

PROPERTY TAX INCENTIVE APPLICATION FOR
SANDHILLS 6TH AND 7TH SUBDIVISION
ENCLAVE DEVELOPMENT
(Casey Sanders)

SUGGESTED MOTION:

Move to participate in the request for Tax Increment Financing (TIF) in the City of West Fargo submitted by Enclave Development to assist with development of Sandhills 6th and 7th Additions for up to a fifteen-year period.

OR

SUGGESTED MOTION:

Move to NOT participate in the request for Tax Increment Financing (TIF) in the City of West Fargo submitted by Enclave Development to assist with development of Sandhills 6th and 7th Additions for up to a fifteen-year period.

OR

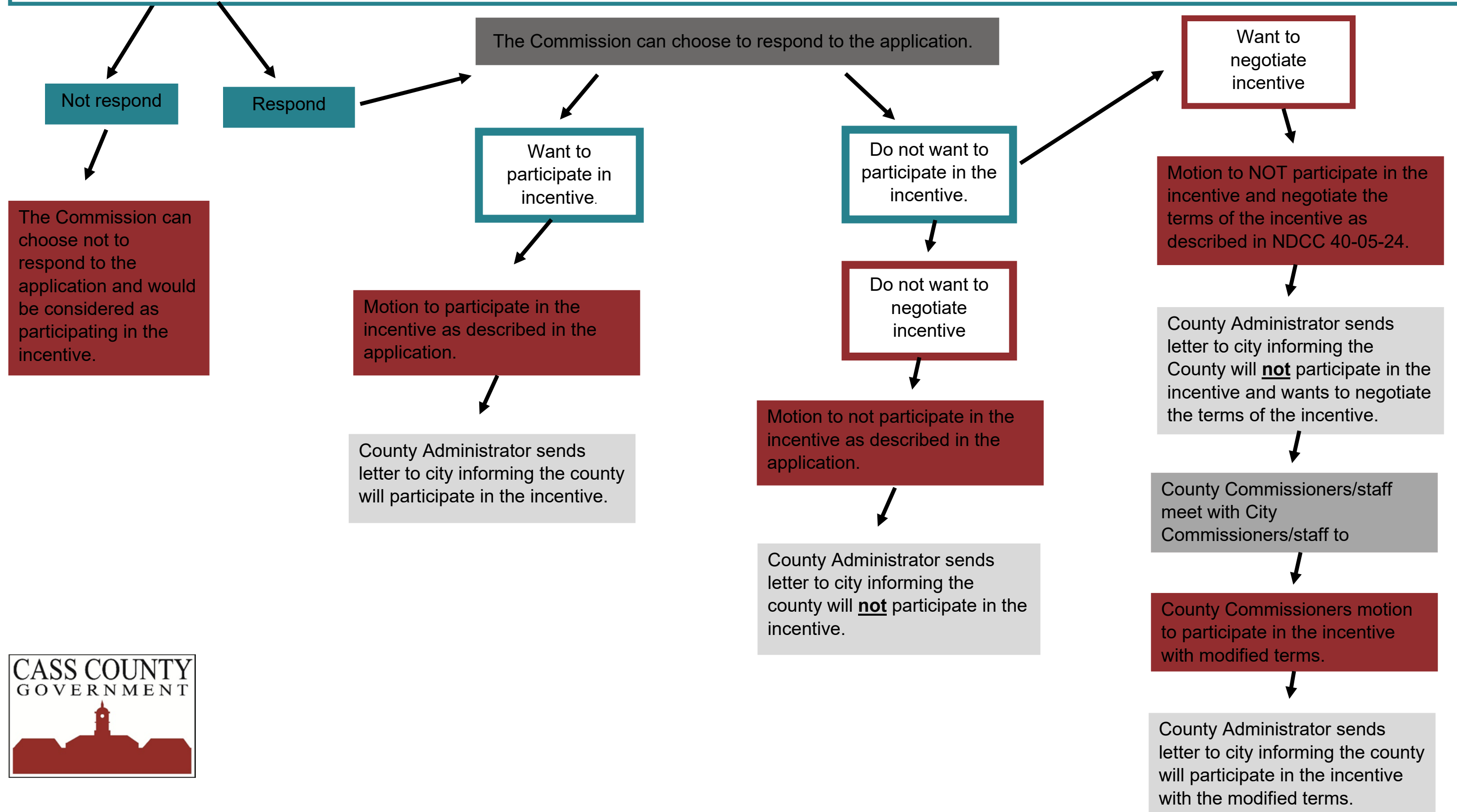
SUGGESTED MOTION:

Move to NOT participate in the request for Tax Increment Financing (TIF) in the City of West Fargo submitted by Enclave Development to assist with development of Sandhills 6th and 7th Additions for up to a fifteen-year period and negotiate the terms of the property tax incentive as described in N.D.C.C 40-05-24.

CITY SENDS INCENTIVE APPLICATION TO COMMISSION

*Before a city grants a property tax incentive on a parcel that is anticipated to receive a property tax incentive for more than five years, the governing body of the city is required to send a letter, by certified mail, to the chairman of each county commission and the president of each school district affected by the tax incentive. The letter must provide terms of the proposed property tax incentive. (NDCC 40-05-24)

* Within 30 days of receipt of the notice, each affected county and school district must notify the city, in writing, whether it elects to participate in granting the tax incentive on the county or school district portion of the property tax. If no letter is received, the city must treat each county or school district as participating in the property tax incentive. (NDCC 40-05-24)





NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER GUIDELINE - PROPERTY TAX: INCENTIVES FOR NEW OR EXPANDING BUSINESSES

DECEMBER 2017

North Dakota Century Code ch. 40-57.1 provides incentives in the form of property tax exemptions, payments in lieu of taxes, or a combination of both to a qualifying business. The incentives are granted at the discretion of the city or county in which the property is located.

Before a municipality may grant a property tax exemption under N.D.C.C. § 40-57.1-03, the project must be certified as a primary sector business by the Commerce Department.

A city or county with fewer than 40,000 population may grant an exemption to a project operating in the retail sector if the governing body has obtained approval from a majority of the qualified electors voting on the question at a city or county election held in conjunction with a statewide general election and if that governing body has established by resolution or ordinance the criteria that will be applied by the governing body to determine whether it is appropriate to grant an exemption for a project operating in the retail sector. Minimum criteria are specified in N.D.C.C. § 40-57.1-03(1). A city or county may not supersede or expand the provisions of this section under home rule authority.

- * Before a city grants a property tax incentive on a parcel that is anticipated to receive a property tax incentive for more than five years, the governing body of the city is required to send a letter, by certified mail, to the chairman of each county commission and the president of each school district affected by the tax incentive. The letter must provide terms of the proposed property tax incentive.
- * Within 30 days of receipt of the notice, each affected county and school district must notify the city, in writing, whether it elects to participate in granting the tax incentive on the county or school district portion of the property tax. If no letter is received, the city must treat each county or school district as participating in the property tax incentive.

