

PROPERTY TAX PAYMENT IN LIEU OF TAXES (PILOT)

APPLICATION FOR MR. SPINDLE, INC.

(Bob Matthews)

SUGGESTED MOTION:

Move to approve a property tax incentive application for payment in lieu of taxes for Mr. Spindle, Inc. located in Lot 3 Block 1 of Commerce on I-29 Subdivision in Cass County, according to the five-year schedule outlined in Cass County Commission Tax Incentive Policy Section 34.00.

OR

SUGGESTED MOTION:

Move to deny a property tax incentive application for payment in lieu of taxes for Mr. Spindle, Inc. located in Lot 3 Block 1 of Commerce on I-29 Subdivision in Cass County, according to the five-year schedule outlined in Cass County Commission Tax Incentive Policy Section 34.00.

**Application For Property Tax Incentives For
New or Expanding Businesses**

RECEIVED
CASS COUNTY COMMISSION

MAY 4 2017

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

Project Operator's Application To Cass County
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	<u>Bob Matthews/Mr. Spindle Inc</u>	
2.	Address of project	<u>i29 Commerce on 100th Lot 3, Block 1</u>	
	City	<u>Fargo</u> County <u>Cass</u>	
3.	Mailing address of project operator	<u>4806 Meadow Creek Drive</u>	
	City	<u>Fargo</u> State <u>ND</u> Zip <u>58104</u>	
4.	Type of ownership of project		
	<input type="checkbox"/> Partnership	<input type="checkbox"/> Subchapter S corporation	<input checked="" type="checkbox"/> Individual proprietorship
	<input type="checkbox"/> Corporation	<input type="checkbox"/> Cooperative	<input type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No.	<u>501564021</u>	
6.	North Dakota Sales and Use Tax Permit No.	<u>146277</u>	
7.	If a corporation, specify the state and date of incorporation	<u>Subs, ND 1989</u>	
8.	Name and title of individual to contact	<u>Bob Matthews, President</u>	
	Mailing address	<u>4806 Meadow Creek Drive</u>	
	City, State, Zip	<u>Fargo, ND 58104</u> Phone No. <u>701-371-9750</u>	

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.	
	<input type="checkbox"/> Property Tax Exemption	<input checked="" type="checkbox"/> Payments In Lieu of Taxes
	_____ Number of years	<u>2017</u> Beginning year <u>2021</u> Ending year
	_____ Percent of exemption	_____ Amount of annual payments (attach schedule if payments will vary)
10.	Which of the following would better describe the project for which this application is being made:	
	<input type="checkbox"/> New business project	<input checked="" type="checkbox"/> Expansion of a existing business project

Description of Project Property

11. Legal description of project real property
Lot 3, Block 1, I29 Commerce on 100th

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 May 8, 2017

b. Description of project to be constructed including size, type and quality of construction
80x256 Pole frame, steel siding roof & wall warehouse with 60x32 attached office

c. Projected number of construction employees during the project construction 22

14. Approximate date of commencement of this project's operations Sept 1, 2017

15. Estimated market value of the property used for this project:

a. Land..... \$ 310,000

b. Existing buildings and structures for which an exemption is claimed..... \$ _____

c. Newly constructed buildings and structures when completed \$ 1,700,000

d. Total..... \$ 2,010,000

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..... \$ _____

c. Newly constructed buildings and structures when completed..... \$ 1,700,000

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 1,700,000

e. Enter the consolidated mill rate for the appropriate taxing district _____

f. Annual amount of the tax exemption (Line d multiplied by line e)..... \$ _____

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).

Currently operating in Fargo. Selling current buildings to build bigger, more efficeint plant with room for expansion

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

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, Robert A. Mathews, 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.

Robert A. Mathews Signature President Title 6/3/17 Date

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).
Manufacture cedar & pine porch and deck components

19. Indicate the type of machinery and equipment that will be installed
Lathes, planers, molders, dust collection, sanders

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.

Year (12 mo. periods)	New/Expansion	New/Expansion	New/Expansion	New/Expansion	New/Expansion
	Project only	Project only	Project only	Project only	Project only
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Annual revenue	<u>2,100,000</u>	<u>2,268,000</u>	<u>2,449,440</u>	<u>2,645,395</u>	<u>2,857,000</u>
Annual expense	<u>1,800,000</u>	<u>1,944,000</u>	<u>2,099,500</u>	<u>2,266,000</u>	<u>2,447,000</u>
Net income	<u>300,000</u>	<u>324,000</u>	<u>349,000</u>	<u>379,395</u>	<u>410,000</u>

21. Projected annual average number of persons to be employed by the project itself at the project location for each year for the first five years and the estimated annual payroll.

