MUNICIPAL AIRPORT AUTHORITY OF THE CITY OF FARGO, ND

SPECIAL MEETING

Airport Boardroom, Second Floor

Tuesday, October 28, 2025 – 8:00 am

https://us02web.zoom.us/j/428180443?pwd=U1hwMGJmVmdyc1IjUGE1MkI0VnRBdz09
Meeting ID: 428 180 443
or
Dial (669-900-6833) or (253-215-8782)
Password: 2801

AGENDA

(This meeting is a continuation of the Regular Meeting held October 14, 2025)

Roll call

11. Receive parking operations update from SP Plus/Metropolis (Gregory Pierson)

12. Receive and approve proposed Master Services Agreement with EideBailly LLP (Tanna Aasand)

13. Receive communication from Fargo Aviation LLC regarding proposed NGA hangar and ground lease

14. Receive communications from the Federal Aviation Administration and City of Fargo regarding special assessments to airport property

Old Business:

Safety report

Hotel SOIQ update

Discuss CFO and internal marketing/community engagement positions

Governance Committee update

Public Comment Period regarding topics discussed today or from the previous meetings held September 9, 2025 and October 14, 2025.

If necessary, the Municipal Airport Authority may enter into executive session to consider or discuss closed or confidential records or information pursuant to North Dakota Century Code Sections 44-04-19.1, 44-04-19.2, 44-04-24 and 44-04-26.

NEXT REGULAR MEETING

Monday, November 10, 2025 (changed due to Veterans Day holiday)

Docusign Envelope ID: 949FF683-923F-488B-ABEC-6E71C3085EF8

12

EIDE BAILLY LLP
MASTER SERVICES AGREEMENT

GENERAL

1) This Master Services Agreement ("Agreement") describes Eide Bailly LLP's standard terms and conditions applicable to the provision of Eide Bailly's services to the Client. For the purposes of this Master Services Agreement, any reference to "Eide Bailly" is a reference to Eide Bailly LLP. Any reference to "Client" is a reference to the party or parties that have engaged Eide Bailly to provide services and the party or parties ultimately responsible for payment of Eide Bailly's fees and costs. Client acknowledges and agrees that Eide Bailly is not in a fiduciary relationship with it and Eide Bailly has no fiduciary responsibilities to Client in the performance of its services described herein or in any applicable Statement of Work. As between this Agreement and any applicable Statement of Work, the language in this Agreement will control.

BILLING, PAYMENT, & TERMINATION

2) Billing and Payment Terms. Eide Bailly will bill Client for its professional fees and costs as provided in a Statement of Work. All bills are payable upon receipt and will include actual out-of-pocket expenses, administrative charges, and a technology fee. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

Should our relationship terminate before the services provided for in a separate Statement of Work are completed, Client will be billed for services to the date of termination.

3) Termination. Either party may terminate this Agreement by written notice to the other party at any time for any reason, except Eide Bailly shall not terminate in a manner that causes undue harm to Client. Nothing in this Agreement shall prohibit Eide Bailly from terminating this Agreement or any Statement of Work where termination is required by applicable professional standards.

INFORMATION AND DATA

4) Sharing of Information. During the course of the engagement, Eide Bailly will only provide confidential engagement documentation to Client via Eide Bailly's secure portal or other secure methods, and request that Client uses the same or similar tools in providing information to Eide Bailly. Should Client choose not to utilize secure communication applications, Client acknowledges that such communication contains a risk of the information being made available to unintended third parties. Similarly, Eide Bailly may communicate with Client or its personnel via e-mail or other electronic methods. Client acknowledges that communication in those mediums contains a risk of misdirected or intercepted communications.

5) Remote Access. Should Client provide Eide Bailly with remote access to its information technology environment, including but not limited to its financial reporting system, Client agrees to (1) assign unique usernames and passwords for use by Eide Bailly's personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of Client's data; (3) limit access to the areas of Client's technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to Eide Bailly upon the completion of procedures for which access was provided. Eide Bailly agrees to only access Client's technology environment to the extent necessary to perform the identified procedures.

6) Electronic Sites. Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on Client's website or elsewhere, Client understands that electronic sites are a means to distribute information and, therefore, Eide Bailly is not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

7) Data and Records. Eide Bailly cannot agree to be the sole host and/or the sole storage for Client's financial and nonfinancial data. It is Client's responsibility to maintain Client's original data and records and Eide Bailly cannot be responsible to maintain such original information. By signing this Agreement, Client affirms that it has all the data and records required to make its books and records complete.

8) Mandatory Disclosures. Eide Bailly may be requested to make certain engagement

documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such engagement documentation will be provided under the supervision of Eide Bailly's personnel. Furthermore, upon request, Eide Bailly may provide copies of selected engagement documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. Eide Bailly will be compensated for any time and expenses it may incur in making such documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of Eide Bailly's performance of these services. Client and its attorney will receive, if lawful, a copy of every subpoena Eide Bailly is asked to respond to on its behalf. Wherever possible and as permitted under applicable court rules, Eide Bailly will work with Client to limit costs Client may incur."

