



**Board of County
Commissioners**

Chad M. Peterson
Fargo, North Dakota

Rick Steen
Fargo, North Dakota

Vern Bennett
Fargo, North Dakota

Duane Breitling
West Fargo, North Dakota

Mary Scherling
Stanley Township,
North Dakota

M E M O

TO: Cass County Commissioners
FROM: Heather Worden
DATE: April 8, 2019
SUBJECT: Tax Increment Financing District for Casselton City

Del Losing, Attorney for the City of Casselton, has submitted information on a proposed amendment to a Tax Increment Financing (TIF) District in Casselton, which is in the industrial park and will allow the city to put new roads in the industrial park.

According to Mr. Losing, there is an existing TIF district with \$126,000 annually going to finance the costs. Once the current bonds are paid off in 2020, one property will remain in the TIF, which is owned by Maple River Grain and Agronomy. The Developer's Agreement with Maple River Grain and Agronomy provides for the creation of Amended Tax District No. 2019-1. The tax increments will be used to pay for assessments on this property for up to 15 years and will cover costs to extend Heartland Avenue by 700 feet.

SUGGESTED MOTION:

Move to participate in an Amended Tax Increment Financing District No. 2019-1 in the City of Casselton for up to 15 years.

Heather Worden
Commission Assistant

PO Box 2806
211 Ninth Street South
Fargo, North Dakota 58108
701-241-5609
www.casscountynd.gov

Worden, Heather

From: Wilson, Robert
Sent: Tuesday, April 2, 2019 11:47 AM
To: Worden, Heather; Montplaisir, Michael
Cc: Delvin J. Losing
Subject: FW: Tax Increment Financing - Maple River Grain
Attachments: SKMBT_C284e19040210410.pdf

Del,
Thanks. I'll schedule this for our Commission meeting at 3:30 p.m. on April 15th. As we discussed, I think the City of Casselton makes a good case. However, to be consistent with how we've treated incentives in excess of 5 years that have been submitted by other entities this needs to be reviewed by the full board.
Thanks,
Robert

From: Delvin J. Losing <DLosing@OhnstadLaw.com>
Sent: Tuesday, April 2, 2019 10:53 AM
To: Wilson, Robert <WilsonRo@casscountynod.gov>
Subject: Tax Increment Financing - Maple River Grain

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Robert:

Thanks for meeting with me a while back regarding the TIF. Attached is a notice regarding a proposed amendment to a tax increment financing district. I had spoken with you and Mike Montplaisir about this previously, but we have now determined specifically how this will work.

There is an existing Tax Increment district which currently has \$126,000 annually going to finance costs. Once the current bonds pay off some time in 2020, one property will remain in the TIF, a parcel owned by Maple River Grain and Agronomy. This parcel alone creates an annual increment of \$78,000. Due to recent improvements, we believe the increment for the 2019 taxes will be about \$90,000. All of the remaining properties in the TIF will be on line by 2021, so those taxes will be going to the county, city and school district. This amended TIF will go on for not more than 15 years. The purpose of the project is to extend Heartland Avenue 700 feet.

We are required to give chairman of the commission notice by certified mail, so I will be sending the attached information out to the county address, attention to the chairman. If you agree to participate or make no response it is presumed that you are participating in this.

Please feel free to reach out with any questions. Thanks.

Del
Delvin J. Losing
Attorney at Law
Ohnstad Twichell, P.C.
dlosing@ohnstadlaw.com
www.ohnstadlaw.com

746 Front Street
P.O. Box 308
Casselton, ND 58012
TEL (701) 347-4652
FAX (701) 347-4653



Responses to your comments or questions may take up to 3 business days.

First Name Delvin
Last Name Losing
Email Address dlosing@ohnstadlaw.com
Phone Number 7013474652

Comments

Hi Mary:

I'm am writing on behalf of the City of Casselton as City Attorney. We are looking at amending an agreement regarding a tax increment financing district (TIF), which is in the industrial park, and would allow the city of Casselton to put in new roads in the industrial park. The current state requirements require us to notify the school and county and allow you to object to the TIF district. Would you be available some time to meet with me or perhaps others from the city to discuss this project. Are there some times in the next week we could make work. Thanks.

