

PROPERTY TAX INCENTIVE APPLICATION FOR ABBIAMO PASTA COMPANY
(Del Losing, Melissa Beach)

SUGGESTED MOTION:

Move to participate in the request for a payment in lieu of taxes (PILOT) incentive for proposed expansion of an existing manufacturing facility in the City of Casselton submitted by AbbiAMO Pasta Company for a 10-year period.

OR

SUGGESTED MOTION:

Move to not participate at this time in the request for a payment in lieu of taxes (PILOT) incentive for proposed expansion of an existing manufacturing facility in the City of Casselton submitted by AbbiAMO Pasta Company for a 10-year period and to negotiate the terms of the property tax incentive with the city as described in N.D.C.C. Chapter 40-05-24.

NOTICE OF PROPOSED TAX INCENTIVE BY THE CITY OF CASSELTON

TO: Brandy Sprunk, President of Central Cass School Board
Chad Peterson, Chairman of Cass County Commission

The City Council of the City of Casselton has approved a ten year payment in lieu of taxes ("PILOT") application under NDCC, Chapter 40-57.1, requested by Abbianno Pasta Company, as follows: an annual PILOT amount of \$100 per year for the proposed expansion of an existing project for a period of ten years beginning in 2021. The real property involved is Lot 1, Block 1, Heartland 4th Addition to the City of Casselton, parcel no. 03-08900-0010-000.

This notice is given to you as required by North Dakota law, NDCC § 40-05-24. You have thirty days from receipt of this letter to notify the City of Casselton in writing whether the county or school district elects to participate in granting the tax incentive on the county and school district portion of the tax levied on the property. 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.

Enclosed are the following:

1. The application of Abbianno Pasta Company
2. A letter from the North Dakota Department of Commerce indicating Abbianno Pasta Company is a primary sector business.

BY ORDER OF THE CITY COUNCIL

RECEIVED
CASS COUNTY COMMISSION

NOV 5 2020

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

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

Project Operator's Application To Casselton
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>Abbiamo Pasta Company</u>		
2.	Address of project	<u>1900 Governors Dr</u>		
	City	<u>Casselton</u>	County	<u>Cass</u>
3.	Mailing address of project operator	<u>PO Box 1114</u>		
	City	<u>Casselton</u>	State	<u>ND</u> Zip <u>58012</u>
4.	Type of ownership of project			
	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Subchapter S corporation	<input 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>416-2187290</u>		
6.	North Dakota Sales and Use Tax Permit No.	_____		
7.	If a corporation, specify the state and date of incorporation	<u>ND 2013</u>		
8.	Name and title of individual to contact	<u>Chuck Kessler</u>		
	Mailing address	<u>PO Box 1114</u>		
	City, State, Zip	<u>Casselton</u>	<u>ND</u>	<u>58012</u> Phone No. <u>701 347 2010</u>

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.		
	<input checked="" type="checkbox"/> Property Tax Exemption	<input checked="" type="checkbox"/> Payments In Lieu of Taxes	
	___ Number of years	<u>2021</u> Beginning year	<u>2031</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 1, Block 1, #606411 Heartland 4th Add TIC

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 Mid Oct 2021

b. Description of project to be constructed including size, type and quality of construction

Steel Building, 93,000 sq ft

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

14. Approximate date of commencement of this project's operations Spring 2021

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

a. Land \$ 125,000


b. Existing buildings and structures for which an exemption is claimed..... \$ 0

c. Newly constructed buildings and structures when completed \$ 5.2 M

d. Total \$ _____

e. Machinery and equipment \$ 4.5 M

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 \$ \$260,000

d. Total taxable valuation of property eligible for exemption (Add lines b and c) \$ \$260,000

e. Enter the consolidated mill rate for the appropriate taxing district 262.84

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ 68,338

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 Pasta

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

Robots, Packaging Equipment, Silos, Pasta Line

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	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion 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>17.75 m</u>	<u>26 m</u>	<u>35.5 m</u>	_____	_____
Annual expense	<u>3.5 m</u>	<u>4.75 m</u>	<u>5.75 m</u>	_____	_____
Net income	<u>1.5 m</u>	<u>2.5 m</u>	<u>4.5 m</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	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project 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>38</u>	<u>12</u>	<u>15</u>	<u>20</u>	_____	_____
	(2) _____	_____	_____	_____	_____	_____
Estimated payroll	(1) <u>2.1 m</u>	<u>1,000,000</u>	<u>750,000</u>	<u>1,000,000</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). Tax incentives via City of Casselton

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, Chuck Kessler, 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.

Chuck Kessler Signature Controller Title 9-2-20 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:

- | | |
|--|---|
| <input type="checkbox"/> Property Tax Exemption | <input type="checkbox"/> 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

NORTH
Dakota | Commerce
Be Legendary.™

October 22, 2020

Sheila Klevgard, Auditor
City of Casselton
PO Box 548
Casselton, ND 58012

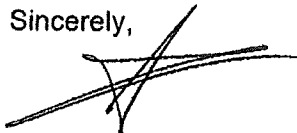
Dear Sheila:

The Department of Commerce Division of Economic Development & Finance has reviewed the application for property tax incentives for new or expanding businesses for **Abbiamo Pasta Company**.

Abbiamo Pasta Company was recertified as a primary sector business on March 21, 2017. The certification expires on March 21, 2021. A copy of the primary sector certification letter is enclosed.