Year	Company-wide (before project)	New/	New/	New/	New/	New/
		Expansion	Expansion	Expansion	Expansion	Expansion
		Project	Project	Project	Project	Project
		only	only	only	only	only
		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
No. of Employees	(1) <u>8</u>	<u>10</u>	<u>11</u>	<u>13</u>	<u>14</u>	<u>14</u>
	(2) <u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>8</u>
Estimated payroll	(1) <u>280,000</u>	<u>350,000</u>	<u>390,000</u>	<u>472,000</u>	<u>520,000</u>	<u>540,000</u>
	(2) <u>15,000</u>	<u>16,000</u>	<u>21,000</u>	<u>22,000</u>	<u>27,500</u>	<u>40,000</u>

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

PRIVACY ACT NOTIFICATION

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 40-57.1-03, 40-57.1-07, and 57-01-15, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

Certification of Governing Body (To be completed by the Auditor of the City or County)

The municipality shall, after granting any property tax incentives, certify the findings to the State Tax Commissioner and Director of Tax Equalization by submitting a copy of the project operator's application with the attachments. The governing body, on the ____ day of _____, 20____, granted the following:

Property Tax Exemption

Payments in lieu of taxes

____ Number of years

____ Beginning year ____ Ending year

____ Percent of exemption

____ Amount of annual payments (Attach schedule if payments will vary)

Auditor

**Notice To Competitors Of Hearing On Application
For Property Tax Incentives**

Notice is hereby given that the Cass County Board of Commissioners
(City or county governing body)

of Cass County, North Dakota, will meet at 3:30 PM
(City or county) (Time)

on 6/5/17 at Cass County Courthouse to consider the application of
(Date) (Location)

Bob Matthews/Mr. Spindle Inc, 4806 Meadow Creek Drive, Fargo, ND 58104
(Project operator name and address)

for property tax relief on the project which the applicant will use in the operation of

Manufacturing Cedar & Pine Deck and Porch Components
(Type of business)

at I29 Commerce on 100th Lot 3 Block 1, Fargo, ND 58104
(Address)

Lot 3, Block 1, I29 Commerce on 100th
(Legal description)

Any competitor of that applicant may appear and be heard by the Cass County Commissioners
(City or county governing body)

at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code § 40-57.1-03

Client:

CASS COUNTY AUDITOR

Account # 10508 Ad # 2482841

Phone: (701) 241-5609

Fax:

Address: 211 9TH ST S #D

PO BOX 2806

FARGO, ND 58108-2806

Sales Rep.:

0135 Forum Legal AdTaker

Phone: (701) 241-5504

Fax: (701) 241-5540

Email: legals@forumcomm.com

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End Date: 05/22/2017

Nb. of Inserts: 9

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Page 1 of 1

**NOTICE TO COMPETITORS OF
HEARING ON APPLICATION FOR
PROPERTY TAX INCENTIVES**

Notice is hereby given that the County Commission of Cass County, North Dakota will meet at 3:30 p.m. on Monday, June 5, 2017, in the Commission Room, Cass County Courthouse, 211 9th Street South, Fargo, North Dakota, to consider the application of Mr. Spindle, Inc., for property tax relief on a project which the applicant will expand its business and use for the manufacture of cedar and pine porch and deck components located in Lot 3 Block 1 of Commerce on I-29 Subdivision in Cass County.

Any competitor of that applicant may appear and be heard by the Cass County Commission at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code Section 40-57.1-03,
(May 15, 22, 2017)

2482841

**NOTICE TO COMPETITORS OF HEARING
ON APPLICATION FOR PROPERTY TAX INCENTIVES**

Notice is hereby given that the County Commission of Cass County, North Dakota will meet at 3:30 p.m. on Monday, June 5, 2017, in the Commission Room, Cass County Courthouse, 211 9th Street South, Fargo, North Dakota, to consider the application of Mr. Spindle, Inc., for property tax relief on a project which the applicant will expand its business and use for the manufacture of cedar and pine porch and deck components located in Lot 3 Block 1 of Commerce on I-29 Subdivision in Cass County.

Any competitor of that applicant may appear and be heard by the Cass County Commission at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code Section 40-57.1-03.

PUBLISH: May 15 and May 22, 2017
(Legal Advertising)

Worden, Heather

From: Worden, Heather
Sent: Thursday, May 04, 2017 8:09 AM
To: 'The Forum Legals'
Cc: 'Kary Leingang'; 'Mark Vaux'; 'Bob Matthews'; Fracassi, Paul
Subject: Notice to Competitors - Application for Property Tax Incentives
Attachments: TAX EXEMPTION NOTICE-Mr. Spindle Inc 2..docx

Good morning.

Please publish the attached notice on Monday, May 15th and Monday, May 22nd.

Thank you.