Del Losing

Would you like to be contacted regarding your comments?

Yes

How do you prefer we contact you?

Phone

Email

Thank you,
Cass County, ND

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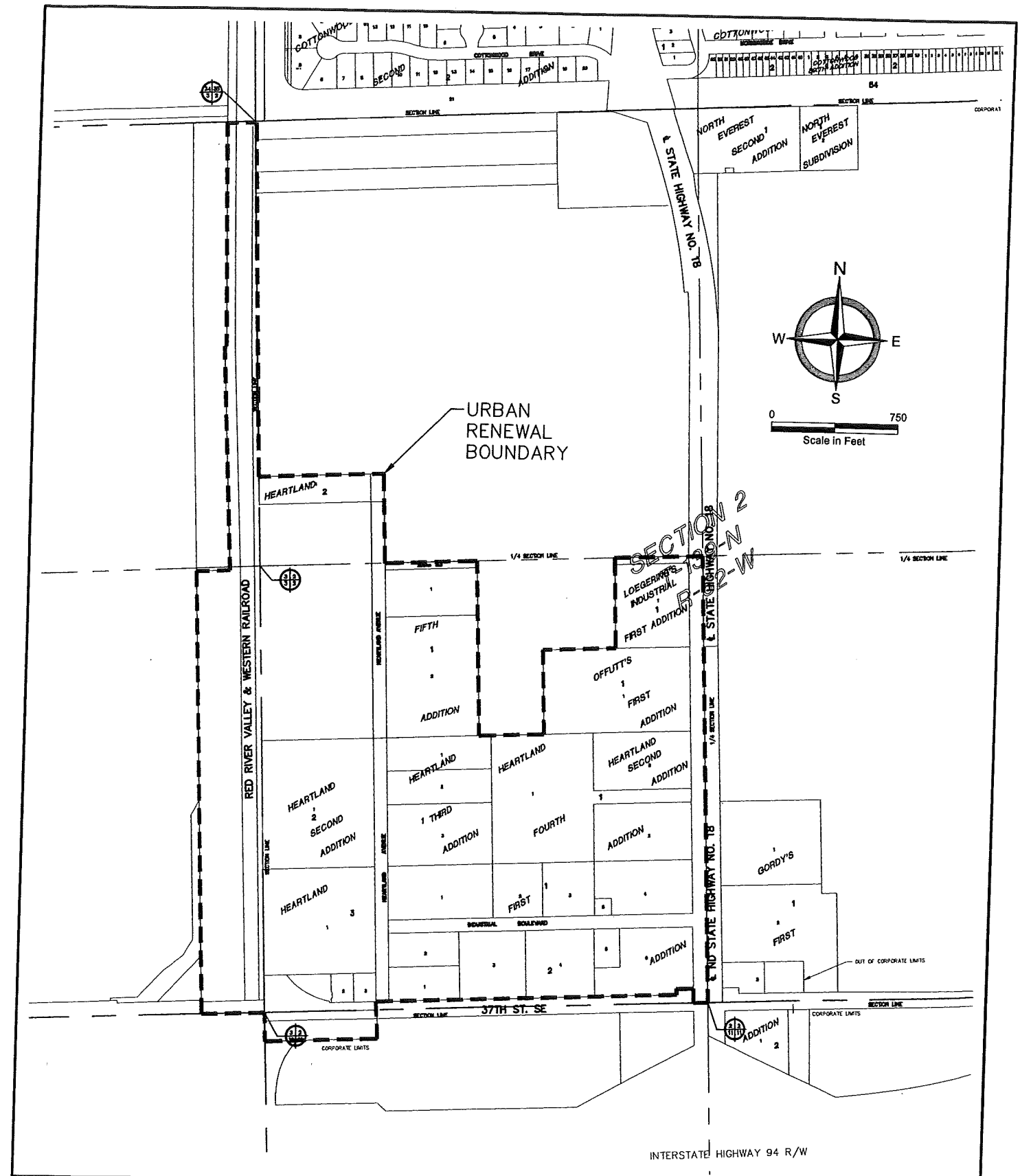
NOTICE OF HEARING BY CITY OF CASSELTON

The City of Casselton will hold a public hearing at Casselton City Hall on May 6, 2019, at 7:00 p.m. regarding the following:

1. Whether to amend the General Plan for Urban Renewal and Development, to include all of the property as shown on the attached **Exhibit A**.
2. Whether to approve a City of Casselton, Commercial and Industrial Renewal and Development Plan of 2019. The purpose of the hearing is for the City to approve the renewal plan pursuant to Section 40-58-20.2 of the North Dakota Century Code.
3. Whether to approve a an Amended Developer's Agreement with Maple River Grain and Agronomy, LLC. The Developer's Agreement provides for the creation of the Amended Tax Increment District No. 2019-1, which tax increments will be used to pay for all or part of the assessments on Developer's property for up to 15 years as a result of improvements made in Street Improvement District No. 2019-1.

Anyone is invited to attend the hearing. A copy of the Commercial and Industrial Renewal Development Plan of 2019 and the Developer's Agreement are enclosed. This notice is being sent to you as required by North Dakota law, NDCC § 40-05-24, to the relevant county and school district affected. You have thirty days from receipt of the letter to respond, in writing, if the entity will participate. If electing to not participate, the response must include a letter with explanation and whether the entity is willing to negotiate terms of the incentive with the city. If the municipality does not receive a response from the affected county or school district the entity must be treated as participating in the property tax incentive.

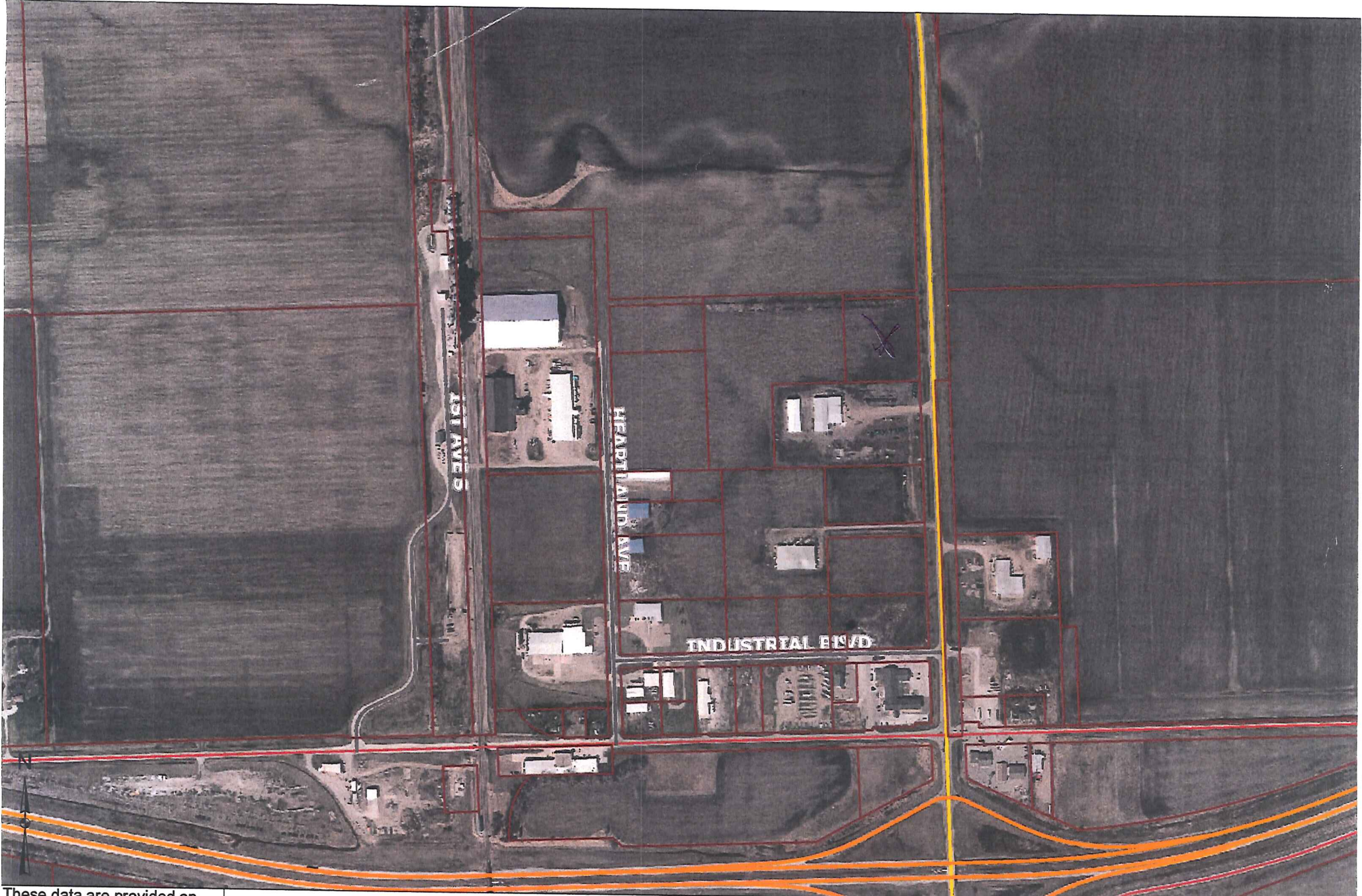
BY ORDER OF THE CITY COUNCIL



**EXHIBIT A
URBAN RENEWAL BOUNDARY
CASSELTON, NORTH DAKOTA**

PROJECT No. 20631
 DATE: 04.01.19
 REVISED: -
 DRAFTER: JRH
 REVIEWER: BLO





These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

Date: 3/5/2019

This map is not a substitute for accurate field surveys or for locating actual property lines and any adjacent features.



AMENDED CITY OF CASSELTON COMMERCIAL, INDUSTRIAL RENEWAL AND DEVELOPMENT PLAN OF 2019

1.

INTRODUCTION

The City of Casselton, having adopted its General Plan as to the development of the City and setting forth therein its development plans and goals and setting forth its development area, does now make this specific plan for the development of an urban renewal area for commercial or industrial development. The City finds that the property set forth in **Exhibit A** consists of ag-commercial (including ag-commercial), or industrial property that is appropriate for a development and renewal project.

2.

LAND ACQUISITION