9) Service Providers. Eide Bailly may use third-party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering its services to Client. Eide Bailly's use of service providers may require access to Client information by the service provider. Eide Bailly will take reasonable precautions to determine that such service providers have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. Eide Bailly will remain responsible for the confidentiality of Client information accessed by such service provider and any work performed by such service provider. Client acknowledges that its information may be disclosed to such service providers, including those outside the United States.

10) Use of Artificial Intelligence. While providing the services set forth in this Agreement, in order to enhance the quality and efficiency of services provided, Eide Bailly may use tools incorporating artificial intelligence, including, but not limited to, algorithms, machine learning, and automated processes ("AI"). The use of such technologies will comply with applicable laws and regulations. Eide Bailly will use appropriate due diligence and best practices to ensure that any AI tools and methods are secure.

11) Confidential Information. Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this Agreement or as otherwise necessary for Eide Bailly to provide the services. Client's confidential information is defined as any information it provides to Eide Bailly that is not available to the public. Eide Bailly's confidential information includes its engagement documentation for engagements performed under this Agreement. Eide Bailly's engagement documentation, including all workpapers, shall at all times remain the property of Eide Bailly. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

12) Retention Period. Eide Bailly agrees to retain its documentation or work papers for a period of at least eight years from the date of a report, other engagement deliverables, and/or completion of the engagement.

DISPUTES & LIMITATIONS

13) Mediation. Any disagreement, controversy, or claim arising out of or related to any aspect of Eide Bailly's services or relationship with Client (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Fargo, North Dakota. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

14) Limitation of Liability. Unless disallowed by law or regulation, the exclusive remedy available to Client for any alleged loss arising from or related to Eide Bailly's services shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this Agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to Client exceed two times fees paid under the applicable Statement of Work, nor shall Eide Bailly ever be liable to Client for indirect, special, incidental,

consequential, punitive, or exemplary damages, or attorneys' fees.

15) Time Limitation. Unless disallowed by law or regulation, Client may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("limitation period") after the date when Eide Bailly delivered the report, return, or other deliverable as identified in a relevant Statement of Work or upon termination of the Statement of Work, whichever is earlier, regardless of whether Eide Bailly performs other services for Client.

16) Limited Indemnity. Eide Bailly shall not be responsible for any misstatements in its deliverables to Client that it may fail to detect as a result of misrepresentations or concealment of information by any of Client's owners, directors, officers, or employees. Unless disallowed by law, regulation, or applicable professional standards, Client shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages, and attorneys' fees arising from any such misstatement or concealment of information.

If, through no fault of Eide Bailly, it is named as a party to a dispute between Client and a third party, Client shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) it incurs in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this Agreement unless the services were performed in accordance with professional standards in all material respects.

17) Governing Law and Venue. Any Dispute between us, including any Dispute related to the engagement contemplated by this Agreement, shall be governed by North Dakota law. Any unresolved Dispute shall be submitted to a federal or state court located in Fargo, North Dakota.

18) Assignment. Client shall not assign, sell, barter, or transfer any legal rights, causes of actions, claims, or Disputes it may have against Eide Bailly to any person.

OTHER

19) U.S. Securities and Exchange Commission ("SEC") and other Regulatory Bodies. Where Eide Bailly is providing services either for (a) an entity that is registered with the SEC, (b) an affiliate of such registrant, or (c) an entity or affiliate that is subject to rules, regulations, or standards beyond those of the American Institute of Certified Public Accountants ("AICPA"), any term of this contract that would be prohibited by or impair our independence under applicable law or regulation shall not apply to the extent necessary only to avoid such prohibition or impairment.

20) HLB International. Eide Bailly is a member of HLB International, a worldwide organization of accounting firms and business advisors ("HLB"). Each member firm of HLB, including Eide Bailly, is a separate and independent legal entity and is not owned or controlled by any other member of HLB. Each member firm of HLB is solely responsible for its own acts and omissions, and no other member assumes any liability for such acts or omissions. Neither Eide Bailly nor any of its affiliates are responsible or liable for any acts or omission of HLB or any other member firm of HLB and hereby specifically disclaim any and all responsibility, even if Eide Bailly or any of its affiliates are aware of such acts or omissions of another member of HLB. Engagements referred among HLB member firms may result in the payment and receipt of a referral fee.

21) Eide Bailly Alliance. Eide Bailly formed the Eide Bailly Alliance, a network for small to mid-sized CPA firms across the nation. Each member firm of The Eide Bailly Alliance, including Eide Bailly, is a separate and independent legal entity and is not owned or controlled by any other member of The Eide Bailly Alliance. Each member firm of The Eide Bailly Alliance is solely responsible for its own acts and omissions, and no other member assumes any liability for such acts or omissions. Neither Eide Bailly, nor any of its affiliates, are responsible or liable for any acts or omission of The Eide Bailly Alliance or any other member firm of The Eide Bailly Alliance and hereby specifically disclaim any and all responsibility, even if Eide Bailly, or any of its affiliates are aware of such acts or omissions of another member of The Eide Bailly Alliance.

22) Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, the remainder of this Agreement shall not be affected, and each such term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

23) Use of Deliverables and Drafts. Client agrees it will not modify any deliverables or drafts prepared by Eide Bailly for internal use or for distribution to third parties. Client also understands that Eide Bailly

may, on occasion, send Client documents marked as draft and understand that those are for Client's review purpose only, should not be distributed in any way, and should be destroyed as soon as possible. When the engagement provides for the issuance of a report on financial or non-financial information, and/or other deliverables, Client may make copies of the report and/or other deliverables, but only if the entirety of the relevant underlying information, exactly as accompanying our report and/or deliverable, as appropriate, are reproduced and distributed with the report and/or other deliverables. Client agrees not to reproduce or associate our report and/or other deliverables with any other financial or non-financial information, or portions thereof, that are not the subject of our engagement.

Acknowledged and agreed:

Eide Bailly LLP

EIDE BAILLY LLP

CLIENT

_____

Signature

Shawn Dobberstein

Name

Executive Director

Title

_____

Date

Eide Bailly Use:
Client ID: 94814
Account Name: Fargo Municipal Airport
Address: PO Box 2845 | Fargo | ND | 58108-2845
SR ID: SR-0046024

Docusign Envelope ID: 949FF683-923F-488B-ABEC-6E71C3085EF8

EIDE BAILLY LLP
TECHNOLOGY CONSULTING ADDENDUM
to MASTER SERVICES AGREEMENT

GENERAL

1) This Addendum only applies in conjunction with an associated Statement of Work for technology consulting services. All terms of the Master Services Agreement shall remain in full force and effect.

SERVICES AND DELIVERABLES

2) **Incorporation of Design Documentation.** The Deliverables identified in a Statement of Work may include Design Documentation. Any Design Documentation shall be submitted to Client for written approval. Upon Client's written approval, any Design Documentation shall be incorporated into the Deliverables described in a Statement of Work. If the Design Documentation conflicts with any such Deliverables, the Design Documentation shall control.

3. **Work Outside of Scope**. Eide Bailly shall have no obligation to provide any Deliverables or perform any Services not specifically set forth in a Statement of Work or Design Documentation. Client may request additional Deliverables and Services only pursuant to the Change Control procedures described immediately below.

4. **Change Control**. If either Party identifies a need to supplement or revise the Services or Deliverables described in a Statement of Work, the Party may create a change request ("Change Request"). The Change Request shall include relevant details such as changes to scope, assumptions, cost estimates, timelines, risks, and the like. Both Parties shall accept the terms of a Change Request before work outside the scope of a Statement of Work may continue. Eide Bailly shall charge Client, and Client shall pay Eide Bailly, on an hourly basis at Eide Bailly's normal hourly rates for any services or deliverables requested by Client that are not specified in a Statement of Work or an accompanying Change Request. Any signed Change Request shall thereafter be incorporated into the Statement of Work to which it refers.

5. **HIPAA**. Unless agreed by Eide Bailly in a separate signed writing:

a) Client has not relied on Eide Bailly to opine upon Eide Bailly's actual or potential status as a Business Associate (as that term is defined in the Health Insurance Portability and Accountability Act of 1996, as amended and supplemented ("HIPAA"));

b) In providing the Services, Eide Bailly is not acting as a Business Associate on Client's behalf;

c) The Services and Deliverables may not be used to store, maintain, process, or transmit protected health information ("PHI") (as that term is defined in HIPAA); and

d) The Services and Deliverables will not be used in any manner that would require the Services or Deliverables to be HIPAA compliant.

OWNERSHIP RIGHTS

6. **Eide Bailly's Ownership Rights**. Eide Bailly retains all rights, titles, and interests, including Intellectual Property Rights, in any Preexisting Materials, including the right to use, reuse, or otherwise exploit any Preexisting Materials for its other clients. In addition, Eide Bailly retains all rights, titles, and interests, including all Intellectual Property Rights, in the Services, Software, Design Documentation, and Deliverables, including the right to provide similar services and deliverables to other clients.

7. **Client Ownership Rights**. Client retains all rights, titles, and interests, including all Intellectual Property Rights, in the Client Materials. Client grants Eide Bailly the right to use the Client Materials to provide the Services and Deliverables to Client. Eide Bailly shall not market, distribute, reproduce, or seek to commercially exploit the Client Materials.

8. **Contingent License**. Provided Client has fulfilled its obligations under this Agreement, Eide Bailly grants Client a perpetual, non-exclusive, transferable, worldwide, and royalty free license to use, reproduce, copy, perform, display, modify or have modified by third parties, create or have created by third parties derivative works of, the Services, Software, Design Documentation, and/or Deliverables.

CLIENT ENGAGEMENT RESPONSIBILITIES

9. **Appointment of Coordinator**. Client shall designate one individual and one alternate to serve as Eide Bailly's primary point of contact for the relationship contemplated by this Agreement (the "Coordinator"). The Coordinator shall have the authority to act for Client as to all aspects of this Agreement. Eide Bailly shall be entitled to rely on all statements and agreements made by the Coordinator during the term of this Agreement.

