



Administration

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MEMO

TO: County Commission
FROM: Robert W. Wilson
Date: July 11, 2023
Subject: NDSCS Alumni Foundation – CIC Payment

At the Commission meeting on June 19th the Board considered and tabled action on a \$1 million dollar payment to the NDSCS Alumni Foundation for the Career Innovation Center (CIC). This is consistent with an action the Board took on July 6, 2020 to levy one mill annually until \$5 million has been contributed to what was then known as the Career Workforce Academy.

Following that action in the 2021, 2022 and 2023, the Commission budgeted the following amounts for 'Career Workforce Academy' within the Capitol Project Funds:

2021 \$1,800,000 (representing payments for calendar years 2020 & 2021)
2022 \$1,000,000
2023 \$1,000,000

Consistent with the annual budgets listed above the Commission approved the payments below as part of Vouchers on specific meeting dates:

| <u>Check#:</u> | <u>Amount:</u> | <u>Date Approved:</u> |
|----------------|----------------|-----------------------|
| 325141 | \$1,800,000 | June 7, 2021 |
| 330483 | \$988,758.23 | May 16, 2022 |
| 331999 | \$11,241.77 | August 15, 2022 |

Based on Board direction representatives of NDSCS Alumni Foundation who are managing the CIC project have been asked to present a project update to the Commission at the meeting on July 17, 2023. Project overview information is attached for your review. Following the presentation, the Commission may wish to consider the following motion:

SUGGESTED MOTION: Authorize payment of \$1,000,000 to NDSCS Alumni Foundation for 2023 pledge for Career Innovation Center.



May 5, 2023

Robert Wilson
Cass County
PO Box 2806
Fargo ND 58108

Dear Robert,

Thank you for your pledge of \$5,000,000 to the Career Innovation Center. We have set up this pledge to be paid yearly for 4 years. This letter is to remind you that your next payment is due on 6/1/2023. By donating to NDSCS, you help us build on the tradition of providing quality education to our students.

It is often said that colleges cannot stand still. NDSCS is advancing on all fronts because you and other alumni, parents, and friends are committed to its success. On behalf of all those empowered by your support, we thank you once again.

Sincerely,

A handwritten signature in blue ink that reads "Kim Nelson".

Kim Nelson
Executive Director
kim.j.nelson@ndscs.edu
701-671-2187

Please advise your tax advisor for potential tax deduction advice. NDSCS Foundation is a 501c3 organization.
Tax ID 45-0407617

Cass County
PO Box 2806
Fargo ND 58108

Career Innovation Center

Pledge Balance of \$3,200,000

Payment Due: \$1,000,000

Make Checks Payable to: NDSCS Foundation

Wilson, Robert

From: Heinle, Sarah
Sent: Tuesday, June 20, 2023 10:18 AM
To: Wilson, Robert
Subject: Career Workforce Academy
Attachments: 06-04-21 Voucher List.pdf; 08-12-22 Voucher List.pdf; 05-13-22 Voucher List.pdf

Below are the payments.

| Check # | Amount | Date | Meeting |
|---------|--------------|-----------|-----------|
| 325141 | 1,800,000.00 | 5/18/2021 | 6/7/2021 |
| 331999 | 11,241.77 | 8/16/2022 | 8/15/2022 |
| 330483 | 988,758.23 | 5/17/2022 | 5/16/2022 |

Thank you,



Sarah Heinle, CPFO

Accounting Manager
Cass County Finance Office
PO Box 2806
Fargo ND 58108
Heinles@casscountynd.gov
D: 701-241-5602 | F: 701-241-5728

RECEIVED
CASS COUNTY COMMISSION

MAY 11 2021



Finance Office

Telephone: 701-241-5600
Fax: 701-241-5728
SMB-FIN@casscountynd.gov

May 11, 2021

Board of County Commissioners
Cass County Government
211 9th St. S
Fargo ND 58103

Re: Career Workforce Academy

Dear Commissioners:

We have received the first of four billing for the county's contribution to the Career Workforce Academy in the amount of \$1,800,000. The agreement calls for us to make annual payments in June because we have collected the major portion of taxes by June. 2020 was the second year we levied for this fund. Tax year 2020 is collected in calendar year 2021. We currently have \$1,801,183 in the fund for this project. Our levy currently brings in a little over \$900,000 per year. With a projected 3% (6% in 2021) growth and the 1.0 mill levy we should generate the full \$5 million by June of 2025. We collect about 98.5% of the levied amount due to discount on early payment and penalty and interest on unpaid amounts.

| Tax Year | Valuation | 1 mill | Discounted at 98.5% | Cumulative Discounted Tax at 98.5% |
|----------|---------------------|-----------------|---------------------|------------------------------------|
| 2019 | \$ 922,483,233.00 | \$ 922,483.23 | \$ 908,645.98 | |
| 2020 | \$ 976,813,584.00 | \$ 976,813.58 | \$ 962,161.38 | \$ 1,870,807.36 |
| 2021 | \$ 1,035,422,399.04 | \$ 1,035,422.40 | \$ 1,019,891.06 | \$ 2,890,698.43 |
| 2023 | \$ 1,066,485,071.01 | \$ 1,066,485.07 | \$ 1,050,487.79 | \$ 3,941,186.22 |
| 2024 | \$ 1,098,479,623.14 | \$ 1,098,479.62 | \$ 1,082,002.43 | \$ 5,023,188.65 |

Sincerely,


Michael Montplaisir, CPA CPFO
Finance Director

SUGGESTED MOTION:

Move to authorize the Finance Department to make the pledged payment of \$1,800,000 to the North Dakota State School of Science Foundation for the Career Workforce Academy.

