Lundmark, Sherie

From: Mary Koponen <>
Sent: Sunday, July 12, 2026 6:55 PM
To: Sande, Dana; Fridolfs, Mike; Osowski, Rebecca; Berg, Tricia; Weigel, Daniel; Vein, Ken; Lundmark, Sherie; Bochenski, Brandon; ang-sal
Subject: PILOT for Ray Richards

Dear City Council and Mayor Bochenski,

I am opposed to a PILOT for the Ray Richards property. I was opposed to the Beacon PILOT also, but didh't get my email off in time. I am recovering from a couple of procedures these last few months or you would have seen me at meetings too. You keep passing these PILOTs and only one so far provides housing for the lower income groups! Why all the luxury apartments? Why the amenities? This one is probably going to put a few other landlords and competing businesses out of business by your forcing us taxpayers to fund the direct overwhelming competition, plus pay our share. That's galling.. I have never had trouble scheduling a tee time at Albatross - are you addressing a dearth of people who can't get a bucket of rangeballs? Or an Albatross tee time? It's possible some of these business you force to go under might take legal action. What then? Then my taxes must not only pay my share and the share of the developer, but also the legal fight to keep the PILOTs? I am no lawyer, but I think those businesses that suffer from your decisions have a strong case against PILOTs. You are causing landlords and competing retail to have a loss of income. The other golf courses also offer driving ranges, party facilities for rent. You're going to put some of these busiinesses under if Ray Richards passes. I have heard the proposal is 90% for 20 years. Yikes! That's about $18 million you are giving away of MY taxes over 20 years, just for this one PILOT.

Do you think 20-40 years from now, the headlines will be about how far-seeing this Council has been to put the tax burden on regular Joes? Or will they say about you "misguided City Council set up PILOTs that failed and never came to fruition? I think they will say how dumb all these PILOTs for apartments and retail were.

There seems to be no end to your use of PILOTs to push through free tax perks. Further, it seems to be the same group of developers over and over.getting these windfalls.

PILOTs are likely not even legal. If you read Century Code 49-57.1,, apartments, retail, and amenities are NOT primary sector businesses.

Many people have been squeezed by the economy tanking and inflation. You are exacerbating their pain! The schools and county are suffering, cutting back, and again you are exacerbating the shortage of funding! What are you thinking? This Council is seriously out of touch with reality.

There is no dearth of apartments. I was a landlord for several years. There are a lot of landlords (not slum lords as you once called Bob Cowger, who was opposing a PILOT) who compete to get tenants. There is no shortage of apartments. Most PILOTs also compete with existing businesses with their amenities. ALL compete with existing landlords. How is this justified?

What tax break are you planning to give to us who must pay to educate those PILOT tenants that attend public schools during those 20 years. The pain is temporary you say. Mr. Sande said "No

one could possibly be opposed to a PILOT because it is a win win for everyone. No losers. Ask Andrew Krauseneck if he is a winner here. And tell that to the other landlords who pay their taxes PLUS the share of taxes the developer is not paying during those 20 years. You don't seem to understand that there are many many people who are opposed to PILOTs. There are many who don't understand them, but if they did they would also be opposed. Wise up and stop passing all these PILOTs. I am speaking for myself as well as the elderly and disabled people who are barely squeaking by during the rough economy.

Mary Koponen

Lundmark, Sherie

From: Steve Sulland <s>
Sent: Monday, July 13, 2026 8:54 AM
To: Sande, Dana; Osowski, Rebecca; Berg, Tricia; Weigel, Daniel; Fridolfs, Mike; Vein, Ken; Salentiny, Angela; Lundmark, Sherie; madams230@mygfschools.org; jbakke190 @mygfschools.org; aflynn180@mygfschools.org; jklevn030@mygfschools.org; adunnigan050@mygfschools.org; bhall200@mygfschools.org; elunn040 @mygfschools.org; jmanley180@mygfschools.org; lkraemer090@mygfschools.org; Terry Bjerke; Kimberly Hagen; mark.rustad@gfcounty.org; bob.rost@gfcounty.org; anthony.hodny@gfcounty.org; Bochenski, Brandon
Subject: Questions and Concerns about PILOT Programs

Subject: Concerns Regarding Proposed PILOT Programs for Multifamily Housing Developments

Dear Mayor, Members of the Grand Forks City Council and Taxing Authorities,

I am writing to express my concerns regarding the various tax incentives that have been granted, are currently being considered, and may be proposed in the future within Grand Forks.

While utilizing tax subsidies to attract new, primary-sector industries can be a valid economic tool, expanding programs like Payment in Lieu of Taxes (PILOT) to large apartment projects introduces detrimental side effects that warrant serious scrutiny.

