

EPIC Companies

EPICCompaniesND.com

745 31st Ave. E Suite 105

West Fargo, ND 58078

701.866.1006

West Fargo Events/Mr. Port/TAP Response:

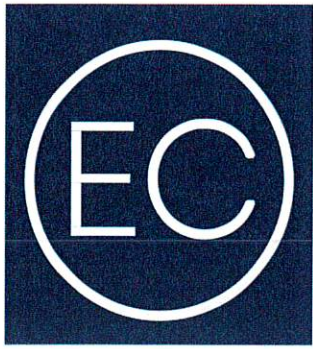
The purpose of this release is to provide clarity to recent news articles, letters to the editor and other media criticizing EPIC Companies, West Fargo Events, the City of West Fargo, and the relationship between these various entities. EPIC Companies is a real estate development and property management company focusing on mixed use projects throughout North Dakota. In developing these projects EPIC Companies works closely with various municipalities and other organizations to ensure that our developments provide an asset to the community in which each property is located. One of our main goals is to create new and unique spaces that promote community involvement which is often overlooked by other developers.

One of our projects, The Lights, has come under scrutiny in recent weeks. The Lights is a project that was developed in collaboration with EagleRidge Development and the City of West Fargo. Both EPIC Companies and EagleRidge Development worked with representatives from the City of West Fargo to create a new "Entertainment Mixed Use District", and as a result, a Public Private Partnership between EPIC Companies, EagleRidge Development and the City of West Fargo was formed. As part of this new Entertainment Mixed Use District, the City of West Fargo agreed to create a Tax Increment Financing District (TIF) and bond up to a total of \$18,645,000.00 to be used to construct the following assets to be owned by the City of West Fargo:

• Essentia Health Plaza:	\$ 6,750,000.00
• The Lights Parking Garage:	\$ 7,500,000.00
• The Northern Lights Parking Ramp:	\$ 3,000,000.00
• Bonding Costs:	<u>\$ 395,000.00</u>
Total	\$17,645,000.00

All of these assets were to be owned and operated by the City of West Fargo for the benefit of the citizens of West Fargo. The details of the TIF District are further outlined on the City of West Fargo's website: <https://www.westfargond.gov/1197/Entertainment-Mixed-Use-District>. The website states the total assets to be constructed with TIF District proceeds is \$18,645,000.00, however the construction of the Essentia Health Plaza and The Lights Parking Garage came in \$1,000,000.00 under budget. In reviewing this website, you will see there are certain requirements that each developer must comply with, all of which are documented in a Development Agreement between the City of West Fargo and both EPIC Companies and EagleRidge Development. EPIC Companies has fully complied with all of its requirements of this TIF District and the Development Agreement with the City of West Fargo. None of the buildings located at The Lights operated by EPIC Companies ever received public funding from the TIF District, or public money in any other form. The City of West Fargo currently owns the Essentia Health Plaza and The Lights Parking Garage, in which it has delegated management and operational duties to West Fargo Events.





EPIC Companies

EPICCompaniesND.com

745 31st Ave. E Suite 105

West Fargo, ND 58078

701.866.1006

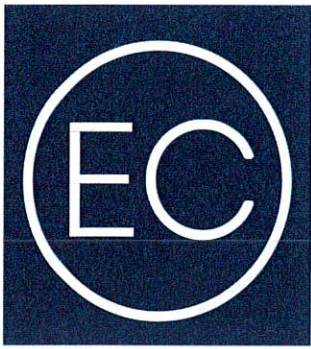
In a recent Letter to the Editor of the InForum, Jim Bullis, the President of EagleRidge Development, claimed that there has been a disagreement with the City of West Fargo and West Fargo Events regarding the use of The Lights Parking Garage, which is true. However, the disagreement is much larger in scope than Mr. Bullis would like you to believe. As noted above, the City of West Fargo has delegated the management of The Lights Parking Garage to West Fargo Events, and in doing so entered into a Parking Garage Management Agreement governing such relationship. As part of this agreement, West Fargo Events is allowed to temporarily restrict use of the parking ramp for up to 50 special events each year, which it has been below such threshold since completion of the existing parking ramp and Essentia Health Plaza. Additionally, one of the requirements of the TIF District was that EagleRidge, through its Northern Lights project, utilize \$3,000,000.00 to construct a public parking ramp on its property, and if you simply drive by the Northern Lights, you will quickly realize that this was never completed. As the responsible corporate citizens that Mr. Bullis claims EagleRidge Development to be, it's puzzling why they have not followed through on their requirement to build this second parking ramp. I would assume that representatives from the City of West Fargo, West Fargo TAP and Mr. Port would be curious as to the status of this additional parking ramp and what the funds were in fact used for.