10. **Third-Party Products and License Terms**. In connection with the receipt of any services or the use of any third-party products, software, tools, or components incorporated into or referenced in any applicable Statement of Work, Client expressly acknowledges and agrees to be bound by the terms and conditions of any applicable third-party license agreements, whether such terms are provided directly by the third party or referenced by Eide Bailly. Client further agrees that:

a) **No Objection**. Client shall not contest, object to, or otherwise challenge, the enforceability or applicability of any such third-party license terms.

b) **Deemed Receipt**. Client acknowledges that it has received, reviewed, and understood all applicable third-party license agreements, or, where such agreements are publicly available or referenced in the Statement of Work, that it has had a reasonable opportunity to do so. Client shall not assert any claim or defense based on non-receipt or lack of awareness of such terms.

c) **Indemnification**. Client shall indemnify, defend, and hold harmless Eide Bailly from and against any and all claims, liabilities, damages, losses, or expenses (including reasonable attorneys' fees) arising out of or related to Client's breach of any third-party license terms.

d) **Survival**. The provisions of this section shall survive the termination or expiration of the applicable Statement of Work or this Agreement.

WARRANTIES

11) **Express Warranty**. Eide Bailly shall perform all Services, and the Deliverables shall have been prepared in a workmanlike manner.

12) **Warranty Against Non-Infringement**. Any Services, Software, or Deliverables, when properly used as contemplated by this Agreement, shall not infringe or misappropriate any United States copyright, trademark, patent, or other trade secrets of any third parties. Eide Bailly has any necessary rights and permissions to use any Third-Party Software in the manner contemplated by this Agreement.

13) **Warranty Disclaimers**. Except as specifically described in this Warranties section, all Services, Software, Third-Party Software, Deliverables, and any other product or service provided by Eide Bailly to Client are furnished "as is" and without any other express or implied warranties of any kind. Eide Bailly expressly disclaims any and all such warranties, such as, but without limitation, any implied warranties of merchantability, or fitness for a particular purpose. Eide Bailly does not warrant that any Services, Software, Third-Party Software, or Deliverables will be uninterrupted or error free.

14) **Remedies for Breach of Warranty**. The exclusive remedy to Client for a breach of any warranty arising under this Agreement shall be the repair or replacement of the Services, Software, Deliverables, or any other product or service provided to Client by Eide Bailly. If a court of competent jurisdiction determines that this remedy fails of its essential purpose, Client's damages for breach of warranty shall be limited as described in the Master Services Agreement.

DEFINITIONS

15) As used in this Addendum:

a) "**Client Materials**" means all of Client's proprietary business information, methodologies, procedures, utilities, algorithms, models, documents, and concepts, and any Intellectual Property Rights therein, which are provided by Client to Eide Bailly in furtherance of this Agreement.

b) "**Deliverables**" means only those tangible items Eide Bailly agrees in writing to provide to Client in a Statement of Work.

c) "**Design Documentation**" means a written description of requirements or functionality created through a collaborative process between Eide Bailly and Client for the purpose of analysis, planning, and implementation of the Services and/or Deliverables.

d) "**Intellectual Property Rights**" means patents, patent applications, patent rights, trademarks, trademark registrations, trademark applications, service marks, business marks, trade names, brand names, all other names and slogans embodying business or product goodwill (or both), copyright registrations, copyrights (including those in computer programs, software such as source code and object code, development documentation, programming tools, drawings, specifications and data), trade secrets, proprietary information, know-how, mask works, industrial designs, processes and technical information and all related rights now existing or hereafter created.

e) "**Preexisting Materials**" means Eide Bailly's proprietary business information, methodologies, programming, tools, know-how, procedures, utilities, algorithms, models, software libraries, source code, design, products, platform, and documents, and all Intellectual Property Rights therein.

f) "**Services**" means only those technology consulting services Eide Bailly agrees in writing to provide to Client in a Statement of Work.

g) "**Software**" means all computer code and related uses of information technology including but not limited to, all documentation, manuals, and instructions, that is used, designed, developed, and/or implemented by Eide Bailly for Client under this Agreement.

h) "**Third-Party Software**" means all software that is owned by an entity other than Eide Bailly or Client and is being used by Eide Bailly to provide the Services and/or Deliverables to Client.

16. Usage. All terms defined herein shall include the plural as well as the singular. Any undefined term shall be defined according to its plain English definition.

