City of Grand Forks
Staff Report

Committee of the Whole – July 13, 2026
Combined Local Government Subdivisions Payment in Lieu of Taxes (PILOT) Incentive Meeting (Combined Meeting) – July 14, 2026
City Council – July 20, 2026
City Council (Public Hearing) – September 8, 2026

Agenda Item: University of North Dakota (UND)/Ray Richards Golf Course (RRGC) Development Project (ACTIVATE RRGC, LLC)

Submitted by: Todd Feland, City Administrator
Dan Gaustad, City Attorney
Maureen Storstad, City Finance Director
Tami Lazur, City Assessor
Ryan Brooks, City Planning & Community Development Director

Staff Recommended Action: Approve the UND/RRGC Development Project City Council Public Hearing on September 8, 2026, with a preliminary Payment In Lieu Taxes (PILOT) recommendation of a 90% tax incentive over 20 years, subject to final review and approval of the City Attorney.

July 13, 2026 – Committee Recommended Action: Motion by Weigel, second by Berg to move the staff recommendation to City Council with a recommendation to approve. Motion carried 5-2, with Osowski and Salentiny dissenting.

July 14, 2026 – Combined Meeting: Informational Briefing, Public Comment, and Q&A.

No action taken. Informational meeting for all taxing entities.

July 20, 2026 – Council Action:

Motion by Berg, second by Fridolfs to set the public hearing for September 8, 2026. Motion passed 5-2 with Osowski and Salentiny dissenting.

September 8, 2026 (Public Hearing) – Council Action:

BACKGROUND:

The proposed UND/RRGC Development Project is a redevelopment of the University of North Dakota's (UND) RRGC, clubhouse, driving range, and parking lot areas. The proposed development is a significant mixed use redevelopment investment. The development is a public/private partnership development between the UND and the private development team that includes Dakota Commercial, Community Contractors, Burian & Associates, LLC, TL Stroh, and MAK Construction. The University of North Dakota advertised for a private development partner to further develop the RRGC area in providing a Home

of UND Golf, mixed use development, and entertainment/quality of life investments for UND and the Grand Forks community with the expectation the development would offset UND's RRGC operating deficient in whole or at least in large part. (See attached UND/RRGC Development Presentation and Video from UND and Development Team)

The development is proposed to integrate and enhance the RRGC and coincide with its redevelopment related to the 42nd Avenue/Demers Grade Separation Project that is scheduled for construction during the construction seasons of 2026 and 2027. These investments also coordinate well with the current and proposed entertainment and quality of life investments in and around the 42nd Street corridor of the Alerus Center, Ralph Englestad Arena, Altru Sports Complex, Children's Museum, and Career Impact Academy.

Before the current UND/RRGC Development Project PILOT consideration, the following are the prior City Council tax incentive and planning & zoning considerations and approvals for the UND/RRGC Development Project.

- City Council Tax Incentive Pre-Application Approval – Invite UND/RRGC Development Project to submit a full tax incentive application – April 21, 2025. (See attached City of Grand Forks Staff Report)
- City Council Replat of Portions of Lots 1 and all of Lot 2, Block 1, Ray Richards Golf Course Addition with Street & Highway Ordinance Final Approval – February 2, 2026. (See attached City of Grand Forks Staff Report)
- City Council Ordinance to Amend the Zoning Map to Rezone from University District (UD) to Ray Richards Golf Course Planned Unit Development (PUD) Concept Development Plan Final Approval – February 2, 2026. (See attached City of Grand Forks Staff Report)

As part of the Grand Forks planning & zoning considerations and approvals, the following modifications were approved related to the UND/RRGC Development Project based on several community/neighborhood, Planning & Zoning Commission, and City Council meetings that provided feedback and advice.

- The change from UD to PUD rezoning ensures the RRGC itself is required to remain a golf course and any change to the designation would require City Council review and approval of the rezoning.
- UND/RRGC Development Project must meet City Ordinances related to lighting requirements that light is required to be focused downward to reduce light spill impacts to adjacent neighbors and music played in the bays must comply with City Ordinances related to noise.
- The Greenview Living/Housing and the Top Tracer project components were decoupled with the Top Tracer commercial project component being moved on the site from the 34th Street corridor to the 42nd Street corridor based on traffic and stormwater review considerations and solutions.
- The Greenview Living/Housing units decreased from 300 to 169 units due to housing density concerns.
- RRGC redesign provides a buffer for existing residential homeowners.

The RRGC property is currently not taxable as it is UND property. With the public/private redevelopment project concept, the UND/RRGC Development Project estimated investment is $56 million and will be taxable at an estimated taxable value of $33.2 million., which includes a taxable land value of $2.2 million and taxable improvement value of $31 million. The land value is always fully taxable and is not considered as part of the PILOT incentive.