**REGULAR MEETING OF CASS COUNTY BOARD OF COMMISSIONERS
JULY 6, 2020**

1. MEETING CALLED TO ORDER

Chairman Chad M. Peterson called the meeting to order at 3:30 PM with all members present as follows: Ken Pawluk and Mary Scherling via Teams virtual meeting; Rick Steen, Duane Breitling, and Chad M. Peterson in person.

2. PLEDGE OF ALLEGIANCE

Heather Worden led the Pledge of Allegiance.

3. MINUTES APPROVED

MOTION, passed

Mr. Steen moved and Mr. Breitling seconded that the minutes of the previous meeting be approved as written. Motion carried.

4. AGENDA, Order approved

MOTION, passed

Mr. Steen moved and Mr. Breitling seconded to approve the order of the agenda with the addition of a Career Workforce Academy funding update to the regular agenda. Motion carried.

5. CONSENT AGENDA APPROVED

MOTION, passed

Mr. Pawluk moved and Mr. Breitling seconded to approve the consent agenda as follows: On roll call vote, the motion carried unanimously.

- a. Grant a site authorization permit to conduct games of chance under license issued by the North Dakota Attorney General's Office for the period of July 16, 2020, through July 16, 2020, for the North Dakota Chapters of Delta Waterfowl, Inc. at the Hartl Ag Building, Red River Valley Fairgrounds in West Fargo, North Dakota.
- b. Authorize the chairman to sign a purchase order with Fargo Glass & Paint Co. in the amount of \$5,750.00 to replace the southwest door of the Cass County Courthouse; and authorize the chairman to sign a purchase order with Chuck's Sandjacking, Inc. to repair a low water crossing in Sections 29/30 in Maple River Township.
- c. Authorize the chairman to sign a pipeline easement with Cass Rural Water Users District for property located along Cass County Highway 10, subject to state's attorney approval.
- d. Approve a special event permit for the Bronco Bar to serve alcoholic beverages on July 18, 2020, during the hours of 11:00 AM to 9:00 PM for Chaffee Community Days to be held at the Chaffee Community Park in Chaffee, North Dakota; and approve a special event permit for Silver Dollar, Inc. aka Silver Dollar Bar to serve alcoholic beverages on July 16, 2020, during the hours of 5:00 PM to 11:00 PM for a Delta Waterfowl event at the Red River Valley Fairgrounds in West Fargo, North Dakota.
- e. Contract approval
 - City of Reile's Acres—agreement for Cass County to provide assessing services for the city;
 - Moore Engineering, Inc.—hydraulic studies for design of future bridges in Noble and Cornell Townships that are part of the five-year highway and bridge plan.

6. PUBLIC COMMENT

Mr. Peterson asked for public comment and hearing none, moved on to the regular agenda items.

7. **FARGO TAX INCENTIVE PROJECT FOR ELLIOTT PLACE 4 AND ELLIOTT PLACE 9, County to participate in PILOT for 17 years**

The Fargo City Assessor forwarded information to the Cass County Commission regarding applications received from Elliott Place 4 and Elliott Place 9 for two payment in lieu of taxes (PILOT) requests. Jim Gilmour, Fargo Director of Strategic Planning & Research, said the projects will be located at 4462 30th Avenue South and will include 84 housing units for senior affordable housing. The projects are sponsored by the Fargo Housing and Redevelopment Authority in partnership with Blue Line Development. There are two PILOT applications because there are two different ownership groups for the one project. The project will use 9% in Low Income Housing Tax Credits (LIHTC) funding, and both PILOT applications are for a 17-year period. Mr. Gilmour said taxes will be paid on the land but not on the building. The Fargo High Rise will be demolished or repurposed within the next two years, so low income housing for senior citizens is needed. The project is not feasible without property tax incentives and tax credits. The Fargo City Commission voted unanimously to approve the PILOT requests.

Matthew Pike, Executive Director of the Fargo Housing and Redevelopment Authority, said 84 vouchers through the LIHTC program will be committed to this building for senior affordable housing.

Mr. Pawluk asked about the design life of the new building. Mr. Pike said it will be constructed for long-term use, which he estimates at 30 to 50 years. Mr. Pawluk asked about future use of the Fargo High Rise. Mr. Pike said the building has cast iron wastewater pipes with asbestos that needs to be removed and it most likely will be cost prohibitive to rehabilitate the building and it may need to be demolished.