Mr. Bullis' claim that his Northern Lights project is entitled to 104 parking spaces in the existing The Lights Parking Garage, owned by the City of West Fargo, is true pursuant to a Lease and Use Agreement. This Lease and Use Agreement requires EagleRidge Development to pay \$25,000.00 each year for its use of the existing parking ramp which includes 104 reserved spaces, whereas each of the three EPIC Companies properties are required to pay a total of \$150,000.00 each year for the use of the existing parking ramp with no reserved parking spaces. It seems as if EagleRidge is dissatisfied with the sweetheart deal it received for the use of the existing parking ramp. Any parking issues related to The Lights and the Northern Lights are solely the result of the actions of EagleRidge and its previous dealings with the City of West Fargo.

In articles published by Rob Port, West Fargo TAP and Mr. Bullis, it has been claimed that EPIC Companies' relationship with the City of West Fargo is "too cozy". We strive to have strong working relationships with all the municipalities we work with, including the City of West Fargo, however our receipt of any type of preferential treatment is simply inaccurate, for example the parking discrepancies outlined above. EPIC Companies has a track record with not only the City of West Fargo, but all the municipalities it deals with in following through on what it has represented to each city that it will do. EagleRidge's failing to fulfill its obligations under the TIF District/Development Agreement and arguing with the City of West Fargo because of the sweetheart deal it received for the use of the existing parking ramp, one can only reasonably conclude that any tension EagleRidge has experienced in dealing with the City of West Fargo is the result of its own doing.

Regarding West Fargo Events, it is true that I currently serve on the board of directors and have done so since its inception in 2016, however I am the only member of EPIC Companies that has served on the board of directors since 2019 when the organization first became operational. The current board of directors is made up of two representatives from each: the City of West Fargo, West Fargo Park District,





EPIC Companies

EPICCompaniesND.com

745 31st Ave. E Suite 105

West Fargo, ND 58078

701.866.1006

West Fargo School District, and three at-large members. EPIC Companies unquestionably has a relationship with West Fargo Events and strongly supports everything they do for the community of West Fargo. However, EPIC Companies simply does not financially gain from West Fargo Events, rather it financially supports it through donations. Although I can't speak for the entire West Fargo Events board of directors, I strongly support full transparency of its finances. I would also encourage those critical of West Fargo Events to actually look at the countless events and services it provides to the citizens and community of West Fargo. Additionally, West Fargo Events has assumed both operational and financial responsibility for numerous events and services that the City of West Fargo was previously responsible for on its own.

Mr. Bullis' claim that he has not had any involvement with West Fargo Events is inaccurate. He acted as the incorporator and initially served as an officer and director of West Fargo Events. Although Mr. Bullis is correct that he no longer serves as Board member, Jon Hanson is a current board member of West Fargo Events. Mr. Hanson also serves as a board member of the EagleRidge Realty Trust which is operated and controlled by Mr. Bullis. As such, EagleRidge has closer ties to West Fargo Events than Mr. Bullis would lead the public to believe. With that said, the board of directors of West Fargo Events operates completely independent of both EPIC Companies and EagleRidge.

We echo the sentiments of Mr. Port, representatives from West Fargo TAP, Mr. Bullis and other calls for transparency in dealing with the City of West Fargo and the development process, however such transparency should be at every corner of the process and for everyone involved, not just for when it's convenient and for the benefit of EagleRidge.

On behalf of our EPIC Companies property, our investors and myself personally as a citizen of West Fargo, I strongly encourage representatives from the City of West Fargo, West Fargo TAP and Mr. Port to further investigate the use of public funds at the Northern Lights and the missing public parking ramp.

Although EPIC isn't perfect, as Winston Churchill said best, perfection is the enemy of progress. We are always open to constructive dialogue for what can be done better. Our door is always open for those with concerns.

Sincerely,

Todd Berning

President, EPIC Companies

Cc: City of West Fargo Commissioners
West Fargo School District Board of Directors
West Fargo Park District Board of Directors
West Fargo TAP (via David Withee)
Rob Port