Heather Worden, Administrative Assistant

Cass County Commission
211 9th Street South
PO Box 2806
Fargo ND 58108-2806
(701) 241-5609



Board of County Commissioners

Chad M. Peterson
Fargo, North Dakota

Rick Steen
Fargo, North Dakota

Vern Bennett
Fargo, North Dakota

Arland H. Rasmussen
West Fargo, North Dakota

Mary Scherling
Stanley Township, North Dakota

May 22, 2017

Dr. Tim Mahoney, Mayor
City of Fargo
200 3rd Street North
Fargo, ND 58102

Dr. Jeffrey Schatz, Superintendent
Fargo Public School District
415 4th Street North
Fargo, ND 58102

RE: Property Tax Incentive Application

Dear Mayor Mahoney and Dr. Schatz:

A revised business tax exemption is being requested from Cass County by Mr. Spindle, Inc. Enclosed are copies of the new application, notice of hearing set for June 5, 2017, and previous application, which was not approved by the Cass County Commission.

The commission will hear comments from the city and school district at their meeting on Monday, June 5, 2017, at 3:30 PM, and if you wish, have a representative of your respective jurisdiction present at the meeting. The Board of Commissioners meets in the Commission Room, first floor of the Cass County Courthouse, 211 9th Street South, Fargo, North Dakota.

Sincerely,

Heather Worden, Administrative Assistant
Cass County Commission

Enclosures

cc: County Commissioners

Heather Worden
Commission Assistant

PO Box 2806
211 Ninth Street South
Fargo, North Dakota 58108

\\MY DOCUMENTS\HEATHER\TAX EXEMPTIONS\TAX INCENTIVE LETTER-MR. SPINDLE 5-26-17.DOCX

701-241-5609
Fax 701-241-5728
www.casscountynd.gov

5-1-2017 Request failed on tie vote

RECEIVED
CASS COUNTY COMMISSION

MAR 22 2017

Application For Property Tax Incentives For New or Expanding Businesses

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

Project Operator's Application To Cass
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 Bob Matthews/Mr. Spindle, Inc

2. Address of project 129 Commerce on 100th Lot 3 Block 1
City Fargo County Cass

3. Mailing address of project operator 4806 Meadow Creek Dr.
City Fargo State ND Zip 58104

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. 501564021

6. North Dakota Sales and Use Tax Permit No. 146277

7. If a corporation, specify the state and date of incorporation Subs, ND 1989

8. Name and title of individual to contact Bob Matthews, President
Mailing address 4806 Meadow Creek Dr.
City, State, Zip Fargo, ND 58104 Phone No. 701-371-9750

Project Operator's Application For Tax Incentives

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

3 Property Tax Exemption 4/5/17 Payments In Lieu of Taxes
3 Number of years 4/5/17 2017 Beginning year 2021 Ending year 4/5/17
____ Percent of exemption _____ Amount of annual payments (attach schedule if payments will vary)

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 3, Block 1, I29 Commerce on 100th

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 April 20, 2017

b. Description of project to be constructed including size, type and quality of construction
80x256 Pole frame, steel siding roof & wall warehouse with 60x32 attached office

c. Projected number of construction employees during the project construction 22

14. Approximate date of commencement of this project's operations Sept 1, 2017

15. Estimated market value of the property used for this project:

a. Land..... \$ 310,000

b. Existing buildings and structures for which an exemption is claimed..... \$ _____

c. Newly constructed buildings and structures when completed \$ 1,700,000

d. Total \$ 2,010,000

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 \$ _____

c. Newly constructed buildings and structures when completed \$ 1,700,000

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 1,700,000

e. Enter the consolidated mill rate for the appropriate taxing district _____

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ _____

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).

Manufacture cedar & pine porch and deck components

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

Lathes, planers, molders

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.

Year (12 mo. periods)	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
Annual revenue	<u>2,100,000</u>	<u>2,268,000</u>	<u>2,449,000</u>	<u>2,644,000</u>	<u>2,855,000</u>
Annual expense	<u>1,800,000</u>	<u>1,944,000</u>	<u>2,099,500</u>	<u>2,266,000</u>	<u>2,477,000</u>
Net income	<u>300,000</u>	<u>324,000</u>	<u>349,000</u>	<u>377,000</u>	<u>407,000</u>

21. Projected annual average number of persons to be employed by the project itself at the project location for each year for the first five years and the estimated annual payroll.

Year	Company-wide (before project)	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
No. of Employees	(1) <u>7</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>
	(2) _____	_____	_____	_____	_____	_____
Estimated payroll	(1) <u>210,000</u>	<u>270,000</u>	<u>300,000</u>	<u>300,000</u>	<u>330,000</u>	<u>330,000</u>
	(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).

Currently operating in Fargo. Selling current buildings to build bigger more efficient plant with room to expand.

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

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, Robert A. Matthews, 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.

Robert A. Matthews
Signature

President Mr Spindel
Title

3-21-17
Date

PRIVACY ACT NOTIFICATION

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 40-57.1-03, 40-57.1-07, and 57-01-15, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

Certification of Governing Body (To be completed by the Auditor of the City or County)

The municipality shall, after granting any property tax incentives, certify the findings to the State Tax Commissioner and Director of Tax Equalization by submitting a copy of the project operator's application with the attachments. The governing body, on the ____ day of _____, 20____, granted the following:

Property Tax Exemption

_____ Number of years

_____ Percent of exemption

Payments in lieu of taxes

_____ Beginning year _____ Ending year

_____ Amount of annual payments (Attach schedule if payments will vary)

Auditor



October 13, 2016

Bob Matthews
Mr Spindle Inc
5936 53rd Ave S
Fargo ND 58104

Dear Bob:

Thank you for your application for primary-sector certification by the North Dakota Department of Commerce, Economic Development & Finance Division. We have reviewed your application and determined that ED&F can certify your company, **Mr Spindle Inc**, as primary sector and a new wealth creator in the economy of North Dakota. This certification is valid for **four years** from today's date (expires 10/13/2020).