The City of Casselton, to the greatest extent it determines to be feasible in carrying out this plan, shall afford maximum opportunity, consistent with the sound needs of the City as a whole, to the development of the development and renewal area by private enterprise. The City does not now contemplate that land acquisition may be necessary, but the City reserves its right to purchase the necessary property by negotiation prior to any condemnation action. If the City acquires any land, it may sell or lease all or a part of any property purchased to further the goal of development of the property.

3.

ZONING AND LAND USES

The City of Casselton has determined that the land in the development area shall be used for industrial, or commercial (including ag-commercial), development and relating appurtenances. To the extent the property in the development area is not now zoned for these uses, the City, following its normal zoning procedures, shall zone the development property for such use. The City, however, reserves the right to zone part of the property for other uses if it deems that to be in the best interest of the City.

4.

RELATIONSHIP TO GENERAL PLAN AND LOCAL OBJECTIVES

The City of Casselton contemplates this development and renewal plan specifically ties into its General Plan for the City in order to prevent slum and blight, as well as the development of commercial or industrial developments within the City. The City recognizes that the ongoing economic development of the City is necessary for the future growth and welfare of the City and its citizens. The development of infrastructure and commercial, industrial or residential development can provide for the continued growth and stability of the City.

5.
DEVELOPMENT GOALS

The City of Casselton, in developing this plan, takes into consideration the ongoing and varied needs of its businesses and citizens within the development area. As such, this development plan may be made up of a number of projects or steps which the City contemplates may be necessary to carry out the goals and objectives of this development plan and the General Development Plan of the City. The projects which constitute a subpart of the plan are as follows:

- A. Street, sewer, water, drainage and storm water improvements in the development area, as well as leading to the development area on, or along truck routes in the City, possibly done in stages to match the actual development.
- B. The establishment of other municipal improvements in the development area which would be necessary to encourage growth.
- C. The creation of one or more tax increment districts in the development area to pay for all or part of the municipal infrastructure costs, possibly including land acquisition. The City will create one or more tax increment districts in the development area in the future by resolution of the City Council..
- D. Such other steps that the City may in the future determine to be necessary to achieve its goal of business expansion.