Based on a 20 year/90% PILOT, the UND/RRGC Development Project provides estimated additional and incremental taxable revenue to the local government subdivisions as follows with no significant local government operating expenses and infrastructure development as an infill development. (See attached PILOT Impact Analysis)

- $674,373 (Over 5 years).
- $1,159,014 (Over 10 years).
- $2,203,720 (Over 20 years).
- $8,829,226 (Over 30 years).

The UND/RRGC Development Project team is requesting the consideration of a PILOT of greater than five (5) year period thus the Grand Forks City Council, County Commission, and School Board need to consider and approve the PILOT tax incentive request and recommendation. (See attached Combined Grand Forks Local Government Subdivisions PILOT Incentive Review Process Guideline) The Combined Meeting is scheduled for Tuesday, July 14 at 5:30 PM at Grand Forks City Council Chambers and the following is the UND/RRGC Development Project schedule.

- Monday, June 22 – City Council Updates on PILOT Combined Guideline and UND/RRGC Development Project Timeline.
- Monday, July 13 - Committee of the Whole Meeting (5:30 PM) – UND/RRGC Redevelopment Project – Preliminary Incentive Recommendation and Set City Council Public Hearing Date for September 8.
- **Tuesday, July 14 – Combined Meeting (City Council/County Commission/School Board) (5:30 PM @ Grand Forks City Council Chambers) – UND/RRGC Redevelopment Project Briefing.**
- Monday, July 20 - City Council Meeting – UND/RRGC Redevelopment Project – Approval of Preliminary Incentive Recommendation and Set City Council Public Hearing Date for September 8.
- Tuesdays, August 4 and/or August 18, 2026 (4:00 PM) – Final Grand Forks County Commission Meetings on UND/RRGC Redevelopment Project.
- Mondays, August 3 and/or August 17, 2026 (6:00 PM) – Final Grand Forks School Board Meetings on UND/RRGC Redevelopment Project.
- Tuesday, September 8 – City Council Meeting (5:30 PM) – UND/RRGC Redevelopment Project Public Hearing and Final PILOT Incentive Decision.

The UND/RRGC Development Project is a strategic partnership opportunity that will provide the following strategic priorities for Grand Forks.

- Redevelop a needed and infill golf course area.
- Provide a more competitive venue for UND Athletics and the Grand Forks School and Park District Districts.
- Provide for a more attractive and competitive UND campus and will continue to drive enrollment growth and development.
- Meet Grand Forks' community's strategic interest of growing the tax and economic base.
- Provide further and needed housing opportunities.
- Enhanced quality of life/entertainment opportunities.
- Provide needed local construction jobs and construction economic impact from the RRGC redevelopment and the development components.

ANALYSIS AND FINDINGS OF FACT:

The proposed UND/RRGC Development Project contains two (2) development components as follows.

1. Greenview Living/Housing.
    a. 169 multifamily development project with studios through four (4) bedroom units to include 52 studios, 75 one-bedroom units, 27 two-bedroom units, 10 three-bedroom units, and 5 four-bedroom units.
    b. 194,820 SF with a parking level and five (5) living levels.
    c. Monthly rents range from $1,225 for studios to $3,200 for four-bedroom units.
    d. The project timeline is estimated from August 2026 to June 2028.
2. Top Tracer Facility
    a. 32,500 SF, two level golf entertainment facility.
    b. Includes hitting bays, a commercial kitchen, meeting/event space, and a UND Golf Training Center.
    c. Bar and grill component.
    d. The project timeline is estimated from August 2026 to February 2028.

The Greenview Living/Housing and Toptracer Facility capital stack and project cost profile.

1. Greenview Living/Housing
   a. $37.33 million total investment to include $28 million in debt (75%) and $9.33 million in equity (25%).
2. Top Tracer Facility
   a. $18.69 million total investment to include $8.95 million in debt (47.9%), $7.34 million in equity (39.3%), and $2.4 million in UND funding sources (12.8%).
3. Total UND/RRGC Development Project
   a. $56.02 million total investment to include $36.95 million in debt (65.9%), $16.67 million in equity (29.8%), and $2.40 million in UND funding sources (4.3%).

The recommended PILOT incentive is 90%.