Most of North Dakota's economic development programs, tools and incentives are targeted toward primary-sector clients. You may be requested to provide a copy of this primary-sector certification letter when you apply for certain economic development incentive and funding programs.

This certification does not guarantee the receipt of any North Dakota business incentive. For example, there are additional qualification criteria for the Seed Capital Investment and Agricultural Business Investment personal income tax credits and it is critical that investments **NOT** be made prior to the business receiving certification for these two credits. If you are pursuing certification for investment tax credits and need to know the criteria required for qualification, contact Leigh Ann Huether at (701) 328-5336.

This certification is not the application process for the North Dakota New Jobs Training Program administered by Job Service North Dakota. To apply for the North Dakota New Jobs Training Program, you must contact Job Service North Dakota for the required application forms. Application forms for other programs that require primary sector certification are available from the agency administering the program.

Also, companies and individuals pursuing the investment tax credit incentive are reminded there is a cap on available dollars. Please visit with the ND Office of the Tax Commissioner regarding the remaining balance for investment tax credits. The credits are available on a first-come-first-serve basis until the law-defined cap is met.

North Dakota appreciates your contribution to the citizens and economy of our state. If there is anything further we can do to assist your company, please contact us at 701-328-5300.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Lucy", is written over a horizontal line.

Paul Lucy
Director, ED&F Division

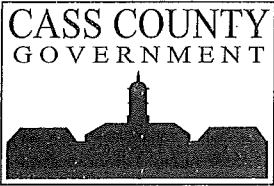
**NOTICE TO COMPETITORS OF HEARING
ON APPLICATION FOR PROPERTY TAX INCENTIVES**

Notice is hereby given that the County Commission of Cass County, North Dakota will meet at 3:30 p.m. on Monday, May 1, 2017, in the Commission Room, Cass County Courthouse, 211 9th Street South, Fargo, North Dakota, to consider the application of Mr. Spindle, Inc., for property tax relief on a project which the applicant will expand its business and use for the manufacture of cedar and pine porch and deck components located in Lot 3 Block 1 of Commerce on I-29 Subdivision in Cass County.

Any competitor of that applicant may appear and be heard by the Cass County Commission at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code Section 40-57.1-03.

PUBLISH: April 3 and April 10, 2017
(Legal Advertising)



April 17, 2017

Board of County Commissioners

Chad M. Peterson
Fargo, North Dakota

Rick Steen
Fargo, North Dakota

Vern Bennett
Fargo, North Dakota

Arland H. Rasmussen
West Fargo, North Dakota

Mary Scherling
Stanley Township, North Dakota

Dr. Tim Mahoney, Mayor
City of Fargo
200 3rd Street North
Fargo, ND 58102

Dr. Jeffrey Schatz, Superintendent
Fargo Public School District
415 4th Street North
Fargo, ND 58102

RE: Property Tax Incentive Application

Dear Mayor Mahoney and Dr. Schatz:

A business tax exemption is being requested from Cass County by Mr. Spindle, Inc. Enclosed are copies of said application; the notice of hearing for May 1, 2017; state law pertaining to this proposed exemption; and Cass County's tax incentive policy.

The commission will hear comments from the city and school district at their next meeting on Monday, May 1, 2017. Please note the language in item 7 on page four of the copy of North Dakota Century Code 40-57.1-03, and if you wish, have a representative of your respective jurisdiction present at the meeting on May 1st beginning at 3:30 PM. The Board of Commissioners meets in the Commission Room, first floor of the Cass County Courthouse, 211 9th Street South, Fargo, North Dakota.

Sincerely,

Heather Worden, Administrative Assistant
Cass County Commission

Heather Worden
Commission Assistant

PO Box 2806
211 Ninth Street South
Fargo, North Dakota 58108

701-241-5609
Fax 701-241-5728
www.casscountynynd.gov

Enclosures

cc: County Commissioners

\\MY DOCUMENTS\HEATHER\TAX EXEMPTIONS\TAX INCENTIVE LETTER-MR. SPINDLE 4-17-17.DOCX

SUBJECT: TAX INCENTIVE POLICY

ADOPTED DATE: DECEMBER 18, 2006

PAGE 1 OF 3

This policy sets forth the criteria under which the Cass County Board of Commissioners may grant tax exemptions for new or expanding businesses, whether commercial, industrial or service. The Cass County Board of Commissioners states that its purpose in adopting this policy is to sanction, authorize, and encourage activities in the public interest and for the welfare of the State of North Dakota, its political subdivisions, and the people by assisting in the establishment of additional industrial plants, the expansion and retention of existing business, and promotion of economic activities within the State, and thereby increasing production of wealth, and adding to the volume of employment. This policy is a business expansion and jobs creation policy and applies to new and existing businesses as well as new or existing buildings. New construction is not required to make application for tax exemptions under this policy. This tax incentive policy shall apply only to businesses that locate in Cass County, outside of any incorporated city.

