



To: Chairman Nathe and committee members
From: Thomas Swoyer, Jr. President of GrandSKY

GrandSKY: A Unique Opportunity for North Dakota

Prior to the beginning of the 2025 Legislative Session, GrandSKY respectfully requested \$22.5 Million from the State of North Dakota for investment in infrastructure at the Flight Test and Operations Center located on Grand Forks AFB, Grand Forks County, ND. This request was made with full knowledge that \$22.5 Million is a lot of money and there are many competing priorities for the State. The \$22.5 Million was requested to support infrastructure required to keep the park growing and to open more opportunities for aerospace companies to move to North Dakota and create jobs here.

Specifically, GrandSKY's request would support two broad funding items (breakdown attached):

- \$10M for ongoing investment in utilities, roads, security, and communications infrastructure.
- \$12.5M for construction of a new aircraft taxiway and repair / replacement of the existing (inherited) aviation ramps, taxiways, and aprons.

GrandSKY is a unique asset in North Dakota and the United States. It is the first facility in the United States to focus on commercial Uncrewed Aircraft Systems ("UAS"). It is a public / public / private partnership between the US Air Force, Grand Forks County, and Grand Sky Development Company. It leverages many existing US Air Force assets like the runway, emergency services, control tower services, and radar. It is the ONLY facility in the United States that allows piloted or UAS aircraft, military and/or civilian to take off and land at an active-duty Air Force Base.

GrandSKY is physically located on 217 acres, leased by Grand Forks County from the Air Force. Grand Forks County, through a public competition, selected Grand Sky Development Company to manage and administer the project on the County's behalf. GrandSKY is NOT a private development, it is owned by Grand Forks County but managed by a private entity to take advantage of commercial best practices and to enable a dedicated team to the effort in order to maximize success.

GrandSKY has been successful. From an economic impact standpoint, the following statistics, compiled in December 2024, define the facility's success:

- Direct Jobs: 269
- Average Salary: \$117,928
- State Investment in Infrastructure (to date): \$33 million
- Private Sector Investment in facilities and equipment: \$159 million

- Investment leverage: \$1 of State investment yields \$4.81 of private investment
- State and Local Tax impact from Annual Operations: \$2,518,990
- State and Local Tax impact from Construction (2023 and 2024): \$194,625

GrandSKY requested these funds to support continued expansion. The Air Force property GrandSKY is developing on was used as an “alert pad” for B-52 bombers during the cold war and more recently as the alert location for KC-135 air refueling tankers. GrandSKY has used state funds to bring utilities to the site where there were none, refresh the alert ramp concrete some of which has been in place since the 1950’s and to install roads and other infrastructure to support commercial use of an existing military asset.

GrandSKY currently estimates there is still \$26 million of priority infrastructure needs including utilities, roads, and aviation pavements. This sum would complete the installation of basic infrastructure at GrandSKY.

Frequently asked questions about GrandSKY include:

- How long does the State need to continue to fund GrandSKY? Simply put, when GrandSKY started, the initial infrastructure request was \$44 million. That’s a very large sum of money on an unproven project with no track record of return on investment. Since 2015, GrandSKY has grown but prices for utilities and roads have increased as well. The requested funds would help GrandSKY meet its initial request.
- Does the Developer have “skin in the game?” Yes, Grand Sky Development Company LLC is the developer contracted by Grand Forks County to develop the park. That company has affiliate companies that have invested in facilities at the park. To date, GrandSKY affiliated companies have invested \$7 million in buildings and over \$1 million in land and operations investments. Grand Sky Development Company’s primary role is to secure investment from other companies that see value operating there. The bulk of private investment has come from these companies.
- Do any State funds support tenants at GrandSKY? No, no state funds are used for corporate welfare or for tenant operations. State funds are used for infrastructure including roads, utilities, aviation pavements, security, and other support that benefit ALL tenants of the park. For example, GrandSKY used state funds to place main lines for drinking water into the park. It is the responsibility of each tenant to connect to that main line. The same is true for sanitary sewer, natural gas, data, and electricity. No state funds are used to support privately owned, tenant occupied buildings. State funds are only used for infrastructure.
- Do any State funds support GrandSKY operations? No, no state funds are used to pay operating expenses like utility bills, insurance, or salaries of GrandSKY personnel. State funds are appropriated through the Department of Commerce. The Department of Commerce then enters into an agreement with Grand Forks County who is the fiscal agent for the funds. Grand Sky Development Company presents projects for funding to the County Commission. Once approved, GrandSKY releases the project for public bid and then presents the bid results and final budget to the Commission for final approval. Upon final approval, the project commences and the County Commission approves the monthly

invoices against the budget. State funds are only used for infrastructure at the park that can benefit all tenants.

In addition to state funds only being used for infrastructure, not being used for tenant facilities and not being used for salaries or operations, there is another important fact. Over 90% of all state funds that have been appropriated for GrandSKY have gone to North Dakota companies. It is important to Grand Forks County and to GrandSKY that we utilize North Dakota companies to the maximum extent possible.

GrandSKY currently is tracking over \$26.79 million of critical additional infrastructure that is needed to continue growth at the park. These investments include roads, utilities, and aviation support. The expenditures are broken down as follows:

- Utilities: \$8,580,000. (Over 7400 linear feet of utilities)
- Roads: \$7,264,000. (Over 10,000 linear feet of new roads)
- Aviation Support: \$10,351,000. (New vertical takeoff and landing facility and existing pavement repairs)
- Security: \$600,000. (new cameras and sensors throughout the park)

GrandSKY respectfully requests that the Appropriations Committee consider funding GrandSKY at the originally requested amount of \$22.5 million.

On behalf of GrandSKY, any amount appropriated in the final Commerce Bill will be used to invest in additional infrastructure at GrandSKY and will be gratefully accepted and put to work in the most efficient way possible for the benefit of North Dakota.