1. Greenview Living/Housing
   a. $8.16 million nominal incentive value and $4.33 million net present value @ 6%.
2. Top Tracer Facility
   a. $2.38 million nominal incentive value and $1.26 million net present value @ 6%.
3. Total UND/RRGC Development Project
   a. $10.54 million nominal incentive value and $5.60 million net present value at 6%.
4. Housing operating assumptions are generally supportable based on available market context, while the Toptracer reflects a specialized entertainment and golf operating profile.
5. The requested incentive improves projected Internal Rate of Return (IRR) and the Debt Service Coverage Ratio (DSCR) for both project components. Greenview Living/Housing moves near the lower end of the published apartment range and the Toptracer remains slightly below the lower end of the proxy market context. The combined UND/RRGC Development Project results support the conclusion that the requested PILOT incentive structure is directionally aligned with the development project's feasibility needed.
   - Market Range/Proxy Context – 6.00%-9.50% (Housing) and 6.00%-10.00% (Toptracer)
   - Conventional Banking Commercial Development DSCR – 1.25x or greater.
   - Greenview Living/Housing - 6.67% (Incentive IRR) and 2.50% (W/O Incentive IRR)
     1.3x (Incentive DSCR) and 1.09x (W/O Incentive DSCR)
   - Top Tracer – 5.84% (Incentive IRR) and 4.30% (W/O Incentive IRR)
     1.46% (Incentive DSCR) and 1.29% (W/O Incentive DSCR)
   - Total UND/RRGC Project – 6.31% (Incentive IRR) and 3.29% (W/O Incentive IRR)
     1.34x (Incentive DSCR) and 1.14x (W/O Incentive DSCR)

The UND/RRGC Development Project is intended and expected to provide operating offsets to reduce the projected UND operating support requirements for the RRGC separate from the property tax/PILOT fiscal impact as follows.

- Estimated RRGC operating support need (Yr 1) - $501,000.00
- Estimated Development land rent, salary offset, and operating offset (Yr 1) - $335,000.00
- Estimated UND operating support requirement (Yr. 1) - $166,000.00
- Estimated 10 Year Metric – Development Land Rent $1.42 million; RRGC Operating Support $5.75 million; and RRGC Operating Support after Offsets $1.63 million.

The conclusion of Baker Tilly's third party financial But-For Analysis is as follows. (See attached Baker Tilly But-For Analysis Report and Presentation)

- Public participation in the PILOT would help support the UND/RRGC Development Project's feasibility and advance the broader UND/RRGC Project Development.
- Greenview Living/Housing improves from 2.50% without public participation to 6.67% with the requested incentive, placing the project component near the lower end of the published apartment market range.
- Top Tracer improves from 4.30% without public participation to 5.84% with the requested incentive, placing the component slightly below the lower end of the proxy market context.

If the PILOT incentive is approved, the City Attorney will develop a Development Agreement that will memorialize the PILOT tax incentive and various conditions. The following are some of the significant conditions.

- Development Recitals.
- Development Definitions.
- General Development/Construction Requirements.
- PILOT Requirements.
- Developer Representations/Indemnity/Release of Liability.
- Default/Remedies.

The UND/RRGC Development Project is an additional UND public/private partnership (P3) similar to most the recent Memorial Village I & II development projects that provided additional and significant local property tax revenue via transitioning tax exempt to taxable property without any significant local government expenses; needed UND and community housing; community and economic impacts; construction industry financial impact; and community quality of life/recreational facility and service opportunities.

The following are summary overview points of the Memorial Village development project.

- $59.5 million in additional taxable property value.
- $119,774 in initial annual and additional property tax revenue.
- Estimated total property tax revenue Years 1-30 - $14.32 million.
- 269 housing units.
- UND Pollard Athletic Center and Albrecht Softball Field Community Usage Agreement.
- Modernization of the UND campus and making UND more competitive.

(See attached Memorial Village Project Summary)

SUPPORT MATERIALS:

- UND/RRGC Development Presentation and Video from UND and Development Team.
- Baker Tilly But-For Analysis Report – UND/RRGC Development, dated June 30, 2026.
- Baker Tilly But-For Analysis Presentation – UND/RRGC Development, dated July 13, 2026.
- PILOT Impact Analysis RRGC Development.
- Memorial Village P3 Projects with Community-wide Benefits.
- Combined Grand Forks Local Government Subdivisions Payment in Lieu of Tax (PILOT) Incentive Review Process, dated June 11, 2026.
- Activate RRGC, LLC Application for Property Tax Incentives For New or Expanding Businesses.
- Approved City of Grand Forks Staff Report Ordinance to Amend the Zoning Map to Rezone from UD – University District to Ray Richards Golf Course PUD Concept Development Plan, dated February 2, 2026.
- Approved Replat of Portion of Lots 1 and all of Lot 2, Block 1, Ray Richards Golf Course Addition with Street and Highway Ordinance, dated February 2, 2026.
- Approved City of Grand Forks Staff Report Greenview Living, LLC Tax Incentive Pre-Application (Ray Richards Golf Course Redevelopment), dated April 21, 2025.