The following guidelines are recommended:

- 1) A \$100.00 non-refundable fee is required to begin the application process. In addition, the project operator shall publish two notices, the form of which shall be prescribed by the State Board of Equalization. This notice to competitors of such an application for tax exemption shall be published in the official newspaper at least one week apart and not less than 15, nor more than 30 days, before the Board of Commissioners is scheduled to consider such application.
- 2) A new business to the community must not gain unfair advantage with existing competitors through the use of the exemption. The "unfair advantage" argument must be made by a competitive business, in writing, to the Board of Commissioners within 15 days after publication of the official notice.
- 3) An existing business is eligible for tax exemption if expansion of the business includes new jobs and either of the following: a) 20% increase in sales (projected or verified), or b) diversions into another line of product sales or production.
- 4) Warehousing and retail projects would not receive exemptions unless the owner could prove need or provide other information to justify granting the exemption.

- 5) Growth projections in the community must be verifiable through either the County Assessor or County Auditor's Office.
- 6) Amount of exemption will be according to the following schedule adopted by the County Commission on December 18, 2006:

Ad Valorem Tax Value	and/or	Gross Payroll	Recommended Abatement Schedule
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Applicant Category A

\$750,000 to \$2,999,999		\$175,000 to \$1,199,999	Year 1: 100% Year 2: 90% Year 3: 90% Year 4: 90% Year 5: 90%
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Applicant Category B

\$3,000,000 to \$9,999,999		\$1,200,000 to \$2,999,999	Year 1: 100% Year 2: 90% Year 3: 90% Year 4: 90% Year 5: 90% Year 6: 70% Year 7: 50%
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Applicant Category C

\$10,000,000 to \$24,999,999		\$3,000,000 to \$4,499,999	Year 1: 100% Year 2: 90% Year 3: 90% Year 4: 90% Year 5: 90% Year 6: 70% Year 7: 60% Year 8: 50% Year 9: 40% Year 10: 30%
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Guideline

Property Tax Incentives for New or Expanding Businesses

North Dakota Century Code ch. 40-57.1

Ryan Rauschenberger
Tax Commissioner

January 2014

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 subsection 1 of N.D.C.C. § 40-57.1-03. A city or county may not supersede or expand the provisions of this section under home rule authority.

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.

CHAPTER 40-57.1
TAX EXEMPTIONS FOR NEW AND EXPANDING BUSINESSES

40-57.1-01. Declaration and finding of public purpose.

The legislative assembly declares and finds that it is and has been its purpose in preparing and adopting the provisions of this chapter to sanction, authorize, and encourage activities in the public interest and for the welfare of the state, its subdivisions, and people by assisting in the establishment of additional industrial plants, the expansion and retention of existing business, and promotion of economic activities within the state and thereby increasing production of wealth and adding to the volume of employment, particularly during those seasons when employment in farming and ranching is slack, thus alleviating unemployment among the people of the state.

It is the intent of the legislative assembly that political subdivisions and the state board of equalization in their determination of whether the tax exemptions authorized by this chapter shall be granted shall give due weight to their impact and effect upon existing industry and business to the end that an unfair advantage shall not be given to new or expanded enterprises which is to the substantial detriment of existing enterprises.

40-57.1-02. Definitions.

As used in this chapter, unless a different meaning clearly appears from the context:

1. "Local development organization", as used in section 40-57.1-04.3, means a profit or nonprofit corporation incorporated under the laws of this state or a limited liability company organized under the laws of this state, formed for the purpose of furthering the economic development of its community and environs, with authority to promote and assist the growth and development of business concerns in the areas covered by its operations. The operations of the corporation or limited liability company must be limited to a specified area in this state. The controlling interest in the corporation or limited liability company must be held by at least twenty-five persons residing or doing business in the community or its environs. These persons must control not less than seventy-five percent of the voting control of the corporation or limited liability company. No shareholder or member of the corporation or limited liability company may own in excess of twenty-five percent of the voting control in the corporation or limited liability company if that shareholder or member has a direct pecuniary interest in any project or business concern which will occupy the property of the corporation or limited liability company. The primary objective of the corporation or limited liability company must be to benefit the community through increased employment, payroll, business volume, and corresponding factors rather than monetary profits to its shareholders or members. Any monetary profits or other benefits going to the shareholders or members must be merely incidental to the primary objective of the corporation or limited liability company.
2. "Municipality" means counties as well as municipalities of the types listed in subsection 4 of section 40-01-01.
3. "Primary sector business" means an individual, corporation, limited liability company, partnership, or association which through the employment of knowledge or labor adds value to a product, process, or service that results in the creation of new wealth.
4. "Project" means any revenue-producing enterprise, or any combination of two or more of these enterprises. For the purpose of the income tax exemption, "project" means both "primary sector business" and "tourism" as defined by this section and includes the establishment of a new qualifying business or the expansion of a qualifying existing business.
5. "Tourism" means all tourism-related businesses and activities, including recreation, historical and cultural events, guide services, and unique lodging and food services which serve as destination attractions.