Before any further consideration is given to these apartment PILOT programs, I request formal answers to the following critical questions:

- **Audit Protections:** Is there a written agreement to perform initial and subsequent annual third-party audits of the developer's finances to ensure they are not manipulating figures to artificially match their initial projections?

- **Independence:** If audits are mandated, will they be performed by an independent third party with zero vested interest in either the city or the development firm?

- **Clawback Provisions:** Is there a strict "clawback" mechanism forcing developers to accept a lower tax incentive, or pay back funds, if actual profits significantly exceed their initial projections?

- **The "But-For" Test:** How has the city strictly verified the developer’s "but-for" claims to ensure a false narrative hasn't been created regarding the true financial viability of the project? Has an independent audit been incorporated into the review process?

- **Existing Business Protection:** Have taxing authorities considered offering a type of reimbursement structure for existing businesses who suffer financial losses due to these subsidized projects? (Subsidized projects can leverage tax savings to offer luxury amenities that unsubsidized, tax-paying property owners or businesses offering those same amenities as part and parcel of their primary business cannot afford to match or compete with. Affected owners

could easily verify these losses by providing five years of profit and loss statements.) Perhaps a type of tax incentive could be considered an option.

Subsidies should not benefit a small segment of the development community to the direct detriment of established, local businesses. Existing businesses and rental property owners have consistently supported Grand Forks through full tax compliance and community reinvestment and support. If we continue to prioritize large developers over our local tax base, we risk destabilizing the local housing market and competing businesses and shifting an unfair tax burden onto everyday residents.

Thank you for your time, leadership, and serious consideration of these fiscal protections. I look forward to your timely response regarding these questions.

Sincerely,

Steve Sulland

Lundmark, Sherie

From: Jodi Carlson <>
Sent: Monday, July 13, 2026 3:12 PM
To: Bochenski, Brandon; Sande, Dana; Weigel, Daniel; Vein, Ken; Osowski, Rebecca; Berg, Tricia; Fridolfs, Mike; Kimberly Hagen; Mark Rustad; bob.rost@gfcounty.org; Terry Bjerke; Anthony Hodny; tbrenner270@mygfschools.org; Jeff Manley; jkleven030 @mygfschools.org; Amber Flynn; Salentiny, Angela; madams230@mygfschools.org; adunnigan@mygfschools.org; lkraemer090@mygfschools.org; bhall200 @mygfschools.org
Cc: Feland, Todd; Gaustad, Dan; Storstad, Maureen; Lundmark, Sherie
Subject: PILOT Tax Incentives

Follow Up Flag: Follow up
Flag Status: Flagged

To OUR ELECTED Representatives of the city, county and school boards,

I am probably familiar to most of you; however, there are a few of you who are newly elected and may be unfamiliar with my five year fight against, what I believe to be, illegal tax incentives as well as many issues with misuse of government funds by the city. I ask you to please read through this entire email and I will make myself available for questions if you desire.

My research and public exposure of this began when city leadership requested $10M in ARPA (COVID) Funds from the county to be used for development of the infrastructure for Fufeng. I did my research and found that, according to the "Final Rule" from the U.S. Department of Treasury, ARPA funds cannot be used for economic development. Dan Gaustad, in his interpretation, stated that they could. I then filed a fraud report against the county to fight against Gaustad's interpretation of the law and the release of the funds. The final result was that it was an illegal use of ARPA funds, and the county withdrew their offer and declined the city's request. Gaustad's "interpretation" was not a valid legal opinion. He was wrong.

Fufeng was being offered, what I recall, was a 100% 20-year tax abatement. The paperwork, which I still maintain copies of, included in the PILOT request, stated that the incentive was being offered per "city policy." Upon further research, I found that the city had a policy on TIF Incentives, but did not have a policy on PILOT Incentives. I was then told by the city that the city follows NDCC 40-57.1 for "Tax Exemptions for New and Expanding Businesses." Please take no offense, but I will tell each of you, that if you have not read through this state statute at least 5 times, you are doing a disservice to the citizens of this community. To me, the requirements of this law are very clear. https://ndlegis.gov/cencode/t40c57-1.pdf

A couple years back, Mr. Gaustad provided the city council a presentation of HIS INTERPRETATION of the INTENTION OF the ND Legislative Assembly when this law was enacted. Knowing that Mr. Gaustad's interpretation was only his personal opinion (and, I believe, the desired opinion of Mayor Bochenski and City Administrator, Todd Feland) I made a formal request for a legal opinion from our State's Attorney General, Drew Wrigley. I received a response that Mr. Wrigley does not respond to citizen requests for opinions. I was told that a request must come from someone within the legislature, or someone within the city government. I was able to encourage a couple of state legislators to request a legal opinion, but

they have had no response. It has been requested of the city government multiple times, to ask for an opinion, but the city has declined to do this.