If you have any further questions, feel free to contact our office at 701-328-5300.

Sincerely,



James Leiman, Director
Economic Development & Finance Division

Enclosure

1600 E Century Avenue, Suite 2 | P.O. Box 2057 | Bismarck, ND 58502-2057

PHONE: 701-328-5300 | TOLL-FREE: 1-866-4DAKOTA | ND RELAY TTY: 1-800-366-6888 | VOICE: 1-800-366-6889 | NDCommerce.com



March 21, 2017

Chuck Kessler
Abbiamo Pasta Company
PO Box 1114
Casselton ND 58012

Dear Chuck:

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, **Abbiamo Pasta Company**, 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 3/21/2021).

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 that reads "John F. Schneider". The signature is fluid and cursive, with a small mark above the 'i' in Schneider.

John F. Schneider
Interim Director, ED&F Division

Worden, Heather

From: Fracassi, Paul
Sent: Thursday, November 5, 2020 12:13 PM
To: Worden, Heather; Wilson, Robert; Peterson, Chad
Subject: RE: PILOT Tax Incentive for City of Casselton
Attachments: Abbiamo Pasta.xlsx

Thought I would include this information about Abbiamo Pasta.

It shows the original 10 year exemption on the main structure (2013) as well as the PILOT that was applied to the addition in 2017. Also, is a list of their taxes over the past few years.

Take care,

-----Original Message-----

From: Worden, Heather <WordenH@casscountynd.gov>
Sent: Thursday, November 5, 2020 11:44 AM
To: Wilson, Robert <WilsonRo@casscountynd.gov>; Fracassi, Paul <FracassiP@casscountynd.gov>; Peterson, Chad <PetersonC@casscountynd.gov>
Subject: PILOT Tax Incentive for City of Casselton

Attached is a notice from the City of Casselton about a proposed ten-year PILOT for Abbiamo Pasta Company.

We will have to schedule it on the November 16th agenda to meet the 30 day requirement to respond.

Heather Worden
Administrative Assistant
Cass County Commission Office
211 9th Street South
PO Box 2806
Fargo ND 58108-2806
wordenh@casscountynd.gov
D: 701-241-5609

Abbiarno Pasta PILOT Exemptions

Project 1: Main Building (Constructed 2013)

Land	T&F Value	Land	T&F Value
\$ 1,541,300	\$ 1,541,300	\$ 1,541,300	\$ 1,541,300
Pilot Year	Pilot Percent	Impr	Pilot Value
2014	100%	\$ 1,412,800	\$ 1,412,800
2015	100%	\$ 1,412,800	\$ 1,412,800
2016	100%	\$ 1,412,800	\$ 1,412,800
2017	100%	\$ 1,412,800	\$ 1,412,800
2018	100%	\$ 1,412,800	\$ 1,412,800
2019	80%	\$ 1,130,200	\$ 1,130,200
2020	60%	\$ 847,700	\$ 847,700
2021	40%	\$ 565,100	\$ 565,100
2022	20%	\$ 282,600	\$ 282,600

Project 2: Addition (2017)

Pilot Year	Pilot Percent	Pilot Value	Pilot Payment
2018	100%	\$ 574,000	\$ 100
2019	100%	\$ 574,000	\$ 100
2020	100%	\$ 574,000	\$ 100
2021	100%	\$ 574,000	\$ 100
2022	100%	\$ 574,000	\$ 100

Below is what Abbiarno has paid:

DepositDate	DepositNo	DiscountGiven	IsAccepted	PaidFees	PaidInterest	PaidMaint	PaidPenalty	PaidSpecials	PaidTax	ParcelNo	Payee	TotalPaid	Tax Year
2/11/2020	1	\$ 270.27	\$ (1.00)	\$ -	\$ -	\$ 179.41	\$ -	\$ 3,194.28	\$ 5,135.04	03-0890-00010-000	ABBIAMO PASTA COMPANY	\$ 8,508.73	2019
2/8/2019	1	\$ 83.36	\$ (1.00)	\$ -	\$ -	\$ 356.51	\$ -	\$ 3,131.90	\$ 1,583.74	03-0890-00010-000	ABBIAMO PASTA COMPANY	\$ 5,072.15	2018
3/22/2018	1	\$ -	\$ (1.00)	\$ -	\$ -	\$ 363.79	\$ 70.75	\$ 1,057.59	\$ 1,874.06	03-0890-00010-000	ABBIAMO PASTA COMPANY	\$ 3,366.19	2017
2/10/2017	1	\$ 79.25	\$ (1.00)	\$ -	\$ -	\$ 371.06	\$ -	\$ 930.56	\$ 1,505.81	03-0890-00010-000	ABBIAMO PASTA COMPANY	\$ 2,807.43	2016
2/17/2016	1	\$ 68.20	\$ (1.00)	\$ -	\$ -	\$ 378.33	\$ -	\$ 930.57	\$ 1,295.72	03-0890-00010-000	ABBIAMO PASTA COMPANY	\$ 2,604.62	2015
2/9/2015	1	\$ 63.76	\$ (1.00)	\$ -	\$ -	\$ 540.69	\$ -	\$ 930.57	\$ 1,211.45	03-0890-00010-000	ABBIAMO PASTA COMPANY	\$ 2,682.71	2014