



Economic Development Incentive Committee
Fargo City Hall
225 4th Street North
Fargo, ND 58102

May 20, 2026

Board of City Commissioners
City Hall
Fargo, ND 58102

RE: Fargo HRA Low Income Housing

Dear Commissioners:

Attached is the application made by Fargo HRA Low Income Housing for a payment in lieu of tax (PILOT) according to N.D.C.C. Chapter 40-57.1. The application is for a 17-year exemption of the improvement value of a low-income housing project located at 1711 25th Ave S.

Notices to competitors have been published. The Economic Development Incentive Committee (EDIC) has met to consider this application. No competitors appeared at the EDIC meeting. This project meets our current policy. The project will continue to pay the full land taxes annually.

The recommendation of the EDIC is to approve the proposed PILOT for this project.

SUGGESTED MOTION:

Approval of a 17-year property tax exemption PILOT for Fargo HRA Low Income Housing for a low-income housing project located at 1711 25th St S.

Sincerely,

Michael Splonskowski

Mike Splonskowski
City Assessor

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To Fargo

City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1. Name of project operator of new or expanding business Fargo HRA Low Income Housing
2. Address of project 1711 25th Avenue South
City Fargo County Cass
3. Mailing address of project operator 325 Broadway
City Fargo State ND Zip 58102
4. Type of ownership of project
☒ Partnership ☐ Subchapter S corporation ☐ Individual proprietorship
☐ Corporation ☐ Cooperative ☒ Limited liability company
5. Federal Identification No. or Social Security No. _____
6. North Dakota Sales and Use Tax Permit No. _____
7. If a corporation, specify the state and date of incorporation _____
8. Name and title of individual to contact Chris Brungardt, CEO Fargo Housing and Redevelopment Authority
Mailing address 325 Broadway
City, State, Zip Fargo ND 58102 Phone No. 701.715.4171

Project Operator's Application For Tax Incentives

9. Indicate the tax incentives applied for and terms. Be specific.

☐ Property Tax Exemption ____ Number of years ____ Percent of exemption	☒ Payments In Lieu of Taxes <u>2028</u> Beginning year <u>2044</u> Ending year ____ Amount of annual payments (attach schedule if payments will vary)
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10. Which of the following would better describe the project for which this application is being made:
☒ New business project ☐ Expansion of a existing business project

Description of Project Property

11. Legal description of project real property

Lot: 7 Block: 7 WENTZ LOT 7 BLK 7 LESS ST R/2 AND ALL LOT 8

12. Will the project property be owned or leased by the project operator? ☒ Owned ☐ Leased

If the answer to 12 is leased, will the benefit of any incentive granted accrue to the project operator?

☐ Yes ☐ No

If the property will be leased, attach a copy of the lease or other agreement establishing the project operator's benefits.

13. Will the project be located in a new structure or an existing facility? ☒ New construction ☐ Existing facility

If existing facility, when was it constructed? _____

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application July 2026

b. Description of project to be constructed including size, type and quality of construction

65 Unit Low Income Multi-Family residential apartment building, consisting of 1,2 and 3 bedrooms.
Building will be 100% HUD vouchered for 0 to 50% Area Median Income.c. Projected number of construction employees during the project construction 150 to 20014. Approximate date of commencement of this project's operations October 202715. Estimated market value of the property used for this project:a. Land..... \$ 600,000b. Existing buildings and structures for which an exemption is claimed..... \$ 0c. Newly constructed buildings and structures when completed \$ 8,000,000d. Total \$ 8,600,000

e. Machinery and equipment..... \$ _____

16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:

a. Land (not eligible) b. Eligible existing buildings and structures..... \$ 0c. Newly constructed buildings and structures when completed..... \$ 400,000d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 400,000e. Enter the consolidated mill rate for the appropriate taxing district 298.43f. Annual amount of the tax exemption (Line d multiplied by line e) \$ 119,372.00

Description of Project Business

Note: "project" means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.

17. Type of business to be engaged in: ☐ Ag processing ☐ Manufacturing ☐ Retailing
☐ Wholesaling ☐ Warehousing ☒ Services
18. Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary).

Affordable rental property serving low income households. The building will have FHRA's Project Based Vouchers attached which will allow for deep housing subsidies for income as low as \$0. This is a partnership between Blueline Development and the Fargo Housing Authority. After 15-17 years, the Fargo Housing Authority will be the sole owner.

19. Indicate the type of machinery and equipment that will be installed

The building will have typical apertances associated with newly constructed apartment buildings including an elevator. Further, the building will be constructed to green community standards, have a minimumum 20% univernal design and ADA units.

20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption.

	New/Expansion Project only Year 1	New/Expansion Project only Year 2	New/Expansion Project only Year 3	New/Expansion Project only Year 4	New/Expansion Project only Year 5
Year (12 mo. periods)					
Annual revenue	891000	908881	927059	945600	964511
Annual expense	810916	822874	835190	847876	860942
Net income	80144	86007	91869	97724	103569

21. Projected number and salary of persons to be employed by the project for the first five years:

Current positions & positions added the initial year of project

# Current Positions	New Positions Under \$13.00	New Positions \$13.01-\$15.00	New Positions \$15.01-\$20.00	New Positions \$20.01-\$28.00	New Positions \$28.01-\$35.00	New Positions Over \$35.00
Year	(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1) _____	1	1	1	1	1
	(2) _____	2	2	2	2	2
Estimated payroll	(1) _____	128000	132000	135000	140000	144000
	(2) _____					

(1) - full time
(2) - part time

Previous Business Activity

22. Is the project operator succeeding someone else in this or a similar business? ☒ Yes ☐ No
23. Has the project operator conducted this business at this or any other location either in or outside of the state?
☒ Yes ☐ No
24. Has the project operator or any officers of the project received any prior property tax incentives? ☒ Yes ☐ No
- If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach additional sheets if necessary).
FHRA has received PILOTs for other affordable housing projects such as the 96 unit New Horizons, 84 unit Elliott Place and 110 unit Lashkowitz.

Business Competition

25. Is any similar business being conducted by other operators in the municipality? ☒ Yes ☐ No
- If YES, give name and location of competing business or businesses
YWCA, Beyond Shelter, Jeremiah Program
- Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition _____ %

Property Tax Liability Disclosure Statement

26. Does the project operator own real property in North Dakota which has delinquent property tax levied against it? ☐ Yes ☒ No
27. Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? ☐ Yes ☒ No
- If the answer to 26 or 27 is Yes, list and explain

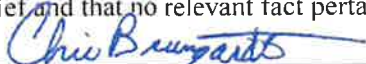
Use Only When Reapplying

28. The project operator is reapplying for property tax incentives for the following reason(s):
- ☐ To present additional facts or circumstances which were not presented at the time of the original application
 - ☐ To request continuation of the present property tax incentives because the project has:
 - ☐ moved to a new location
 - ☐ had a change in project operation or additional capital investment of more than twenty percent
 - ☐ had a change in project operators
 - ☐ To request an additional annual exemption for the year of _____ on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, Chris Brungardt, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.


Signature

CEO, Fargo Housing/Redevelopment

Title

4/13/2026

Date