4166 31st Ave S Ste 100
Fargo, ND 58104

Fargo Aviation LLC

Phone (701) 997-5040
Email: reese@subsurface-inc.com

13

October 9, 2025

To:

Shawn Dobberstein
MUNICIPAL AIRPORT AUTHORITY
PO BOX 2845
FARGO, ND 58108

Subject: Request for land on lease

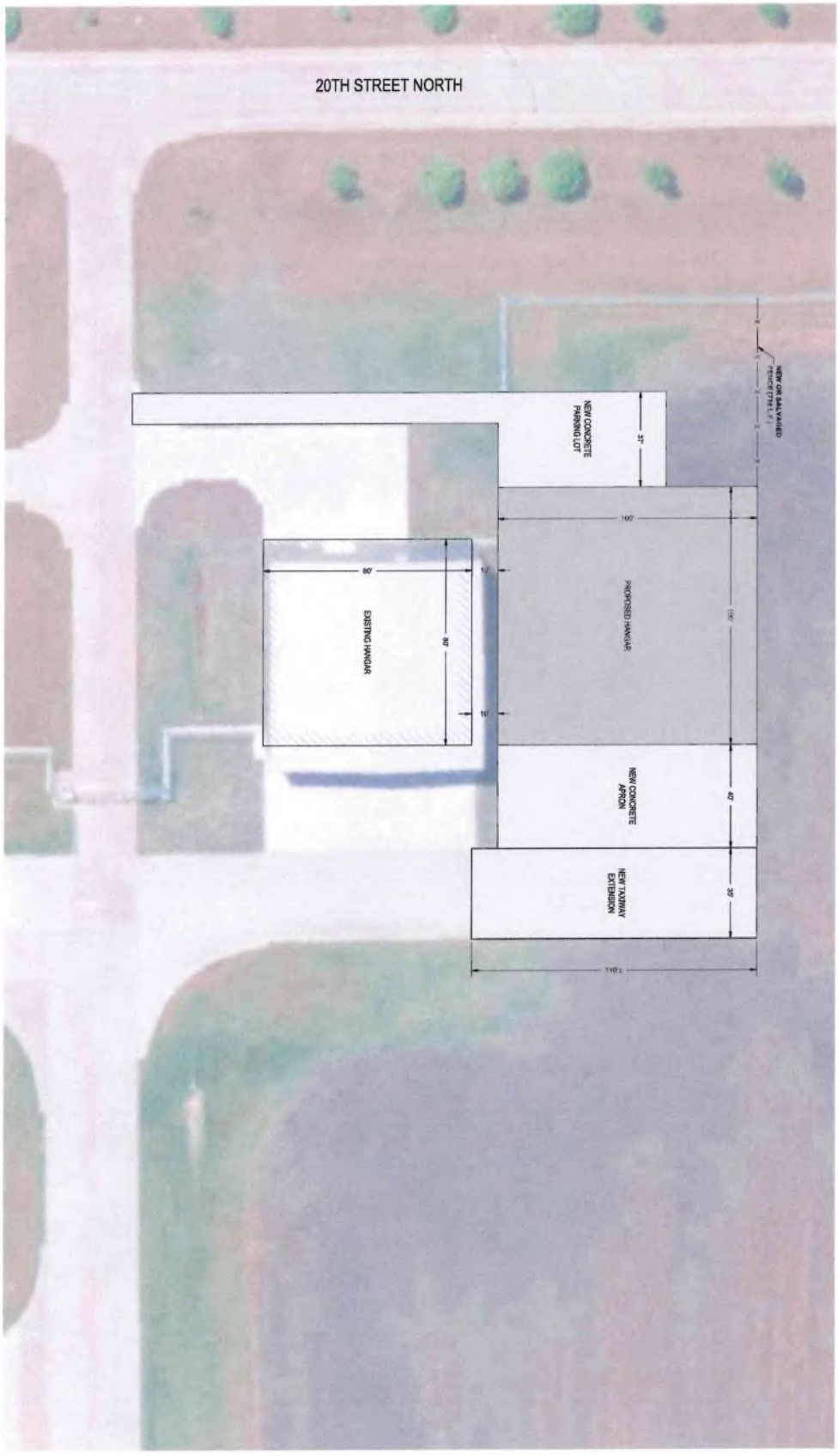
Dear Shawn Dobberstein,

I am writing to express my interest in your land to support a future 100x100 hangar. Fargo Aviation is interested in leasing the land for a period of forty years. If you are interested in leasing the land for such purposes, kindly respond in the affirmative.

I can discuss the details in a meeting with you. Look forward to hearing from you.

Sincerely,

Fargo Aviation:
Brandon Strom – Managing Partner
Gary Strom – Managing Partner
Chris Tunheim – Aircraft Manager



↗	FARGO AIRPORT	PROPOSED HANGAR	TUNHEIM CONSTRUCTION 3950 25th St. N, Fargo, ND 58102

U.S. Department
of Transportation
**Federal Aviation
Administration**

Dakota-Minnesota
Airports District Office

6020 28th Avenue South, Suite 102
Minneapolis, MN 5450

2301 University Drive, Building 23B
Bismarck, ND 58504

14

October 8, 2025

Mr. Shawn Dobberstein
Executive Director
Fargo's Hector International Airport
PO Box 2845
Fargo, ND 58108-2845

Dear Mr. Dobberstein:

On August 8, 2025, you requested our office provide a written response regarding the use of airport revenue at the Hector International Airport, Fargo, ND (FAR) and how it relates to three different scenarios. The specific questions/situations and the FAA's responses are detailed below.