DEFINITIONS

1. Commencement of construction means the building or erecting of any improvements other than site preparation or excavation.
2. Commencement of project operation means “the date the plant actually goes into its planned operations. To use the example..., if a manufacturing plant actually begins manufacturing of its products in December, 1970, that would be the date of commencement of project operations. The Act does not purport to authorize granting of tax exemptions for the time of construction of plants.” 1969 N.D. Op. Att’y Gen. 415.
3. Local Development Corporation means a profit or nonprofit corporation incorporated in this state for the purpose of furthering the economic development of a specified community or area.

4. Municipality means a city or a county.
5. Primary sector means a business that adds value to a product, process, or service that results in the creation of new wealth. New wealth means revenues to a North Dakota business generated by sales of products or services to customers outside North Dakota, or revenues to a North Dakota business from sales in North Dakota, if the product or service was previously unavailable or of limited availability.
6. Project means any new revenue-producing business or an expansion to an existing business.
7. Project operator means the individual, partnership, limited liability company (LLC), corporation, or association that owns or operates the project.
8. Statewide general election, as provided in N.D.C.C. § 16.1-13-01, means the general election held on the first Tuesday after the first Monday in November of each even-numbered year.
9. Structure means any property where a business is conducted. The structure might be an entire building, if occupied by one business, or individual quarters within a larger building.

WHAT QUALIFIES

10. New and existing buildings, structures, and improvements owned or leased by a qualifying project may receive property tax incentives.
11. New buildings, structures, and improvements constructed and owned by a local development corporation may receive a partial or complete exemption from ad valorem taxation while unoccupied. Once occupied, the exemption continues until the next assessment date following the first occupancy. A qualifying project that locates in a building owned by a local development corporation qualifies for the property tax incentives, provided application is made and granted prior to occupancy.

ALLOWABLE INCENTIVES

12. A qualifying project may receive a complete or partial exemption from ad valorem taxation on structures used in or necessary to the operation of a project for up to five years following the commencement of project operations.
13. The exemption period begins with the assessment date immediately following the date of commencement of project operations.
14. Projects that produce or manufacture a product from agricultural commodities may receive a complete or partial property tax exemption on structures for up to ten years.
15. A project located in a structure leased from a governmental entity and which received a five-year property tax exemption qualifies for additional exemptions for up to five years. For the additional exemptions, the municipality grants the exemption one year at a time upon annual application.
16. Payments in lieu of taxes may be used in place of, or in combination with, property tax exemptions for qualifying projects. The municipality and project operator negotiate the amount of annual payments, when the payments begin, and the ending date, which may be no later than twenty years from the date project operations began.

17. Payments in lieu of taxes are apportioned in the same manner as the general real estate taxes unless a taxing district enters into a written agreement for an alternate method. Any agreement entered into between the municipality and other taxing districts for an alternate method of apportioning the payments in lieu of taxes may not affect the apportionment to any taxing district that is not a party to the agreement.
18. The tax incentives are valid as long as the property is used for the purposes stated in the application. If there is a change in use or project operator, a new application for the incentives must be filed with and approved by the municipality to receive the remainder of the incentives.

LIMITATIONS

19. A project is not eligible for the property tax incentives if the project received a tax exemption under tax increment financing.
20. The tax exemption and the payments in lieu of taxes are limited to the new or existing buildings or structures used in the qualifying project.
21. Tax incentives may not be granted for land.
22. Payments in lieu of taxes are not eligible for the 5% discount for early payment.

PROCEDURES

23. The project operator applies to the governing body of the municipality where the potential project is to be located. If the project will be within city limits, the project operator applies to the city governing body. If the project is outside city limits, application is made to the county commission.
24. The municipality forwards the application to the Department of Commerce, Division of Economic Development and Finance, P.O. Box 2057, Bismarck, ND 58502-2057, for its review and recommendation as to the eligibility of the project as a primary sector business.
25. Application for the property tax exemption must be made *and* granted prior to the commencement of construction if the project locates in a new structure. If the project locates in an existing structure, application must be made *and* granted before the structure is occupied.

For qualifying projects, applications for payments in lieu of property taxes may be made after construction or occupancy of the structure.

A representative appointed by the board of each affected school district and of each affected township is included as a non-voting member during the negotiation and deliberation of granting tax incentives.

26. The project operator publishes two notices to competitors of hearing on the application. The notices are published in the official newspaper of the city or county at least one week apart. The last notice must be published at least 15 days, but not more than 30 days, before the city or county considers the application. For example, notices published one week apart on May 1 and May 8 would be appropriate for a hearing scheduled any time between May 23 and June 7. An affidavit of publication is presented to the governing body prior to the hearing as proof of publication. Publication of notices is not required if the municipality determines that project competitors do not exist in the municipality.
27. The city or county holds a public hearing on the application and takes testimony both in favor of and in opposition to the granting of the tax incentives.

28. After the public hearing, the governing body determines the best interests of the municipality and approves or denies, in whole or in part, the application for tax incentives.
29. The municipality certifies the tax incentives granted by submitting a copy of the project operator's application with the attachments to the State Tax Commissioner and county director of tax equalization. The county director of tax equalization advises the local assessor when the property is taxable or exempt.
30. Political subdivision grantors shall maintain records of business incentives provided to recipients. They shall prepare an annual political subdivision grantor report to the Department of Commerce before April 1 each year that includes:
 - The name of the business receiving business incentives during that year;
 - The number of jobs expected to be created or retained by each business as a result of the business incentives;
 - The average compensation expected to be provided by the employer for the jobs expected to be created or retained as a result of the business incentives, including identification of the average benefits and average earnings to be provided by the employer for these jobs; and
 - The total dollar value of all business incentives provided by the political subdivision during that year.

ADDITIONAL CONDITIONS

North Dakota Century Code § 40-57.1-03 provides that the governing body of a municipality, before the beginning of a taxable year for which a property tax exemption or the option to make payments in lieu of taxes has previously been approved by the governing body, may revoke or reduce an exemption, or revoke or increase payments in lieu of taxes for that taxable year for reasons specified in a negotiated agreement or if the governing body finds that:

- a. Information provided by the project operator has proven to be inaccurate or untrue;
- b. Use of the property by the project operator does not comply with the reasonable expectations of the governing body at the time the property tax exemption or the option to make payments in lieu of taxes was approved;
- c. The property has been improved to a substantially greater extent than the governing body reasonably anticipated at the time the property tax exemption or the option to make payments in lieu of taxes was approved; or
- d. There has been a change of ownership of the property since the property tax exemption or the option to make payments in lieu of taxes was approved.

* Indicates significant change since last revised.



December 6, 2023

To: Cass County
C/O Robert Wilson
211 9th St S,
Fargo, ND 58103

From: Casey Sanders, City of West Fargo Economic Development Manager

RE: Potential Tax Increment Financing District

Dear Cass County Commissioners,

This letter is intended to comply with N.D.C.C. § 40-05-24 law that states:

1. Notwithstanding any other provision of law, before granting a property tax incentive on any parcel of property that is anticipated to receive a property tax incentive for more than five years, the governing body of a city shall send the chairman of each county commission and the president of each school district affected by the property tax incentive a letter, by certified mail, which provides notice of the terms of the proposed property tax incentive.
2. Within thirty days from receipt of the letter, each affected county and school district shall notify the city, in writing, whether the county or school district elects to participate in granting the tax incentive on the county or school district portion of tax levied on the property. The notification from a county or school district electing not to participate must include a letter explaining any reason for which the entity elected not to participate and whether the county or school district is willing to negotiate the terms of the property tax incentive with the city.
3. If the city does not receive a response from an affected county or school district within thirty days of delivery of the letter, the county and school district must be treated as participating in the property tax incentive.

