS AND FINDINGS OF FACT:

- The JDA has served, and is best suited to serve, as the advisory and governance board of The HIVE. City code should be updated to reflect this reality and remove outdated “tech accelerator advisory board” language.
- The shift from a lease/membership hybrid model to a membership-only model provides many operational advantages and better fits the needs of current and prospective HIVE members.
- Accelerator members, whether start-ups, scale-ups, or well-established companies, who are locating in The HIVE are limited to a maximum three-year occupancy term. This ensures the space functions in accordance with its EDA grant-funded purpose and as it is intended to: as a UAS accelerator and not simply indefinite office space. Note: memberships for users that add substantive value to The HIVE’s resource ecosystem (i.e. legal services, mentorship/coaching, contract/funding or other industry expertise) are an important resource for HIVE accelerator members and memberships may extend beyond the three-year term.