6.
FINANCING

The City of Casselton reserves the right to finance the costs incurred in implementing this plan through the use of general fund money, tax increment bond financing, special assessment bond financing, State Revolving Loan Fund Revenue Bonds payable in whole or in part by tax increments, county, state and federal grants, contributions by private enterprise, or any combination of the above.

OFFERED by Member _____ and seconded by Member _____. The following members voting aye: _____; the following members voting nay: _____; and the following members absent and not voting: _____. The majority have voted in favor the Plan is approved.

Mayor

City Auditor

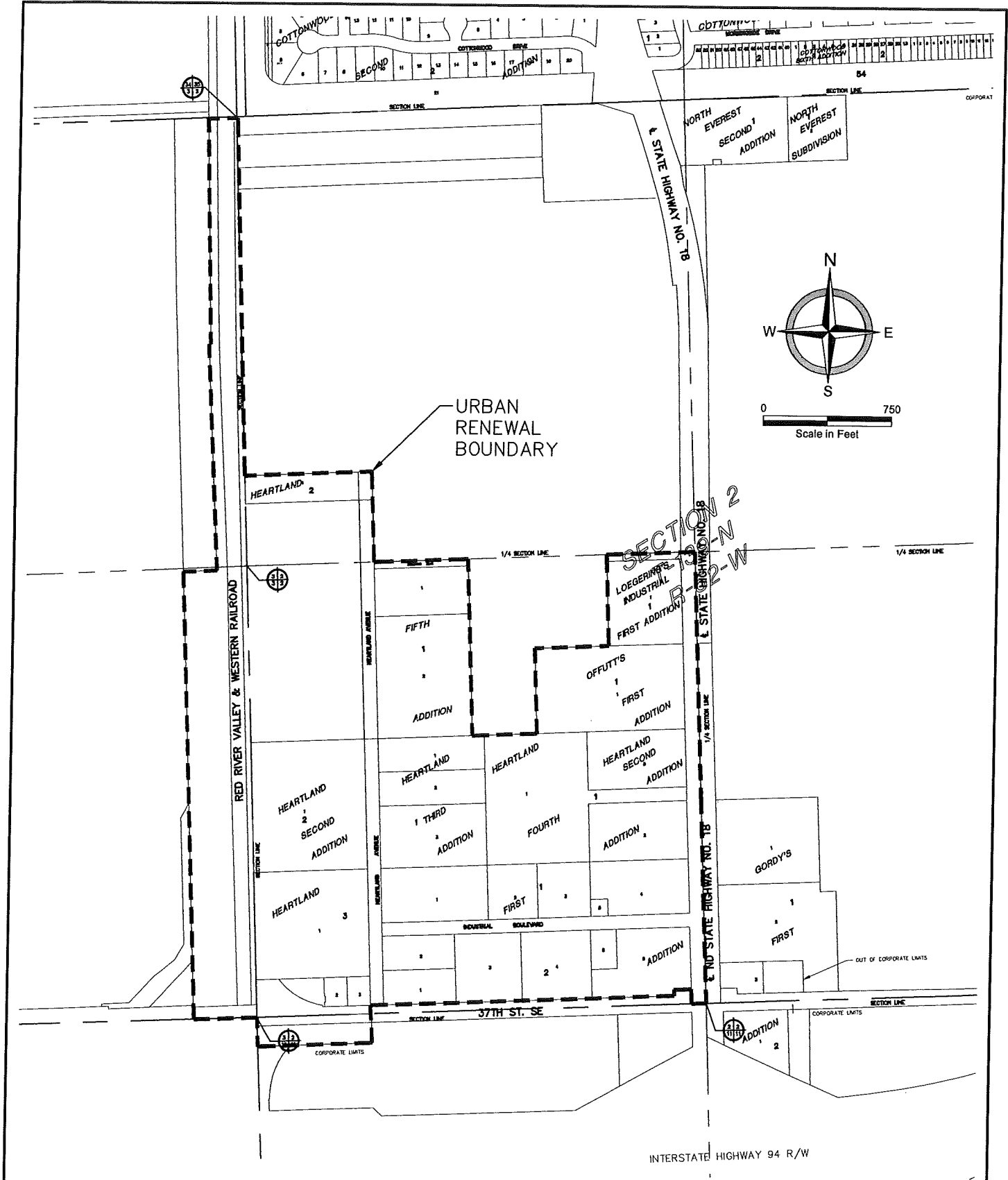


EXHIBIT A
URBAN RENEWAL BOUNDARY
CASSELTON, NORTH DAKOTA

PROJECT No. 20631
 DATE: 04.01.19
 REVISED: -
 DRAFTER: JRH
 REVIEWER: BLO



AMENDED DEVELOPER AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2019, by and between the City of Casselton, North Dakota, a municipal corporation (the “City”), and Maple River Grain & Agronomy, LLC (the “Project Developer”)

WHEREAS, the City created a TIF District in 2008, which included all of the properties shown on **Exhibit A** located in the City of Casselton (“Original TIF District”).

WHEREAS, the City entered into a Developer Agreement in 2008 with the owners of property described in **Exhibit A**.

Whereas, the City created Street and Storm Sewer Improvement District No. 20 in order to assess the benefited properties for street and storm sewer infrastructure;

Whereas, the bonds related to Street and Storm Sewer Improvement District No. 20 will be paid off some time in 2020;

Whereas, the Project Developer and City both desire to amend the prior developer agreement, to include only the property described in **Exhibit B** in the Tax Increment Financing District (“Amended TIF District”) with the purpose of doing the work described in **Exhibit C** as shown on the map in **Exhibit D** (the “Project”);

Whereas, the City will create Street and Storm Sewer Improvement District 2019-1 (the “District”) in order to assess the benefited properties for the work described in **Exhibit C**.

Whereas, the City has adopted an Amended City of Casselton Commercial, Industrial, Renewal and Development Plan of 2019 (the “Renewal Plan”) and this plan includes the property

described in the attached Exhibit B located in the City of Casselton in accordance with the provisions of Section 40-58-06, N.D. Cent. Code, and the City will issue Tax Increment Bonds; and

WHEREAS, the Project Developers believe that it is in the best interest that the City issue Tax Increment Bonds payable from the district, for the purpose of promoting commercial development in the City through the payment and reimbursement of eligible costs set out in this Agreement; and