1. The use of property tax levy revenue to pay for special assessments.

   FAA Order 5190.6b, change 3, *Airport Compliance Manual* states:

   > **15.6. Airport Revenue Defined.** Airport revenue generally includes those revenues paid to or due to the airport sponsor for use of airport property by the aeronautical and nonaeronautical users of the airport. It also includes revenue from the sale of airport property and resources and revenue from state and local taxes on aviation fuel.

   It goes on in that same section to state:

   > Taxes assessed by a special taxing district surrounding the airport and dedicated for support of the airport, but not derived from the use of the airport, are generally not considered airport revenue subject to the *Revenue Use Policy*. These tax revenue funds should be kept separate from airport revenue accounts and may be used for purposes other than those listed in 49 U.S.C. § 47107(b) and § 47133.

   Property tax revenue is revenue received from property assessments on property not owned by the Airport Authority and is not revenue generated by the airport. As such, property tax levy revenue is not airport revenue and is not subject to the uses of airport revenue outlined in 49 U.S.C. §§ 47107(b) and 47133, and FAA's *Policy and Procedures Concerning the Use of Airport Revenue* (the Revenue Use Policy). Further, property taxes assessed on the airport by a State or municipality do not violate 49 U.S.C. § 40116 – State taxation (e).

2. The use of revenue generated from cash rent of airport property purchased with local funds.

   The *Revenue Use Policy*, Section II—Definitions A. Federal Financial Assistance states:

   > Title 49 USC § 47133, which took effect on October 1, 1996, applies the airport revenue-use requirements of § 47107(b) to any airport that has received "Federal assistance." The FAA considers the term "Federal assistance" in § 47133 to apply to the following Federal actions:
   >
   > 1. Airport development grants issued under the Airport Improvement Program and predecessor Federal grant programs;
   > 2. Airport planning grants that relate to a specific airport;
   > 3. Airport noise mitigation grants received by an airport operator;
   > 4. The transfer of Federal property under the Surplus Property Act, now codified at 49 USC § 47151 et seq.; and
   > 5. Deeds of conveyance issued under Section 16 of the Federal Airport Act of 1946, under Section 23 of the Airport and Airway Improvement Act of 1970, or under Section 516 of the Airport and Airway Improvement Act of 1982 (AAIA).

   In addition to Airport Improvement Program (AIP) grants, the term "Federal assistance" applies to other federal grant programs including programs like the Infrastructure Investment and Jobs Act (IIJA) and COVID-Relief grant programs.

   FAR has accepted "Federal assistance;" therefore, the revenue-use requirements of § 47107(b) apply. In situations where the airport sponsor leases airport property purchased with local funds, for aeronautical or non-aeronautical purposes, the airport sponsor remains contractually obligated to act in accordance with all its grant obligations in managing the entire airport. This includes the use of airport revenue outlined in 49 U.S.C. §§ 47107(b) and 47133, and FAA's *Revenue Use Policy*, which remains in effect for as long as the airport is owned and operated as an airport.

3. Can the City of Fargo collect special assessments from airport tenants?

   The City of Fargo is subject to 49 U.S.C. § 40116(d)(2)(A) and it states:

   > (2)(A) A State, political subdivision of a State, or authority acting for a State or political subdivision may not do any of the following acts because those acts unreasonably burden and discriminate against interstate commerce:
   >
   > (i) assess air carrier transportation property at a value that has a higher ratio to the true market value of the property than the ratio that the assessed value of other commercial and industrial property of the same type in the same assessment jurisdiction has to the true market value of the other commercial and industrial property.

(ii) levy or collect a tax on an assessment that may not be made under clause (i) of this subparagraph.
(iii) levy or collect an ad valorem property tax on air carrier transportation property at a tax rate greater than the tax rate applicable to commercial and industrial property in the same assessment jurisdiction.
(iv) levy or collect a tax, fee, or charge, first taking effect after August 23, 1994, exclusively upon any business located at a commercial service airport or operating as a permittee of such an airport other than a tax, fee, or charge wholly utilized for airport or aeronautical purposes.
(v) except as otherwise provided under section 47133, levy or collect a tax, fee, or charge, first taking effect after the date of enactment of this clause, upon any business located at a commercial service airport or operating as a permittee of such an airport that is not generally imposed on sales or services by that State, political subdivision, or authority unless wholly utilized for airport or aeronautical purposes.

The City of Fargo may collect special assessments from airport tenants as long as it is not at a tax rate greater than the tax rate applicable to commercial and industrial property in the same assessment jurisdiction. The City of Fargo may collect special assessments exclusively on airport tenants, after October 5, 2018, however, those proceeds must be used for airport or aeronautical purposes.

Should you need any additional information, please contact Mark Schrader, Program Manager, at mark.r.schrader@faa.gov.