40-57.1-03. Municipality's authority to grant or revoke tax exemption or payments in lieu of taxes - Notice to competitors - Limitations.

1. After negotiation with a potential project operator, a municipality may grant a partial or complete exemption from ad valorem taxation on all buildings, structures, fixtures, and improvements used in or necessary to the operation of a project for a period not exceeding five years from the date of commencement of project operations. A municipality may also grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures, and improvements used in or necessary to the operation of a project that produces or manufactures a product from agricultural commodities for all or part of the sixth year through the tenth year from the date of commencement of project operations. Before a municipality may grant a partial or complete exemption from ad valorem taxation under this section:
 - a. The governing body of the municipality must have received the certification of the department of commerce division of economic development and finance that the project is a primary sector business, as defined in subsection 3 of section 40-57.1-02; or
 - b. The city council or commission, if the project is proposed to be located within the boundaries of a city of fewer than forty thousand population, or the board of county commissioners, of a county of fewer than forty thousand population and if the project is proposed to be located in the county but outside the corporate limits of any city, may grant a partial or complete exemption from ad valorem taxation for a project operating in the retail sector if that governing body has obtained the approval of exemption of property under this subdivision from a majority of the qualified electors of the city or county 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 a partial or complete exemption from ad valorem taxation under this section for a project operating in the retail sector. The ballot for elector approval of exemption of property under this subdivision must present the question at the election for a yes or no vote on the question:

Shall the governing body of [name of county or city] be empowered to grant property tax exemptions upon application of new or expanding retail sector businesses?

Only a governing body of a city or county that meets the requirements of this subdivision may grant a partial or complete exemption from ad valorem taxation under this section for a project operating in the retail sector. Criteria established by the governing body under this subdivision, at a minimum, must be intended to require:
 - (1) Evaluation of the potential positive or adverse consequences for existing retail sector businesses in the municipality from granting the exemption;
 - (2) Evaluation of the short-term and long-term effects for other property taxpayers in the municipality from granting the exemption;
 - (3) A written agreement with the project operator, including performance requirements for which the exemption may be terminated by the governing body of the municipality if those requirements are not met; and
 - (4) Evaluation of whether the project operator would locate the project within the municipality without the exemption.
2. In addition to, or in lieu of, a property tax exemption granted under this section, a municipality may establish an amount due as payments in lieu of ad valorem taxes on buildings, structures, fixtures, and improvements used in the operation of a project. The governing body of the municipality shall designate the amount of the payments for each year and the beginning year and the concluding year for payments in lieu of taxes, but the option to make payments in lieu of taxes under this section may not extend beyond the twentieth year from the date of commencement of project operations. To establish the amount of payments in lieu of taxes, the governing body of

the municipality may use actual or estimated levels of assessment and taxation or may establish payment amounts based on other factors. The governing body of the municipality may designate different amounts of payments in lieu of taxes in different years to recognize future project expansion plans or other considerations.