Ocholndy and RJR development has applied for a tax increment financing district with the City of West Fargo in order to bring additional industrial business to the city.

The project aims to increase the industrial business capacity in the city with class A industrial buildings that front to I 94 offering a more welcoming and modern first impression of travelers from the west. The TIF is intended to support the development by using the increment to pay towards the infrastructure needed in order to build.

At the December 4th, West Fargo City Commission meeting the commission voted to approve a fifteen-year Tax Increment Financing District which also served as the public hearing.

Along with this letter, we are sending the corresponding staff report and supporting documentation to review the proposal. We respectfully request the City's Economic Development department to be notified of any hearing or discussions regarding this project to ensure we can provide all necessary information to your boards. If this request falls within your guidelines for immediate approval, please send written notification affirming said approval.

If you have any additional questions, please do not hesitate to contact me.

Sincerely,

Casey Sanders-Berglund
Economic Development Manager
Email: Casey.Sanders@westfargond.gov
Phone: 701-373-5666

CITY OF WEST FARGO ECONOMIC DEVELOPMENT

STAFF REPORT

Sandhills 6th & 7th Addition

Tax Increment Financing for Sandhills 6th & 7th Additions

Applicant: Enclave Development Owner: Ocho Indy, LLC	Staff Contact: Economic Development Casey Sanders
Applicant: Ryan Restad Owner: RJR LLC	
Economic Development Advisory Committee:	November 2 nd , 2023 -Recommended for Approval
West Fargo Public School District:	December 11 th , 2023
Cass County Board of Commissioners:	December 18 th , 2023
Public Hearing:	Dec 4 th , 2023
City Commission:	Dec 4 th , 2023- Approved

PURPOSE:

The applicants are proposing to develop the southern portion of Meadow Brook Park Addition. The goal of this development would be a Class A industrial warehouse, manufacturing, distribution, and storage facilities adjacent to existing industrial parks in West Fargo.

STATEMENTS OF FACT:

Land Use Classification:	Agricultural
Existing Land Use:	Greenfield -No Infrastructure – Some residential
Relocation Requirements:	No required relocations (Buyouts in Progress)
Current Zoning District(s):	Agricultural – Currently in the process of re-zoning
Adjacent Zoning Districts:	North and East: Light Industrial
Adjacent street(s):	4 th Ave NW, 26 th ST NW (Gress Ave NW (dead end) & Park Blvd NW – turns into gravel) (2 nd Ave NW & 1Ave NW both gravel/ dirt roads)
Adjacent Bike/Pedestrian Facilities:	N/A
Available Parks/Trail Facilities:	Sandhills Archery located to the west end of the properties
Total number of properties	45 Parcels
Combined Lots Size:	46.11 Acers or 2,008,551.60 Sq. Feet

DISCUSSION AND OBSERVATIONS:

City and Industry Insights

Industrial Availability	Currently the city has approximately 1% land available for industrial space for business expansion or growth.
Visibility	The planned projects will be highly visible from the interstate. Currently this area is not a welcoming or good impression of what our growing city is or intends to be. This will instill a new first impression for those entering West Fargo from I-94.

CITY OF WEST FARGO ECONOMIC DEVELOPMENT

STAFF REPORT

West Fargo 2.0 Comprehensive Plan	Within the City’s Comprehensive Plan, West Fargo 2.0, within the Plan Implementation matrix it is suggested to use TIF or creative funding to grow the economy by further development in the industrial village in the Northwest Sector of the City.
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Financial Impacts

Commercial Tax Base	This project has the potential to increase the commercial tax base for the city by approximately 900,000.00 annually after maturity.
Increase in Value	Existing value is \$2,394,700.00 and the new value is \$64,152,500.00 (an increase of over 25 times the value)
Indirect Value	Secondary economic effects potential (local suppliers, contractors, consumer tax) conservative estimation. (New Value – Current Value * 1.5%) = ~ \$92,636,700.00 to the local economy

Business Benefits

Business Financing w/ current interest rates	When a business is looking to secure potential financing through the state of ND Flex Pace program or a gap financing program being located within a TIF District already shows that the community is supportive of the growth in this area of the community and type of business making eligibility faster and easier.
Potential for Primary Sector Growth	With access to state programs, it is a higher likelihood West Fargo can attract primary sector businesses looking to locate in North Dakota.
Business Attraction	Square Footage cost of purchase or lease pass through expense to the business. This is a consideration for businesses in this competitive market.

Potential Challenges

Potential Risk	Mitigation Effort
Revenue Risk	All taxing entities will continue to receive their current tax on these properties. In addition, the schools and county both have an opportunity to respond and vote on this project.
Economic Uncertainty	Having two developers as part of the district helps to balance some concerns as well as not maximizing the available increment to it’s fullest potential. Additionally, the city backs up their TIF Districts with special assessments.
Market Saturation	The current market is competitive and there are opportunities for industrial businesses to look at other competitive cities or markets.
Environmental Concerns	Identification of wetlands and mitigation through ND state policies is in process and currently at a pause based on status of overall project.
Project Risk	Identifying the opportunity loss of direct and indirect aspects of this project should it move forward or not is comparable in the above financial impacts section of discussion and observations as well as the below section on public participation.

STAFF REPORT

PUBLIC PARTICIPATION:

Public assistance for this project is proposed to consist of a Tax Increment Financing District.

Breakdown of Public Participation:

The public participation is proposed to as a fifteen-year TIF to assist in the expansion of Meadow Brooks industrial park. The incremental funds will be used to support the completion of the infrastructure needed in the area. The total infrastructure costs for the area are projected to be \$7,423,500.00.

With the current value at \$2,394,700 with a projected new value at \$64,152,500.00

The taxes are currently \$35,909.72 and the projected new taxes to be collected at \$961,998.81. With these values the increment supports a TIF at \$6,550,000.00. With a term of fifteen years with an anticipated interest rate of 5.50%.

The Ocho Indy build schedule aims for completion by 2030 with one of five (A-E on slide deck of buildings in attached presentation) completed per year. The RJR LLC property build aims to be built by the end of 2025.