WHEREAS, prior to issuing Tax Increment Bonds, it is necessary for the Project Developer and the City to enter into an Agreement pursuant to Section 40-58-20.1, N.D. Cent. Code; and

WHEREAS, the City has determined that this agreement will not result in unfair competition, and that this agreement is in the best interest of the City of Casselton as a whole.

Whereas, once the bonds are paid off related to Street and Storm Sewer Improvement District No. 20, the tax increment for the **Exhibit B** property will be applied to the Project.

NOW, THEREFORE, be it agreed between the parties as follows:

1. The City hereby amends the Tax Increment District while retaining the base tax year for the parcel remaining in the district, and will construct or acquire the public improvements set out in paragraph 6, and other costs permitted under section 40-58-20.1(3) of this Agreement and will issue Tax Increment Bonds payable from the District to finance those improvements, or to reimburse the Developers for such costs, as well as to pay bond issuance costs, and to establish a Reserve Fund and a Capitalized Interest Fund if necessary.

2. The Project Developer approves the creation of the Amended Tax Increment District and the issuance of one or more series of Tax Increment Bonds in an amount sufficient to cover the costs of the improvements covered by this Agreement.

3. The Project Developers understand and agree that the increased value of its property in the Tax Increment District of the City will be taxed, as a general real estate tax in the City as all other property, and that the tax based on the increased value will be placed into the Tax Increment Fund of the City from which the Tax Increment Bonds will be paid. The Project Developer understands that its property will be treated as all other property in the tax increment district in the City in that regard. The Project Developer shall have the same right as all other real property taxpayers in the State of North Dakota to contest the valuation placed on their property pursuant to the procedures under North Dakota law.

4. Project Developer and the City understand and agree that certain of the improvements covered by this Agreement may be constructed on property owned by the Project Developer, and that the Project Developer will grant to the City the proper and necessary easements or other permission for these improvements, if necessary.

5. The Project Developer agrees to pay the appropriate general real estate taxes assessed against its property on an annual basis in accordance with the provisions of the applicable law in the State of North Dakota.