3. Before a governing body may grant a partial or complete exemption from ad valorem taxation or the option to make payments in lieu of ad valorem taxes under this chapter, the governing body shall consult with the department of commerce. If the department of commerce determines that the total project costs are estimated to exceed one billion dollars, the department of commerce shall conduct a public hearing and notice of that hearing must be provided to each affected taxing district and any existing business within the municipality for which the potential project would be a competitor.
4. By November first of each year, the municipality that granted the option to make payments in lieu of taxes shall certify to the county auditor the amount of payments in lieu of taxes due under this section in the following year. After receiving the statement from the municipality, the county auditor shall certify the payments in lieu of taxes to the county treasurer for collection at the time when, and in the manner in which, ad valorem taxes must be certified. Upon receipt by the county treasurer of the amount of payments in lieu of taxes under this section, the county treasurer shall apportion and distribute that amount to taxing districts on the basis on which the general real estate tax levy is apportioned and distributed. The municipality may enter into a written agreement with the local school district and any other local taxing districts that wish to enter the agreement for an alternate method of apportionment and distribution. If such an agreement is entered into, the county treasurer shall apportion and distribute the money according to the written agreement. All provisions of law relating to enforcement, administration, collection, penalties, and delinquency proceedings for ad valorem taxes apply to payments in lieu of taxes under this section. However, the discount for early payment of taxes under section 57-20-09 does not apply to payments in lieu of taxes under this section. The buildings, structures, fixtures, and improvements comprising a project for which payments in lieu of taxes are allowed under this section must be excluded from the valuation of property in the taxing district for purposes of determining the mill rate for the taxing district.
5. Negotiations with potential project operators for tax exemption or payments in lieu of taxes must be carried on by the city council or commission if the project is proposed to be located within the boundaries of a city, and by the board of county commissioners if the project is proposed to be located outside the corporate limits of any city. A partial exemption must be stated as a percentage of the total ad valorem taxes assessed against the property. Unless the governing body of the municipality determines that there is no existing business within the municipality for which the potential project would be a competitor, the potential project operator shall publish two notices to competitors, the form of which must be prescribed by the tax commissioner, of the application for tax exemption or payments in lieu of taxes in the official newspaper of the municipality at least one week apart. The publications must be completed not less than fifteen nor more than thirty days before the governing body of the municipality is to consider the application. The municipality shall determine whether the granting of the exemption or payments in lieu of taxes, or both, is in the best interest of the municipality, and if it so determines, shall give its approval.
6. By motion approved by the governing body of the municipality before the beginning of a taxable year for which a property tax exemption or the option to make payments in lieu of taxes under this section previously has been approved by the governing body, a property tax exemption may be revoked or reduced and payments in lieu of taxes may be revoked or increased 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 during the negotiation and deliberation of a property tax exemption or the option to make payments in lieu of taxes 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.
7. During the negotiation and deliberation of a property tax exemption or the option to make payments in lieu of taxes under this chapter, a municipality shall include, as nonvoting ex officio members of its governing body, a representative appointed by the school board of each school district affected by the proposed action and a representative appointed by the board of township supervisors of each township affected by the proposed action.
 8. A city or county may not supersede or expand the provisions of this section under home rule authority.

40-57.1-04. Exemption from income tax - Notice to competitors - Limitations.

Upon application by a project operator to the state board of equalization, the net income of a project may be exempt from state income tax for a period not exceeding five years from commencement of project operations. The application for the exemption must be reviewed as to the eligibility of the project by the department of commerce division of economic development and finance and its recommendations forwarded to the state board of equalization. The project operator shall provide notice to competitors in the manner prescribed by the state board of equalization. The board shall determine whether the granting of the exemption is in the best interest of the people of North Dakota and, if it so determines, approve the exemption. The board shall, after making its determination, certify the findings back to the applicant and to the tax commissioner. Nothing contained herein shall have the effect of exempting the project from filing an annual income tax return.

40-57.1-04.1. Ad valorem tax exemption for existing structures - Requirements.

Notwithstanding any other provision of this chapter, a project operator who otherwise qualifies under this chapter may, upon application consistent with the provisions of this chapter, receive a partial or complete exemption from ad valorem taxation on any existing structure used in or necessary to the operation of the project for a period not exceeding five years from the date of commencement of project operations in the structure. For taxable years beginning after December 31, 1988, the governing body of a municipality may grant additional exemptions of property under this section during a period not exceeding ten years from the date of commencement of project operations in the structure if the structure is owned by the United States, the state, or a political subdivision of the state and leased to the project operator. The project operator shall apply to the governing body of the municipality annually for the exemption and the governing body of the municipality may grant the exemption for only one year at a time.

40-57.1-04.2. Local development corporation defined - Requirements - Purpose.

Repealed by S.L. 1991, ch. 447, § 10.

40-57.1-04.3. Property tax exemption on speculative industrial buildings and properties owned by a local development organization.

A municipality may, in its discretion, grant partial or complete exemption from ad valorem taxation on buildings, structures, and improvements constructed and owned by a local development organization for the express purpose of attracting new industry to this state. This exemption from ad valorem taxation is only available on new buildings, structures, and improvements while they remain unoccupied. Once the building, structure, or improvement is occupied, the exemption continues until the next annual assessment date following the first occupancy. This section does not affect the eligibility for property tax exemption of a business

available under other provisions of this chapter, provided application for the tax exemption is granted prior to occupancy. A written request for the exemption is to be filed by the local development organization with the municipality. The request will be reviewed at an official meeting of the governing body and will be placed on the agenda for final action at the next official meeting. The governing body of the municipality shall notify the county director of tax equalization with respect to any exemption granted under this section.

40-57.1-04.4. Clearance of tax obligations and tax liens of record.

1. A project operator is not eligible for the income tax exemption under section 40-57.1-04 until a showing is made that the project operator has satisfied all state or local tax obligations and tax liens of record for delinquent property, income, income withholding, sales, or use taxes owed to the state or a political subdivision.
2. A certificate from the tax commissioner to the state board of equalization satisfies the requirement of subsection 1.
3. If the project operator is a corporation or a passthrough entity defined in section 57-38-01, any of its officers, governors, or managers charged with the responsibility for making either property, income, income withholding, sales, or use tax returns and payments are subject to the provisions of subsections 1 and 2 with respect to all state or local tax obligations and tax liens of record for delinquent property, income, income withholding, sales, or use taxes for which the individual is personally liable. If the project operator is a partnership, each general partner is subject to the provisions of subsections 1 and 2 with respect to all state or local tax obligations or tax liens of record for delinquent property, income, income withholding, sales, or use taxes for which the individual is personally liable.