Mr. Peterson asked about the \$2.4 million in developer fees. Mr. Pike said the cost will be split with Blue Line Development. The Fargo Housing Authority will reinvest the fees back into affordable housing in Fargo. Mr. Pike said Blue Line Development was chosen through a Request for Proposals process, and the local architect and contractor for the project were publicly bid.

MOTION, passed

Mr. Steen moved and Mr. Breitling seconded to participate in the request for a payment in lieu taxes (PILOT) incentive for two low income housing projects in partnership with the Fargo Housing and Redevelopment Authority submitted by Elliott Place 4 and Elliott Place 9 for a 17-year period. On roll call vote, the motion carried unanimously.

8. **FARGO TAX INCENTIVE PROJECT FOR PRx PERFORMANCE, County to not participate in PILOT and to negotiate terms with the city**

The Fargo City Assessor forwarded information to the Cass County Commission regarding an application received from PRx Performance for a payment in lieu of taxes (PILOT) project located at 4125 24th Avenue North to construct a 140,000 square foot headquarters, industrial and manufacturing facility. Mr. Gilmour said the application is for a 10-year exemption at 100% for the first five years with incremental reductions in the percentages for years five through ten.

Brian Brasch, CEO of PRx Performance, said their business has an opportunity to further expand their building to include additional equipment. He asked for additional time on his request. Mr. Gilmour said a new application will be filed by Mr. Brasch to include the project changes for consideration by the Fargo Tax Exempt Review Committee, Fargo City Commission and Cass County Commission.

MOTION, passed

Mr. Steen moved and Mr. Breitling seconded to not participate in the request for a payment in lieu of taxes (PILOT) for a new headquarters, industrial and manufacturing facility submitted by PRx performance for a 10-year period and to negotiate the terms of the property tax incentive with the city as described in N.D.C.C. Chapter 40-05-24. On roll call vote, the motion carried unanimously.

9. CAREER WORKFORCE ACADEMY FUNDING UPDATE

The commission was previously asked to participate in a public/private partnership to fund construction of a Career Workforce Academy (CWA) for up to \$15 million. Commissioners Peterson and Pawluk serve on the CWA Executive Committee. Federal stimulus dollars are available through the U.S. Department of Commerce to help offset construction costs. These funds are meant to help with the economic fallout resulting from the Coronavirus. The CWA Executive Committee reached out to Lake Agassiz Development Group (LADG) to develop a competitive grant application under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The application will require information on the source of funding commitments for the remaining dollars.

Mr. Peterson said a revised capital budget was proposed by the CWA Executive Committee changing the total project cost from \$30 million to \$25,220,000. Cass County, Fargo, West Fargo, and Fueling the Future will all be asked to provide a local cost share as part of the application. The Department of Commerce application request will be for \$5 million. The proposal is for Cass County is to provide \$5 million. He will support the county cost share because it is needed as part of the application process.

Mr. Pawluk said the county can continue to levy one mill until \$5 million is raised. He said there is a possibility that the project will not receive federal funding. He is unwilling to support more than \$5 million in county funding and if more is requested, he believes the issue should go to the vote of county residents.

Mr. Steen said the federal grant is important and he supports the local cost share from Cass County for \$5 million.

MOTION, passed

Mr. Pawluk moved and Mr. Steen seconded to support the \$5 million cost share for the construction of a Career Workforce Academy. On roll call vote, the motion carried unanimously.

10. ROAD DEPARTMENT, Purchase agreement for Phillips home buyout approved

Jason Benson, County Engineer, said Cass County applied for Flood Mitigation Assistance and Pre-Disaster Mitigation applications late last year for six properties in Cass County that have experienced flooding issues and whose owners had requested buyouts. The county did not receive grant funding from either application. There was discussion on the use of flood sales tax dollars for property purchases. The Flood Sales Tax Policy allows home buyouts on properties with a history of flooding or riverbank slumping.

Last month the Flood Sales Tax Committee approved the buyout of property located at 2623 173rd Avenue SE in Section 13 of Harwood Township owned by Daniel and Melissa Phillips for up to 90% of the total project cost. Mr. Benson said the property is located near the confluence of the Sheyenne River and Red River and will continue to experience flooding issues after the Metro Flood Diversion project is built. There are also soil stability issues and as a result, the home has experienced significant slumping problems. The proposal today is to purchase only the structure, which will be demolished. The land will stay in the Phillips' names and will be deed restricted to prevent any future building on the property. Mr. Benson said the owners will pay 10% of the overall acquisition and demolition cost, which totals \$217,000. Approximately \$145,000 to \$155,000 of flood sales tax money will be used based on the quote received for the structure, asbestos testing and removal, lead paint removal, and demolition.

MOTION, passed

Mr. Pawluk moved and Mr. Breitling seconded to authorize the county engineer to proceed with the Phillips home buyout subject to state's attorney approval. On roll call vote, the motion carried unanimously.

11. CORONAVIRUS UPDATE

Robert Wilson, County Administrator, provided an update on activities associated with the Coronavirus (COVID-19) pandemic.