	Current	New	Potential Increase
Ocho Indy Property Value	\$2,394,700.00	\$59,152,500.00	\$56,757,800.00
RJR LLC Property Value	\$0.00	\$5,000,000.00	\$5,000,000.00
Total Property Values	\$2,394,700.00	\$64,152,500.00	\$61,757,800.00
	Current	New	Potential Increase
Ocho Indy Taxes	\$35,909.72	\$887,021.31	\$851,111.59
RJR LLC Taxes	\$0.00	\$74,977.50	\$74,977.50
Total Taxes	\$35,909.72	\$961,998.81	\$926,089.09

LAND USE, ZONING, STREET PLANS, DISPLACEMENT OF RESIDENCE OR BUSINESSES:

The land currently has some residential homes that are spread throughout. The property to the north has developed as industrial. The property to the west is zoned agricultural. Of the residences that remain in this area all have been offered an opportunity to be bought out. Two residences have chosen to remain in the area. Plans for the streets are continually being modified as purchases plats are being updated with the goal to vacate Park.

RECOMMENDATIONS:

The proposed development plan provided by Ocho Indy and Ryan Restad have planned build schedules and goals with development of a Class A industrial park with complementary service businesses to accommodate the growth in this area.

Supporting the growth of the commercial tax base and potential indirect impact of consumer tax that will support the public safety sales tax as well as the economic development sales tax once this project matures leans into the goal areas for economic development for the city. The growth of this area will also create new job opportunities, offer a welcoming atmosphere to incoming vehicles, and have good connectivity to the future land growth opportunities to the north. Should an interstate interchange move forward this area will have increased access with increased potential.

Economic Development Advisory Committee reviewed the proposed project on the November 2nd committee meeting and recommended it for approval to the West Fargo City Commission.

The West Fargo City Commission approved the incentive on the December 4, 2023 meeting.

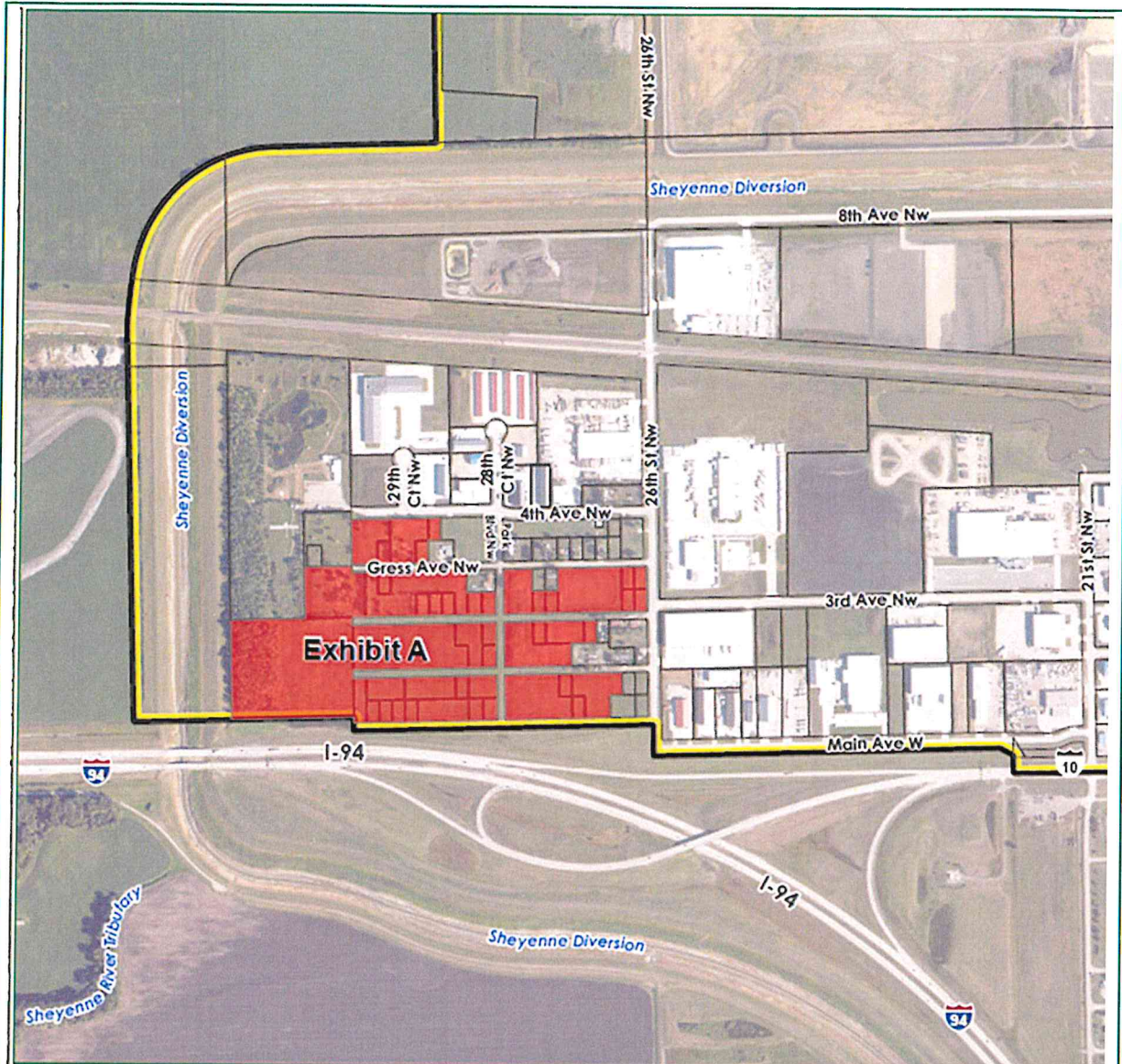
CITY OF WEST FARGO ECONOMIC DEVELOPMENT

STAFF REPORT

PARCEL LIST & Proposed TIF District Map:

	02-1325-00630-000	02-1325-00710-000
02-1325-00040-000	02-1325-00640-000	02-1325-00720-000
02-1325-00050-000	02-1325-00650-000	02-1325-00730-000
02-1325-00500-000	02-1325-00660-000	02-1325-00740-000
02-1325-00012-000	02-1325-00670-000	02-1325-00750-000
02-1325-00013-000	02-1325-00680-000	02-1325-00760-000
02-1325-00014-000	02-1325-00690-000	02-1325-00770-000
02-1325-00620-000	02-1325-00700-000	

02-1325-00540-000	02-1325-00200-000	
02-1325-00550-000	02-1325-00210-000	02-1325-00490-000
02-1325-00560-000	02-1325-00177-000	02-1325-00480-000
02-1325-00570-000	02-1325-00160-000	02-1325-00470-000
02-1325-00580-000	02-3000-01460-000	02-1325-00460-000
02-1325-00590-000	02-1325-00172-000	
02-1325-00600-000	02-1325-00220-000	
02-1325-00610-000	02-1325-00230-000	



PROPOSED TAX INCREMENT FINANCE DISTRICT

Exhibit A



Prepared by:



Date Exported:
11/6/2023 4:54 PM

- Exhibit A
- City Limit

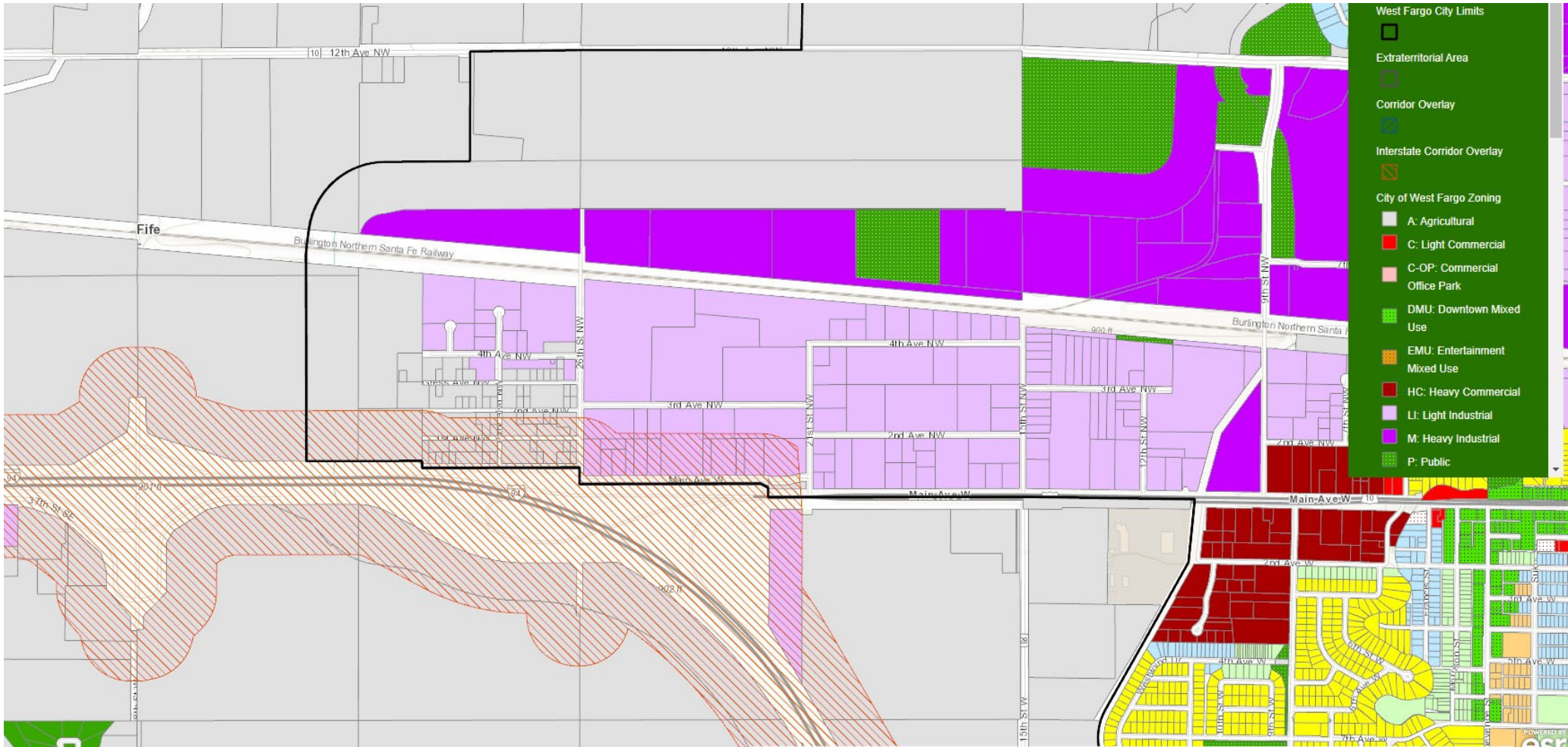




Find PIN, Address, or Subd



2,864,791.228 465,063.440 Feet





I-94

I-94

28TH CT NW

4TH AVE NW

GRESS AVE NW

PARK BLVD NW

28TH CT NW

GRESS AVE NW

4TH AVE NW

25TH ST NW

26TH ST NW

2ND AVE NW

1ST AVE NW

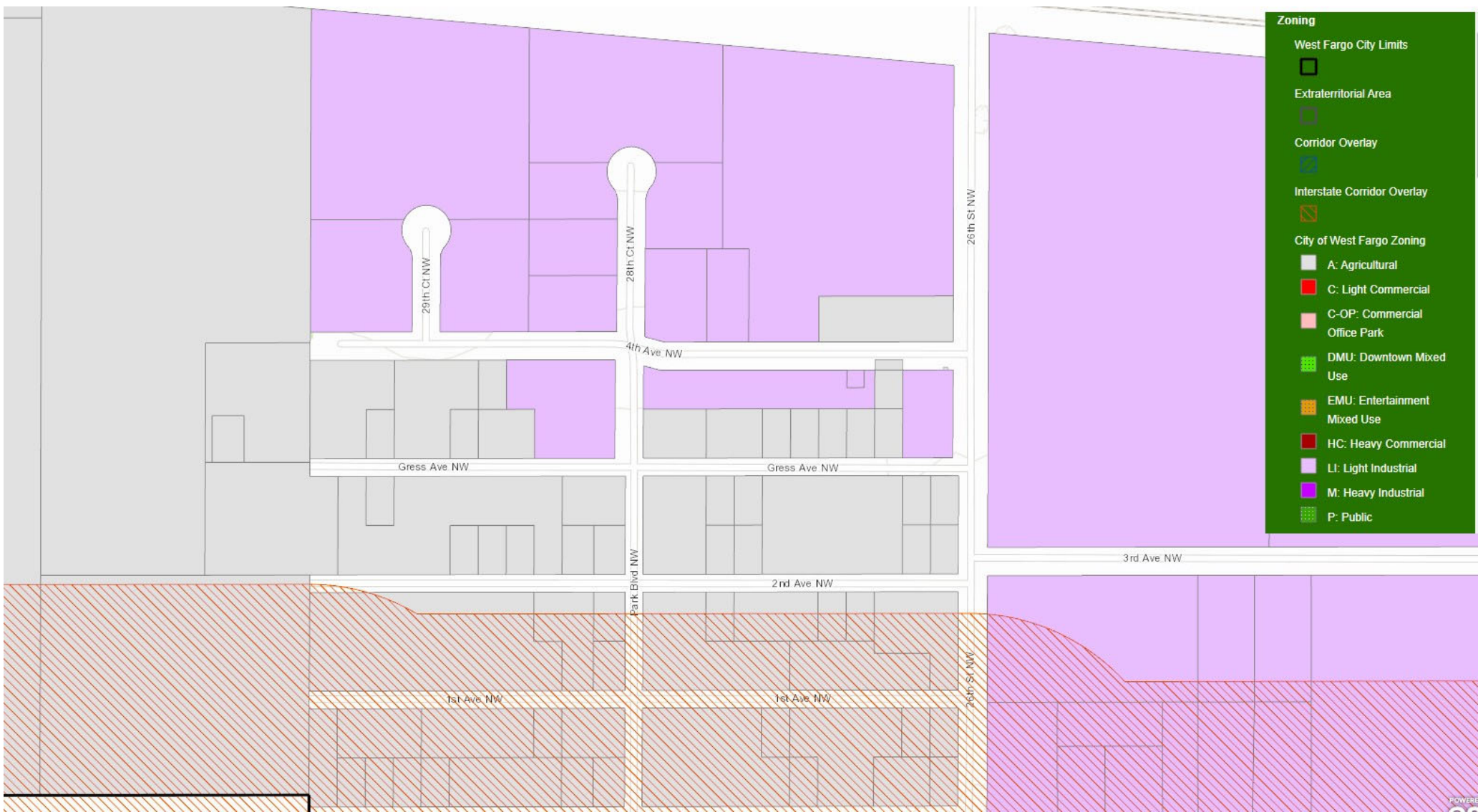
26TH ST NW

3RD AVE NW

3RD AVE NW

MAIN AVE W

MAIN AVE W

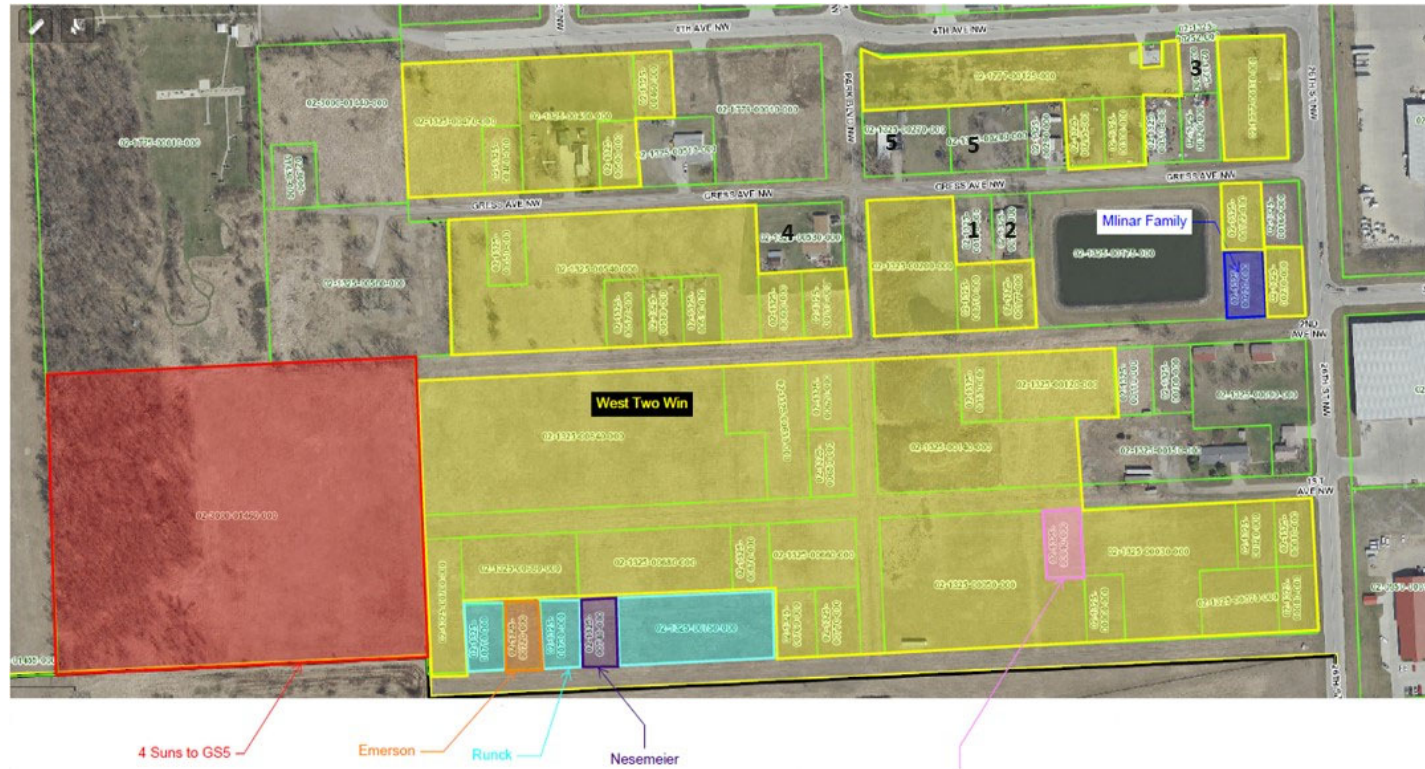








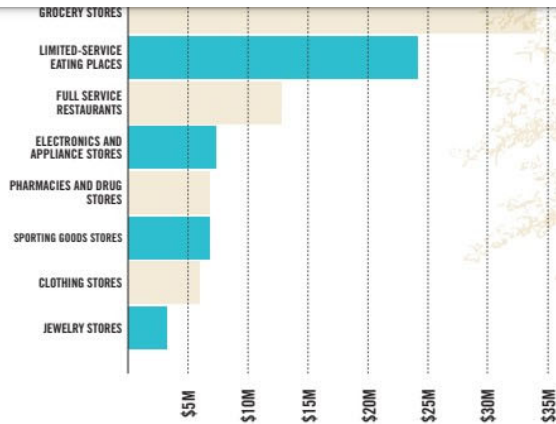
<u>Seller Name</u>	<u>Property Size</u>	<u>Property Type</u>
Craig Ruck	67,201 SF	Land
Milnar Family Trust	11,200 SF	Land
Hilltop Enterprises & Virgil Olson	11,200 SF	Land
Wanda & Gerald Emerson	11,200 SF	Land
Kathleen Nesemeier	11,200 SF	Land
West Two Win Properties	1,357,834 SF	Land
Four Suns (owned by GS5)	478,906 SF	Land
Ernest & LeRae Albers	1	Land
Mark Vrem	2	Home
Wheeling 5 Family Trust	3	Land
Tim Cockayne	4	Home
Christopher Gibbons	5	Home
Total	2,052,741 SF	











SOURCE: ENVIRONICS RETAIL MARKET POTENTIAL REPORT

for the Main Avenue and Sheyenne Street corridor that will continue to yield redevelopment results as they are promoted and used.

The Payment In lieu of Taxes (PILOT) and PACE loan programs are valuable throughout the city and should be continued. As with any incentive program, West Fargo should closely track results, and be willing to "tweak" the program if necessary.

Consider City of West Fargo initiated Tax Increment Financing District(s)

North Dakota's legislation allows municipalities to establish Tax Increment Financing (TIF) Districts in blighted areas whereby the base value of a district continues to flow to the general fund of taxing jurisdictions while any incremental growth within that district would go to fund public improvements within the designated area. TIF districts have been instrumental in blighted areas where investment has created an incremental value to fund public improvements.

While the City of West Fargo markets the opportunities to create TIF districts, it should contemplate a proactive approach to this effort. Particularly in downtown, where new investments will create an incremental value that could go toward

public-sector improvements in the district. Many communities rely on the private sector to suggest TIF financing, however a proactive approach where the City of West Fargo initiates the TIF district in downtown and/or other areas could create a funding opportunity to capture growth and dedicate it to improvements in the district.

Typically, a proactive, city-initiated TIF district signals that the community is encouraging economic development and mixed-use development that will have a need for public infrastructure and will ultimately provide a greater economic development benefit to the city once the tax increment bonds are satisfied.