40-57.1-05. Reapplication for tax exemption - Discretion of board of equalization.

The municipality or the state board of equalization, upon the presentation of additional facts and circumstances which were not presented or discovered at the time of the original application for tax exemption under the provisions of this chapter, may accept reapplications from project operators at any time if the project operators first publish notice of application for tax exemption as required by this chapter.

40-57.1-06. Change in investment, new location, or change in project operator or use requiring reapplication for tax exemption or payments in lieu of taxes.

If the capital investment in the buildings, structures, fixtures, and improvements comprising the project exceeds the original investment or total investment after an approved reapplication under this section because expansion of the project has increased the investment in the project by more than twenty percent, the project operator must reapply to receive an exemption or to make payments in lieu of taxes on the added value of the property. If the project operator does not reapply, or if the reapplication is disapproved, the increased capital value of the buildings, structures, fixtures, and improvements comprising the project is subject to ad valorem taxation. If at any time a project operator who is exempt from taxation or subject to payments in lieu of taxes under this chapter moves the business to a new location, the project operator must reapply to retain the remaining balance of the property tax exemption or the option to make payments in lieu of taxes or elect to make application as a new business. A business relocation has no effect on the income tax exemption of the project operator if it is shown by the project operator to the satisfaction of the state board of equalization that the nature of the business has not been changed by the move and that the effect of the business upon competitors has not been changed by the move. In addition, a property tax exemption or option to make payments in lieu of taxes provided by this chapter applies only to the project operator to whom it is granted and is valid only while the property is used for the purposes stated in the application. If there is a change in use of the property or if a new project operator takes possession of the property, the property tax exemption or option to make payments in lieu of taxes terminates and the project operator must file a new application with the municipality for a tax exemption or option to make

payments in lieu of taxes for the remainder of the exemption or payments in lieu of taxes period provided under section 40-57.1-03.

40-57.1-07. Exemptions - Time for making application.

1. No property tax exemption shall be granted under this chapter unless the application for it is granted as provided in this chapter prior to the commencement of construction of the project as that term is defined in section 40-57.1-02 or prior to occupancy by the project operator if the project is an existing building.
2. Application for an income tax exemption as provided in this chapter must be made by the project operator no later than one year after the commencement of project operations.

40-57.1-08. Large industrial projects - Exclusion from provisions of chapter.

Repealed by S.L. 1994, ch. 784, § 7.

Worden, Heather

From: Worden, Heather
Sent: Monday, March 27, 2017 10:25 AM
To: 'The Forum Legals'
Subject: Notice to Competitors of Hearing
Attachments: TAX EXEMPTION NOTICE-Mr. Spindle Inc..docx

Please publish the attached notice on Monday, April 3rd and Monday, April 10th.

Thank you.

Heather Worden, Administrative Assistant
Cass County Commission
211 9th Street South
PO Box 2806
Fargo ND 58108-2806
(701) 241-5609

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Page 1 of 1

NOTICE TO COMPETITORS OF HEARING ON APPLICATION FOR PROPERTY TAX INCENTIVES

Notice is hereby given that the County Commission of Cass County, North Dakota will meet at 3:30 p.m. on Monday, May 1, 2017, in the Commission Room, Cass County Courthouse, 211 9th Street South, Fargo, North Dakota, to consider the application of Mr. Spindle, Inc., for property tax relief on a project which the applicant will expand its business and use for the manufacture of cedar and pine porch and deck components located in Lot 3 Block 1 of Commerce on I-29 Subdivision in Cass County.

Any competitor of that applicant may appear and be heard by the Cass County Commission at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code Section 40-57.1-03.
(April 3, 10, 2017) 2463834

Worden, Heather

From: Edwards, Brielle
Sent: Tuesday, April 04, 2017 4:33 PM
To: Worden, Heather
Subject: Notice

*Ad prepared by
Bob Matthews*

North Dakota Public Notices

Notice To Competitors Of Hearing On Application For Property Tax Incentives
Notice is hereby given that the Cass County Board of Commissioners of Cass County, North Dakota will meet at 3:30 PM on 4/17/17, at the Cass County Courthouse to consider the application of Bob Matthews/Mr. Spindle Inc 4806 Meadow Creek Drive, Fargo, ND 58104 for property tax relief on the project which the applicant will use in the operation of Manufacturing Cedar & Pine Deck and Porch Components at 129 Commerce on 100th Lot 3 Block 1, Fargo, ND 58104
Legal description: Lot 3, Block 1, 129 Commerce on 100th
Any competitor of that applicant may appear and be heard by the Cass County Commissioners at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.
This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code § 40-57.1-03 (March 20, 2017) 2458052

Brielle Edwards
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Cass County Personnel
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