If you read closely through the statute, you will see that tax exemptions MUST be for PRIMARY SECTOR BUSINESS. The EXEMPTIONS are allowed up to 5 years, or up to 10 years if agricultural commodities are involved. The exemptions have many other requirements as you can read for yourself in the statute. One of the other requirements is that tax exemptions are not to be allowed for businesses that will compete against other like businesses.

Close to the bottom, you will see that Payment in Lieu of Taxes (PILOT), still maintaining the primary sector business requirement, may be allowed for additional years. The state of ND does not clearly define what the "PAYMENT" in lieu of taxes entails. Upon further research in multiple other states, I found that a PIlOT tax incentive requires the qualifying business and the city to negotiate and pay the cost of all city services for the period of the incentive.

I am going to copy and paste some information from my communication with other state departments. Please take special note of the email from the tax department stating that apartment buildings DO NOT qualify for PILOT incentives as they are not primary sector businesses that bring new wealth to the state, providing a service or product that is not currently available here.

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I also question if NDCC 40-57.1 and all these exemptions and incentives are constitutional.
Our **ND Constitution in Article X, Section 18** reads:

The state, any county or city may make internal improvements and may engage in any industry, enterprise or business, not prohibited by article XX of the constitution, but neither the state nor any political subdivision thereof shall otherwise loan or give its credit or make donations to or in aid of any individual, association or corporation except for reasonable support of the poor, nor subscribe to or become the owner of capital stock in any association or corporation.

From: Miller, Tracey
Sent: Sunday, January 26, 2025 7:46 PM

To: Jodi Carlson

Cc: Garman, Rich W. ; Leier, Joleen M.

Subject: RE: Primary Sector Business Certificates

Good Evening Jodi,

Office of the State Tax Commissioner Property Tax Division propertytax@nd.gov will be the best resource on PILOT. Our team will be your resource on primary sector certification eligibility.

No, apartments are generally not considered primary sector in North Dakota. Primary sector certification in North Dakota typically applies to industries involved in creating or adding value to products or services

that are sold outside the state, thereby bringing new wealth into the state. Examples of primary sector certification eligible business operations include manufacturing, value-added agriculture, value-added energy, and technology development.

Apartment complexes, on the other hand, are usually considered part of the real estate or service sectors, as they primarily do not generate new wealth by exporting goods or services outside the state.

If you have a specific context in mind, such as mixed-use developments or unique scenarios, let me know, and we can explore further!

Tracey Miller

Deputy Director – Economic Development & Finance

701.328.4420 (office) • 701.595.4584 (cell) • tracmiller@nd.gov • commerce.nd.gov

I appreciate your time in reading through this information. I have all documents and communications saved and will make myself available to anyone who would like to understand my perspective. I am not a legal expert, but the last 20 years of my career, as a Masters prepared RN- Executive Director, involved reading, interpreting, understanding and teaching on government regulations. I believe if nothing else, the above stated part of the ND Constitution should be adhered to and a formal legal opinion should be requested from Drew Wrigley. Please be a part of stopping this madness that is financially impacting everyone, but the developers. Thank you.

Jodi Carlson

Lundmark, Sherie

From: Kelsey Dodd <>
Sent: Tuesday, July 14, 2026 1:14 PM
To: Sande, Dana; Osowski, Rebecca; Berg, Tricia; Weigel, Daniel; Fridolfs, Mike; Vein, Ken; Salentiny, Angela; madams230@mygfschools.org; jbakke190@mygfschools.org; aflynn180@mygfschools.org; jkleven030@mygfschools.org; adunnigan050 @mygfschools.org; bhall200@mygfschools.org; elunn040@mygfschools.org; jmanley180@mygfschools.org; lkraemer090@mygfschools.org; terry.bjerke@gfcounty.org; kimberly.hagen@gfcounty.org; mark.rustad@gfcounty.org; bob.rost@gfcounty.org; anthony.hodny@gfcounty.org
Cc: Lundmark, Sherie
Subject: Combined Local Subdivision Tax Incentive Meeting, 7/14

Hi, everyone! Sending my comments ahead of tonight's meeting. I will be in attendance, but will most likely not be speaking. The potential impact of the unfair advantage hits close to home, and I'm not looking to get emotional on live stream. :) Thank you in advance for a thoughtful discussion regarding this project.