Develop Industrial "Village" Concept in Northwest Sector of the City

The industrial village concept recognizes that the traditional view of the industrial park has limitations to attract "new economy" investors. More and more, the strictly functional nature of an industrial park where employees simply work and must leave to eat or recreate, does not allow for a creative mix of uses. More and more, businesses are locating in parks that also have a retail component (breweries, distilleries, food-related businesses). The mix of retail-meets-production is a nationally

growing trend. Recognizing the strong and ongoing need for flex space for industrial uses in the region, West Fargo should "leapfrog" over conventional thinking and explore areas where such an industrial village could occur.

Ideally, the location would be in the northwest sector of the city, an area that is already largely industrial and offers the benefit of proximity to the interstate, rail service, and Hector International Airport. Public

improvements in such a development could be funded through a TIF district and include dining establishments for employees and recreational amenities to attract businesses.

Such a location would also be ideal for a maker space and/or incubator space (discussed elsewhere in this report) for businesses not suitable for downtown West Fargo.

Target a balanced mix of uses in key nodes throughout the city to include employment, retail, office, and living. Target appropriate locations to maximize impact and functionality of such

Enhance gateways and districts in West Fargo with branded signage.

Utilize the West Fargo brand to create gateway signs, wayfinding, and banner systems to signify key entries into the city, direct locals and visitors to civic and cultural destinations, identify the character districts of West Fargo, and to distinguish the city in the region.

Continue to Explore Meeting Facility

The issue of a regional meeting facility (convention, conference, or hybrid)





4th Ave NW

30th St NW

3rd Ave NW

26th St NW

I

G

F

H

J

E
D
C

B

A





Valuation Projection

Site	Proposed Use	Building Location	Building SF	Value PSF	Valuation - \$	Valuation - %
A	Distribution Warehouse Building	West Side of Lot 1 - Sandhills 6th Addition	84,000 SF	\$90.00	\$7,560,000	13%
B	Manufacturing Building	East Side of Lot 1 - Sandhills 6th Addition	110,250 SF	\$90.00	\$9,922,500	17%
C	Office & Production/Processing Building	Lot 2 - Sandhills 6th Addition	105,000 SF	\$90.00	\$9,450,000	16%
D	Office & Logistics/Networking Building	Lot 3 - Sandhills 6th Addition	80,000 SF	\$90.00	\$7,200,000	12%
E	Office & Transportation Hub Building	Lots 4-9 - Sandhills 6th Addition	173,000 SF	\$90.00	\$15,570,000	26%
F	Showcase Garages & Hobby Workspaces Community	Lot West of Pond	25,000 SF	\$70.00	\$1,750,000	3%
G	Workshop with Outdoor Staging & Circulation - West	Lot Northwest of Pond	20,000 SF	\$70.00	\$1,400,000	2%
H	Workshop with Outdoor Staging & Circulation - East	Lot Northeast of Pond	60,000 SF	\$70.00	\$4,200,000	7%
I	Commercial Shop Bay Building	Lot East of Sandhills Archery	10,000 SF	\$100.00	\$1,000,000	2%
J	Retail/Restaurant Sales & Service Center	Lot East of Pond	10,000 SF	\$110.00	\$1,100,000	2%
Ending Projected Development Valuation:					\$59,152,500	100%

- Each Warehouse Building has a 14 Month Construction Period
- The Shop Condo, Shop/Yard Buildings, & Future Development Land Buildings have a 12 Month Construction Period
- Cass County Reassesses Property Tax Values in April, then Approves/Finalizes those Reassessments in August
- Assessments do not reflect the Full Assessed Value until lease period is complete and Property is Stabilized
- Assumes that lease period will last 6 - 12 months depending on delivery date
- Land will be assessed at our represented PSF Valuation for it

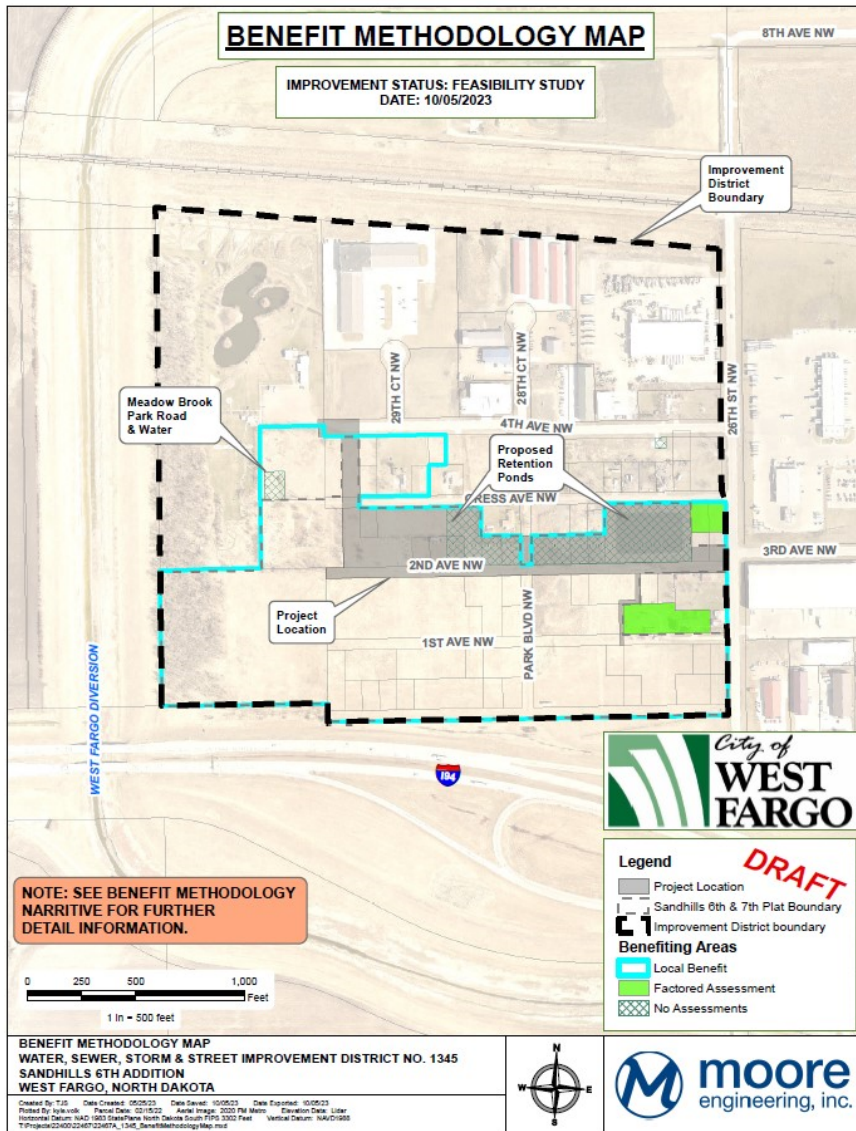
Important News

New values are posted by April 1st of each year and are only "proposed values" until their final approval. All values are certified following the State Board of Equalization meeting held the second Tuesday in August.