6. The improvements to be funded by the City's Tax Increment Bonds shall include the eligible costs for the extension of Heartland Avenue as described in **Exhibit C** to this Agreement, which collectively will be called the "Project."

7. This Agreement may be amended by the affected parties agreeing in writing. This Agreement shall terminate and be of no further force and effect after the City's Tax Increment Bonds issued to fund the Project have been paid in full.

CITY OF CASSELTON

BY: _____
Its Mayor

BY: _____
Its City Auditor

Maple River Grain and Agronomy, LLC

BY: _____
Its: _____

DRAFT

Exhibit A

Legal Descriptions

Lots One (1) Two (2), Three (3), Four (4), Block One (1), Heartland First Addition to the City of Casselton, Cass County, North Dakota;

Lots One (1), and Two (2), Block One (1), Heartland Second Addition to the City of Casselton, Cass County, North Dakota.

Lot One (1), Block Two (2), Heartland Second Addition to the City of Casselton, Cass County, North Dakota.

The West 240 feet of Lot Three (3), Block Two (2), Heartland 1st Addition to the City of Casselton, Cass County, North Dakota.

Lot Two (2), Block Two (2), Heartland 1st Addition to the City of Casselton, Cass County, North Dakota.

THAT PART OF THE WEST HALF OF (W. 1/2) OF SECTION TWO (2), TOWNSHIP ONE HUNDRED THIRTY NINE (139) NORTH, RANGE FIFTY TWO (52) WEST, CASS COUNTY, NORTH DAKOTA DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT ONE (1), BLOCK TWO (2) OF HEARTLAND SECOND ADDITION TO THE CITY OF CASSELTON;

THENCE N89°51'16"W ALONG THE NORTH LINE OF SAID LOT ONE (1) FOR A DISTANCE OF SIX HUNDRED SIXTY EIGHT AND TWENTY NINE HUNDREDTHS (668.29) FEET TO THE NORTHWEST CORNER OF SAID LOT ONE (1), SAID POINT LYING ON THE WEST LINE OF THE WEST HALF (W. 1/2) OF SAID SECTION TWO (2);

THENCE N00°10'17"E ALONG THE WEST LINE OF THE WEST HALF (W. 1/2) OF SAID SECTION TWO (2) FOR A DISTANCE OF ONE THOUSAND FOUR HUNDRED FEET (1,400.00) FEET;

THENCE S89°51'16"E FOR A DISTANCE OF SIX HUNDRED SIXTY SEVEN AND SIXTY SIX HUNDREDTHS (667.66) FEET TO A POINT ON THE NORTHERLY EXTENSION OF THE WEST RIGHT-OF-WAY LINE OF HEARTLAND AVENUE IN THE CITY OF CASSELTON;

THENCE S00°08'44"W ALONG SAID NORTHERLY EXTENSION OF THE WEST RIGHT-OF-WAY LINE FOR A DISTANCE OF ONE THOUSAND FOUR HUNDRED FEET (1,400.00) FEET TO THE NORTHEAST CORNER OF SAID BLOCK TWO (2), THE POINT OF BEGINNING.

SAID TRACT CONTAINS 21.47 ACRES, MORE OR LESS.

SAID TRACT SUBJECT TO RIGHTS-OF-WAY AND EASEMENTS RECORDED AND UNRECORDED.

EXHIBIT B

THAT PART OF THE WEST HALF OF (W. 1/2) OF SECTION TWO (2), TOWNSHIP ONE HUNDRED THIRTY NINE (139) NORTH, RANGE FIFTY TWO (52) WEST, CASS COUNTY, NORTH DAKOTA DESCRIBED AS FOLLOWS:

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SAID TRACT CONTAINS 21.47 ACRES, MORE OR LESS.