Good evening, Council, Commission & School Board-

I am here tonight in opposition to the proposed PILOT for the Ray Richards Golf Course Development.

An excerpt from ND Century Code 40-57.1 reads “It is the intent of the legislative assembly that political subdivisions and the state board of equalization in their determination of whether the tax exemptions authorized by this chapter shall be granted shall give **due weight** to their impact and effect upon existing industry and business to the end that an **unfair advantage** shall not be given to new or expanded enterprises which is to **the substantial detriment of existing enterprises.**”

Due weight. You are charged with the responsibility of weighing the impact and effects new projects will have on existing businesses. But it seems to be the piece that no one is willing to address. You hope that if you ignore it long enough, business owners such as Andrew Krauseneck, will just go away. You treat them as if their concerns are invalid and you disregard the concern of incentive driven competition. To tell a business owner his concerns aren't real is naive at best and gaslighting at worst. To simply not address the question of competition, which is what our City Council continues to do, is extremely disappointing. When you give a project the legs to stand on through tax incentives, you are cutting other business owner's legs off at the knees. The City wants to ensure the developers and investors get a return that makes it worth it, but at what cost?

I am not opposed to new quality of life projects.. I am opposed to an unfair advantage given which would be to the substantial detriment of existing enterprises just as it is laid out in ND Century Code. These new attractions might pull people into Grand Forks initially, but let’s be clear–they are not what makes them stay. They stay because they can find the tastiest cinnamon roll pancakes in the coziest diner. They stay because they were welcomed with an espresso while shopping for their new e-bike. They stay because they found the best pickle beer at a local brewery that also has a soda shop, so they can make it a family affair. They stay because they were running late picking up

their middle school son from his indoor golf league round, but the owner made sure he was taken care of by playing some extra games with him on the simulator. The heart and soul of this town are found within the small local businesses. Businesses that were started by passion, not a carefully calculated report telling them that the rate of return will or will not be worth the risk. The only ask they have of the community of Grand Forks is that you welcome them with open arms.

At the first community meeting last year, Mr. Kuntz stated there would be 14 indoor simulators in this Top Tracer facility. A lot has changed since that first meeting. The community has been very vocal about their distaste for PILOTs, the unfair competition and the continued abuse of them. Because of this, it seems UND and the developers of this project have strategically tried to exclude the indoor golf aspect from their presentation. Before yesterday's City Council COW Meeting, I emailed Council asking them if they could ask for more info on the indoor golf portion of the project. Transparency of a project asking for a multimillion dollar tax break seems like a low level ask. But not one Council member could bring themselves to do it. I'm hopeful that our County Commission & School Board will take the issue of competition more seriously.

In closing, I want to point out a couple things. Mr. Armacost said at last night's meeting that he did not want to bring this up as it may come off as threatening, BUT if this project does not proceed, the future of Ray Richards Golf Course is unknown. And for this project to proceed, the developers say they NEED this tax incentive. I don't blame them for asking. They have yet to be turned down by our city. But, it does strike me as odd. We are talking about a university with a biennial budget of $1.85 billion dollars, as Ms. Osowski pointed out last night. A university that is "increasingly regarded as one of the top institutions in the nation for educational quality", but cannot seem to find an alternative solution that doesn't require the taxpayers to be burdened or small businesses to suffer. A university fortunate enough to be blessed with generous donors. Donors such as Mr. Burian, Mr. Ritterman and Mr. Tweten who are all part of the Adelphi Circle which means they have committed $5 million+ to UND and Mr. Kuntz who is part of William Budge Circle which means he has committed $1-$5 million to UND. It might upset people that I bring this up. I do not view this as a negative. In fact, these gentlemen have done quite well for themselves and are committed to the legacy of UND, and I think that's wonderful if that's how they choose to spend their money. But when you come to the community, when you tell us you cannot afford your property taxes for this new project on UND land, information such as this makes it a hard pill to swallow, and gives us pause. Mr. Armacost says UND can't continue to be financially burdened by Ray Richards Golf Course, but now the Grand Forks community is to be burdened with yet another large tax incentive given to a project with requirements set by UND. Either UND needs to make up the dollars the developers and investors can't afford in taxes, or perhaps other solutions need to be explored. As the great Albert Einstein once said "we cannot solve our problems with the same level of thinking that created them."

I urge the City, the County and the School Board to think long and hard about this project. Do not let the threat of the project not happening influence your decision. Do not settle for collecting only 10% of the potential tax revenue. Challenge UND and these developers to do the work and find a financially feasible option or settle for a smaller return on their part. It is not the government's job to find a way to make a business viable.

Thank you for your time.

Kelsey Dodd