Sincerely,

Digitally signed by DAVID P. ANDERSON
Date: 2025.10.08 07:56:38 -05'00'

David P Anderson
Deputy Manager

cc: AGL 610, Compliance

THE CITY OF Fargo
FAR MORE

Engineering Department
225 4th Street North
Fargo, ND 58102
Phone: 701.241.1545 | Fax: 701.241.8101
Email feng@FargoND.gov
www.FargoND.gov

14

Memorandum

To: Municipal Airport Authority

From: Doug Durgin, Special Assessments Coordinator

Date: October 7, 2025

Re: Proposed Special Assessment Plan for Airport Properties

Overview

Following discussions between City of Fargo staff, Airport staff, the Municipal Airport Authority, and the Federal Aviation Administration (FAA) regarding how to address special assessments for airport-owned land, the City has developed a proposed approach for managing both existing and future improvement districts that benefit airport property. These discussions, which have taken place over the past two years in connection with Improvement Districts BR-20-A and SL-20-C, also focused on ensuring that any future projects providing benefit to airport property are handled in a fair, transparent, and compliant manner consistent with FAA guidance and the Municipal Airport Authority's operational considerations.

City's Proposed Plan Moving Forward

Based on the discussions and in consideration of the FAA's written guidance, the City of Fargo is proposing the following approach for managing current and future special assessments affecting airport-owned property:

1. **Memorandum of Understanding (MOU):**
   The City proposes entering into an MOU with the Airport Authority to formalize the process for payment of special assessments on airport-owned land.
2. **Funding Source:**
   Under the proposal, the assessments associated with airport property would be paid using airport mill levy funds. If the Airport Authority desires to pay the assessments other than annual installments or a lump sum, please reach out to Finance Director Susan Thompson to discuss other options.
3. **Allocation to Leased Areas:**
   Special assessments would be allocated to leased airport parcels that receive a benefit. In accordance with City policy and procedure, the City would determine and assign the appropriate assessment amount to each lessee. Lessees could:

- Pay their allocated amount in full, or
- Pay through annual installments collected with the Cass County property tax statement.

Future Improvements:
The same procedure would apply to all future City improvement districts where airport-owned land is determined to receive benefit.

Conclusion

This proposed framework provides a consistent, transparent, and compliant method for addressing special assessments related to airport property. Following recent FAA guidance allowing the use of mill levy funds to pay special assessments, the Airport Authority may now utilize this funding source to cover applicable costs, ensuring fairness for leased parcels that directly benefit from City infrastructure improvements.

The City of Fargo respectfully submits this proposal for the Airport Authority's review and consideration and recommends moving forward with the preparation of the proposed MOU to formalize the process.

Airport Specials:

Improvement District	BN-20-A	SL-21-C	total to date
Year Certified	2023	2023	
Description	Pavement Reconstruction Univ Dr N from 32nd Ave N to 40th ave N	Street Light on 40th Ave N from I-29 to Red River	
Project Cost	3,529,620.54	598,397.64	
Total Amount Assessed	3,529,620.54	598,397.64	
MAA Assessment	3,002,849.57	311,657.06	**3,314,506.63**
SA Period = # Years	25	10	
Annual Installment	176,701.83	36,947.10	**213,648.93**
Status	Assessed	Assessed	
Lease Allocation	57,499.87	42,002.87	**99,502.74**
MAA Assessment	2,945,349.70	274,709.96	**3,220,059.66**
Annual Installment	173,318.27	32,567.00	**205,885.27**

REPT: SPRpt69100

DATE: 09/03/2025 1:52 PM

CITY: City of Fargo

Special Assessment List

SAC date and time

CC date and time

FILTER: Project: SL-21-C AIRPORT - Street Lighting & Incidentals, Intrest Rate:3.220, Interest Start Date:1/1/2025, No interest if paid by:

Owner Name	Owner(Mailing) Address	Owner City	Owner State	Owner Zip	Parcel No	Parcel Address	Assessment
MUNICIPAL AIRPORT AUTHORITY C/O J P DEVELOPMENT	3802 20 ST N STE A	FARGO	ND	58102	01-8610-00011-000	3802 20 ST N STE A	7,409.18
					01-8610-00012-000	3802 20 ST N STE H	1,960.67
					01-8610-00013-000	3802 20 ST N STE I	2,318.56
MUNICIPAL AIRPORT AUTHORITY C/O J P DEVELOPMENT, LLP	3802 20 ST N	FARGO	ND	58102	01-8610-00050-000	3801 20 ST N STE A	1,087.57
					01-8610-00060-000	3801 20 ST N STE B	1,071.31
					01-8610-00071-000	3805 20 ST N	7,409.27
					01-8610-00100-000	3853 20 ST N	1,678.09
					01-8610-00130-000	3845 20 ST N	1,676.18
MUNICIPAL AIRPORT AUTHORITY C/O J P DEVELOPMENT, LLP	3802E 20 ST N STE E	FARGO	ND	58102	01-8610-00031-000	3802 20 ST N STE E	1,209.54
					01-8610-00032-000	3802 20 ST N STE F	1,463.54
					01-8610-00033-000	3802 20 ST N STE G	8,503.07
KFAR HANGAR LLC	705 18 AVE N	MOORHEAD	MN	56560	01-8610-00171-000	3929 20 ST N	1,357.27
MUNICIPAL AIRPORT AUTHORITY C/O BUSINESS PROPERTIES LLC	PO BOX 2706	FARGO	ND	58108	01-8610-00160-001	3825 20 ST N UNIT 106	849.09
MUNICIPAL AIRPORT AUTHORITY C/O GES PROPERTIES LLC	BOX 2145	FARGO	ND	58107	01-8610-00160-002	3825 20 ST N UNIT 103	849.09
MUNICIPAL AIRPORT AUTHORITY C/O J P DEVELOPMENT LLP	3802 20TH ST N	FARGO	ND	58102	01-8610-00140-000	3861 20 ST N	361.55
MUNICIPAL AIRPORT AUTHORITY FARGO JET CENTER; C/O JP DEVELOPMENT LLP	3802D 20 ST N	FARGO	ND	58102	01-8610-00150-000	3813 20 ST N	397.70
MUNICIPAL AIRPORT AUTHORITY FLYING K PROPERTIES C/O MICHAEL KEMPEL	4322 15 AVE N	FARGO	ND	58102	01-8610-00090-000	3869 20 ST N	447.37
MUNICIPAL AIRPORT AUTHORITY NORTHWEST AVIATION LLC	4510 19 AVE S	FARGO	ND	58103	01-8610-00120-000	3837 20 ST N	1,104.73
WHEELBERG PARTNERS LLP WHEELBERG PARTNERS LLP	PO BOX 6530	FARGO	ND	58109	01-8610-00160-003	3825 20 ST N UNIT 100	849.09
					19		42,002.87

REPT: SPRpt69100

DATE: 09/03/2025 2:02 PM

CITY: City of Fargo

Special Assessment List

SAC date and time

CC date and time

FILTER: Project: BN-20-A AIRPORT - Arterial New Construction & Incidentals - Paving, Intrest Rate:3.220, Interest Start Date:1/1/2025, No interest if paid by:

Owner Name	Owner(Mailing) Address	Owner City	Owner State	Owner Zip	Parcel No	Parcel Address	Assessment
MUNICIPAL AIRPORT AUTHORITY C/O J P DEVELOPMENT	3802 20 ST N STE A	FARGO	ND	58102	01-8610-00011-000	3802 20 ST N STE A	10,144.00
					01-8610-00012-000	3802 20 ST N STE H	2,684.38
					01-8610-00013-000	3802 20 ST N STE I	3,174.38
MUNICIPAL AIRPORT AUTHORITY C/O J P DEVELOPMENT, LLP	3802 20 ST N	FARGO	ND	58102	01-8610-00050-000	3801 20 ST N STE A	1,489.00
					01-8610-00060-000	3801 20 ST N STE B	1,466.75
					01-8610-00071-000	3805 20 ST N	10,144.13
					01-8610-00100-000	3853 20 ST N	2,297.50
					01-8610-00130-000	3845 20 ST N	2,294.88
MUNICIPAL AIRPORT AUTHORITY C/O J P DEVELOPMENT, LLP	3802E 20 ST N STE E	FARGO	ND	58102	01-8610-00031-000	3802 20 ST N STE E	1,656.00
					01-8610-00032-000	3802 20 ST N STE F	2,003.75
					01-8610-00033-000	3802 20 ST N STE G	11,634.85
KFAR HANGAR LLC	705 18 AVE N	MOORHEAD	MN	56560	01-8610-00171-000	3929 20 ST N	1,858.25
MUNICIPAL AIRPORT AUTHORITY C/O BUSINESS PROPERTIES LLC	PO BOX 2706	FARGO	ND	58108	01-8610-00160-001	3825 20 ST N UNIT 106	1,162.50
MUNICIPAL AIRPORT AUTHORITY C/O GES PROPERTIES LLC	BOX 2145	FARGO	ND	58107	01-8610-00160-002	3825 20 ST N UNIT 103	1,162.50
MUNICIPAL AIRPORT AUTHORITY C/O J P DEVELOPMENT LLP	3802 20TH ST N	FARGO	ND	58102	01-8610-00140-000	3861 20 ST N	495.00
MUNICIPAL AIRPORT AUTHORITY FARGO JET CENTER; C/O JP DEVELOPMENT LLP	3802D 20 ST N	FARGO	ND	58102	01-8610-00150-000	3813 20 ST N	544.50
MUNICIPAL AIRPORT AUTHORITY FLYING K PROPERTIES C/O MICHAEL KEMPEL	4322 15 AVE N	FARGO	ND	58102	01-8610-00090-000	3869 20 ST N	612.50
MUNICIPAL AIRPORT AUTHORITY NORTHWEST AVIATION LLC	4510 19 AVE S	FARGO	ND	58103	01-8610-00120-000	3837 20 ST N	1,512.50
WHEELBERG PARTNERS LLP WHEELBERG PARTNERS LLP	PO BOX 6530	FARGO	ND	58109	01-8610-00160-003	3825 20 ST N UNIT 100	1,162.50
					19		57,499.87