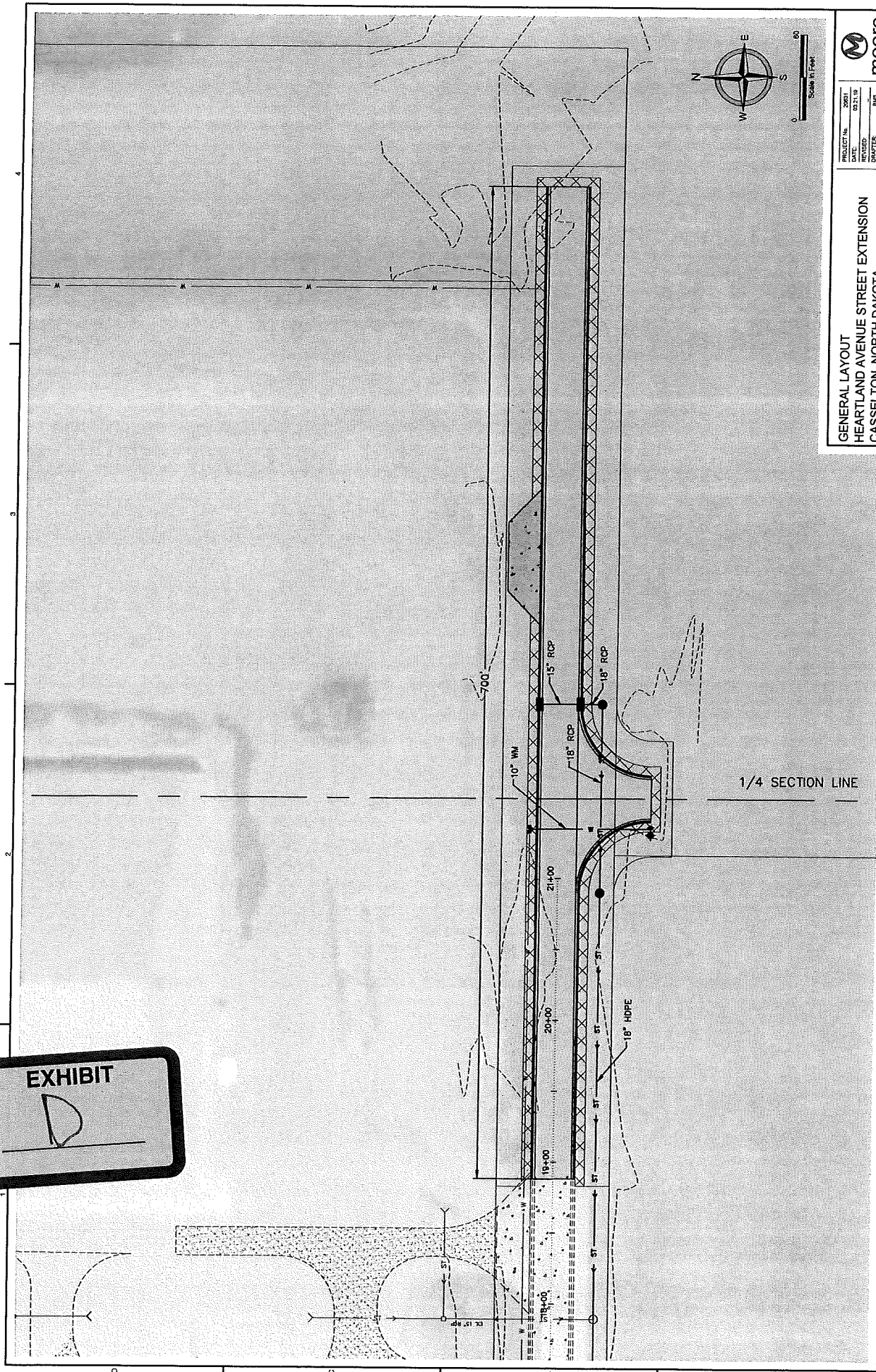
SAID TRACT SUBJECT TO RIGHTS-OF-WAY AND EASEMENTS RECORDED AND UNRECORDED.

EXHIBIT C

The costs of clearing and grading land, the installation and construction of streets, approaches and utilities and such other public works or improvements as are necessary for carrying out the development plan.

All interest and redemption premiums paid on bonds, notes or other obligations issued by the municipality to provide funds for the payment of eligible expenses.

DRAFT



GENERAL LAYOUT
HEARTLAND AVENUE STREET EXTENSION
CASSELTON, NORTH DAKOTA

PROJECT NO.	2021
DATE	03/21/21
REVISED	
DRAWN BY	JMK
CHECKED BY	JMK
REVIEWER	



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EXHIBIT
D