New Cass County Residential Visual Sales Map: <https://cass-county-hub-casscountynd.hub.arcgis.com/apps/property-sales-application/explore>

Valuation Growth Over Time															
Site	Proposed Use	2023	Q1 - 2024	Q4 - 2024	Q1 - 2025	Q4 - 2025	Q1 - 2026	Q4 - 2026	Q1 - 2027	Q4 - 2027	Q1 - 2028	Q4 - 2028	Q1 - 2029	Q4 - 2029	2030
A	Distribution Warehouse Building	\$ -	\$ -	\$ -	\$ 1,134,000	\$ 5,292,000	\$ 7,182,000	\$ 7,560,000	\$ 7,560,000	\$ 7,560,000	\$ 7,560,000	\$ 7,560,000	\$ 7,560,000	\$ 7,560,000	\$ 7,560,000
B	Manufacturing Building	\$ -	\$ -	\$ -	\$ 496,125	\$ 5,953,500	\$ 8,434,125	\$ 9,922,500	\$ 9,922,500	\$ 9,922,500	\$ 9,922,500	\$ 9,922,500	\$ 9,922,500	\$ 9,922,500	\$ 9,922,500
C	Office & Production/Processing Building	\$ -	\$ -	\$ -	\$ -	\$ 472,500	\$ 2,835,000	\$ 6,615,000	\$ 8,977,500	\$ 9,450,000	\$ 9,450,000	\$ 9,450,000	\$ 9,450,000	\$ 9,450,000	\$ 9,450,000
D	Office & Logistics/Networking Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,000	\$ 1,440,000	\$ 3,600,000	\$ 6,840,000	\$ 7,200,000	\$ 7,200,000	\$ 7,200,000	\$ 7,200,000	\$ 7,200,000
E	Office & Transportation Hub Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,892,500	\$ 6,228,000	\$ 10,120,500	\$ 13,234,500	\$ 15,570,000	\$ 15,570,000
F	Showcase Garages & Hobby Workspaces Community	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 437,500	\$ 700,000	\$ 1,312,500	\$ 1,750,000
G	Workshop with Outdoor Staging & Circulation - West	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ 560,000	\$ 1,050,000	\$ 1,400,000
H	Workshop with Outdoor Staging & Circulation - East	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,050,000	\$ 1,680,000	\$ 3,150,000	\$ 4,200,000
I	Commercial Shop Bay Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ 650,000	\$ 1,000,000	\$ 1,000,000
J	Retail/Restaurant Sales & Service Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 495,000	\$ 935,000	\$ 1,100,000
Cumulative Total of Valuations:		\$ -	\$ -	\$ -	\$ 11,718,000	\$ 25,537,500	\$ 37,665,000	\$ 46,440,500	\$ 57,150,000	\$ 59,152,500					
		2023		2024	2025		2026		2027		2028		2029		2030

Construction Completion Over Time															
Site	Proposed Use	2023	Q1 - 2024	Q4 - 2024	Q1 - 2025	Q4 - 2025	Q1 - 2026	Q4 - 2026	Q1 - 2027	Q4 - 2027	Q1 - 2028	Q4 - 2028	Q1 - 2029	Q4 - 2029	2030
A	Distribution Warehouse Building	0%	0%	0%	15%	70%	95%	100%	100%	100%	100%	100%	100%	100%	100%
B	Manufacturing Building	0%	0%	0%	5%	60%	85%	100%	100%	100%	100%	100%	100%	100%	100%
C	Office & Production/Processing Building	0%	0%	0%	0%	5%	30%	70%	95%	100%	100%	100%	100%	100%	100%
D	Office & Logistics/Networking Building	0%	0%	0%	0%	0%	5%	20%	50%	95%	100%	100%	100%	100%	100%
E	Office & Transportation Hub Building	0%	0%	0%	0%	0%	0%	0%	0%	25%	40%	65%	85%	100%	100%
F	Showcase Garages & Hobby Workspaces Community	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	40%	75%	100%
G	Workshop with Outdoor Staging & Circulation - West	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	40%	75%	100%
H	Workshop with Outdoor Staging & Circulation - East	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	40%	75%	100%
I	Future Development Land - West	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	35%	65%	100%	100%
J	Future Development Land - East	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	45%	85%	100%
Cumulative Total of Construction Completion:		0%	0%	0%	20%	43%	64%	79%	97%	100%					
		2023		2024	2025		2026		2027		2028		2029		2030



IMPROVEMENT DISTRICT NO. 1345

BENEFIT METHODOLOGY

IMPROVEMENT STATUS: Feasibility Study
DATE: 10/05/2023

Sewer, Water, Storm & Street Improvement Dist. No. 1345
Sandhills 6th Addition
West Fargo, North Dakota

Summary of Location for Improvements

- Local Benefiting Area
 - Proposed Sandhills 6th Addition Plat
 - Proposed Sandhills 7th Addition Plat
 - Meadow Brook Park Addition
 - Block 3 Lots 1-5, 22
 - Block 3 Lots 17-21 (Factored Assessment)
 - Block 4 Lots 1-2 (Factored Assessment)
 - Block 4 Lots 21-22
 - Block 8 Lots 11-12
 - Block 8 Lots 5-9, 14-17 (Pond and Water Only)
 - Sandhills Archers, Inc. Property (i.e. unplatted 2.05 acre parcel) – Storm and Pond Only
- Non-Benefiting Areas
 - Sandhills 3rd Addition Plat
 - Block 1 Lots 1-11
 - Block 2 Lot 1
 - Block 3 Lot 1
 - Sandhills 4th Addition Plat
 - Sandhills 5th Addition Plat
 - Meadow Brook Park Addition
 - Block 4 Lots 8-11
 - Block 5 Lot 3, 12-20
 - Block 6 Lot 1-10
 - Block 8 Lot 5-9, 11, 12, 14-19
 - Block 9 Lot 1-2
 - Meadow Brook Park Road & Water Property
 - Sandhills Archers, Inc. Property (i.e. Lot 1, Block 1 Sandhills Subdivision)
 - Sandhills 6th Addition
 - Block 3, Lot 5 (Future Right-of-Way Purchase)

Assessment Methodology

- No Assessments
 - City Properties
 - Sandhills 6th Addition Plat
 - Block 1 Lot 2 (Proposed Storm Water Retention Pond)
 - Block 2 Lot 1 (Proposed Storm Water Retention Pond)
 - Sandhills 3rd Addition Block 2 Lot 1 (Sanitary Sewer Lift Station Lot)

- Meadow Brook Park Road & Water Property (i.e. unplatted/0.28 acre private well parcel)
- Non-Benefiting Areas
 - At the time of this report and iteration of the benefit methodology, it is the understanding per City Staff correspondence and other related correspondence with Developers, that the intention is to not allocate any special assessments (local or regional) to the defined non-benefiting areas of the improvement district for the currently proposed public infrastructure improvements.

Local Benefit

- Sanitary Sewer – Square Footage
- Water Main – Square Footage
- Storm Sewer – Square Footage
- Street – Square Footage
- Street Lighting – Square Footage
- Wetland Permitting & USACE Coordination – Square Footage
 - USACE Permitting & Wetland Delineation
 - Wetland Mitigation Expenses