

PROPERTY TAX INCENTIVE APPLICATION FOR

ADM

(Melissa Beach)

SUGGESTED MOTION:

Move to participate in the request for a Property Tax Exemption in the City of Casselton submitted by ADM to construct a warehouse for up to a ten-year period.

OR

Move to **NOT** participate in the request for a Property Tax Exemption in the City of Casselton submitted by ADM to construct a warehouse for up to a ten-year period

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 will review a ten year tax exemption application under NDCC, Chapter 40-57.1, at 7 p.m. on April 22, 2021, requested by ADM, for the proposed expansion of an existing project for a period of ten years. The real property involved is Lot 2, Block 2, East Side Addition to the City of Casselton, parcel no. 03-07200-0170-000.

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 is the following: the application of ADM

RECEIVED
CASS COUNTY COMMISSION

MAR 29 2021

BY ORDER OF THE CITY COUNCIL

Application For Property Tax Incentives For New or Expanding Businesses

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

Project Operator's Application To Cassleton
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>ADM</u>	
2.	Address of project	<u>1804 Front Street</u>	
	City	<u>Cassleton</u> County <u>Cass</u>	
3.	Mailing address of project operator	<u>PO Box 1470 attn:tax dept</u>	
	City	<u>Decatur</u> State <u>IL</u> Zip <u>62525</u>	
4.	Type of ownership of project		
	<input type="checkbox"/> Partnership	<input type="checkbox"/> Subchapter S corporation	<input type="checkbox"/> Individual proprietorship
	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Cooperative	<input type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No.	<u>38-2232006</u>	
6.	North Dakota Sales and Use Tax Permit No.	<u>118455 00</u>	
7.	If a corporation, specify the state and date of incorporation	<u>10-17-1978 Michigan</u>	
8.	Name and title of individual to contact	<u>Rich Dye, Senior Tax Manager</u>	
	Mailing address	<u>PO Box 1470 attn: tax dept</u>	
	City, State, Zip	<u>Decatur, IL 62525</u> Phone No. <u>217-451-4284</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 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)
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

East Side Addition lot 2 Blk 2

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 3-1-2021

b. Description of project to be constructed including size, type and quality of construction
construct a 25,000 sqft. warehouse pre-engineered building

c. Projected number of construction employees during the project construction 15-25

14. Approximate date of commencement of this project's operations 9-24-2021

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

a. Land..... \$ _____

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

c. Newly constructed buildings and structures when completed \$ 3,157,000

d. Total..... \$ 3,157,000

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..... \$ _____

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 157,850

e. Enter the consolidated mill rate for the appropriate taxing district 0.31

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ 48,930.00

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).

processing and bagging edible beans

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

no new processing equipment will be installed
adding additional space for finished product

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
	Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue	<u>18,262,492</u>	<u>21,777,073</u>	<u>26,666,269</u>	<u>27,199,595</u>	<u>24,743,587</u>
Annual expense	<u>16,793,549</u>	<u>20,005,902</u>	<u>24,571,134</u>	<u>25,060,461</u>	<u>25,560,624</u>
Net income	<u>1,468,943</u>	<u>1,771,172</u>	<u>2,096,136</u>	<u>2,139,134</u>	<u>2,182,963</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
		Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1) <u>7</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
	(2) _____	_____	_____	_____	_____	_____
Estimated payroll	(1) <u>303,004</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</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).

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

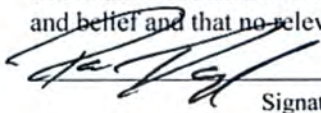
Use Only When Reapplying

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, Rich Dye, 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.



 Signature

Senior Tax Manager

 Title

2-9-2021

 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