

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

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

Project Operator's Application To City of Fargo
City or County

RECEIVED

JUN 12 2017

FARGO ASSESSOR

AFTER REVISIONS

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>BNG Holdings, Inc.</u>	
2.	Address of project	<u>3285 47th St S</u>	
	City	<u>Fargo</u>	
	County	<u>Cass</u>	
3.	Mailing address of project operator	<u>1405 Prairie Parkway Ste. C</u>	
	City	<u>West Fargo</u>	
	State	<u>ND</u>	
	Zip	<u>58078</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>20-8149025</u>	
6.	North Dakota Sales and Use Tax Permit No.	<u>216367</u>	
7.	If a corporation, specify the state and date of incorporation	<u>12/28/2006</u>	
8.	Name and title of individual to contact	<u>Brady Nash, CEO, Jason Gingerich, CFO. Jason Gibb, COO</u>	
	Mailing address	<u>1405 Prairie Parkway Ste. C</u>	
	City, State, Zip	<u>West Fargo, ND 58078</u>	
	Phone No.	<u>701-526-3539</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
	<u>5</u> Number of years	_____ Beginning year _____ Ending year
	<u>100</u> 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 an existing business project

Description of Project Property

11. Legal description of project real property

Lot 1, Block 1, BNG Addition to the City of Fargo, Cass County, North Dakota (A replat of Lot 2, Block 1, Brandt Crossing Eighth Addition)

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 08/01/2017

b. Description of project to be constructed including size, type and quality of construction
32,000 SF, 3-story building, Type IIIB Construction. Steel and concrete structure, elevator, low stair towers

c. Projected number of construction employees during the project construction 90

14. Approximate date of commencement of this project's operations 9/1/18 is the completion date of the building

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

a. Land \$ 800,000

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

c. Newly constructed buildings and structures when completed \$ 5,800,000

d. Total \$ 6,600,000

e. Machinery and equipment \$ 750,000

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 \$ 0

c. Newly constructed buildings and structures when completed \$ 290,000

d. Total taxable valuation of property eligible for exemption (Add lines b and c) \$ 290,000

e. Enter the consolidated mill rate for the appropriate taxing district 266.45

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ 77,271.00

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).

Merchant services including payment processing, payment gateway integration software, point of sale technology, and website design. Creation of new payment technologies and ongoing support of existing software.

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

Elevator, IT Equipment, A/V Equipment

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>See</u>	<u>attached</u>	<u>PDF</u>	<u> </u>	<u> </u>
Annual expense	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21. Projected number and salary of persons to be employed by the project for the first five years:

Current positions & positions added the initial year of project

# Current Positions	New Positions Under \$13.00	New Positions \$13.01-\$15.00	New Positions \$15.01-\$20.00	New Positions \$20.01-\$28.00	New Positions \$28.01-\$35.00	New Positions Over \$35.00
39	3	0	3	3	1	8

Year	(Before project)	<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>41</u>	<u>15</u>	<u>17</u>	<u>24</u>	<u>31</u>	<u>38</u>
	(2) <u>5</u>	<u>3</u>	<u>6</u>	<u>9</u>	<u>11</u>	<u>0</u>
Estimated payroll	(1) <u>4 MM</u>	<u>1.2 MM</u>	<u>1.16MM</u>	<u>1.7MM</u>	<u>2.26MM</u>	<u>2.9MM</u>
	(2) <u>82,000</u>	<u>48,000</u>	<u>96,000</u>	<u>144,000</u>	<u>192,000</u>	<u>192,000</u>

(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

We have no competitors in Fargo 0%

 Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition %

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, Brady Nash, 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 CEO Title 06/07/2017 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

BNG Holdings, Inc.

Confidential

Year	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	\$ 2,232,000	\$ 3,816,500	\$ 5,442,400	\$ 6,879,750	\$ 8,467,270
Annual Expense	\$ 1,768,000	\$ 3,137,500	\$ 4,563,848	\$ 6,025,000	\$ 7,527,000
Net Income	\$ 464,000	\$ 679,000	\$ 878,552	\$ 854,750	\$ 940,270

Not a Public Record

Confidential

Exemption Evaluation Calculator 2017			101.7
BNG Holdings			Points
Project Type Code (Ctrl-C to view)		5	38.0
Current Number Of Employees		39	
Hourly Salary Without Benefits	# Jobs		
Under \$13.00	3		
\$13.01-\$15.00	0		
\$15.01-\$20.00	3		
\$20.01-\$28.00	3	Pts. For # Jobs->	12.0
\$28.01-\$35.00	1	Pts. For \$ Jobs->	11.7
Over \$35.00	8		
TOTAL # OF JOBS CREATED	18		
% GI w/ Local Competition (not downtown)		0%	25.0
Value of Proposed Buildings		\$ 5,800,000	15.0
Downtown Location (Y/N)		N	0.0
Exemption Needed (Y/N)		N	
Startup Firm (Y/N)		N	0.0
Has Const Started or Has Bldg Been Occupied If Existing (Y/N)		N	0.0
Number of Years (Exemption)		5	
Building Age (if substantial renovation)		0	0.0
RECOMMENDATION IS TO		APPROVE	
Description		Primary Sector Service	
Estimated New Annual Payroll		\$974,480	
Estimated Annual Real Estate Tax		\$135,503	
Estimated PV of Exemption		\$586,655	
Payroll / PV of Exemption		1.7	
Property Value / # of Jobs		\$ 322,222	



May 10, 2016

Tyler Buechler
BNG Holdings Inc
1405 Prairie Pkwy Ste C
West Fargo ND 58078

Dear Tyler:

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, **BNG Holdings 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 5/10/2020).

Based upon your explanation of BNG Holdings, the company was not formed to serve as a holding company, but rather was created as the original business venture operating to produce product(s) and sell product(s) to the marketplace and generate revenue. The operations of BNG Holdings are considered primary sector business activities. We understand BNG Design to be a dba/trade name for BNG Holdings. We are also basing our decision on the information you provided us identifying the following entities as the only currently operating subsidiaries of BNG Holdings, Inc. – all of which have been certified individually as primary sector businesses.

- BNG Technologies LLC
- ConnectBooster LLC

If other entities are added as subsidiaries of BNG Holdings in the future, you will need to submit an additional application for primary sector certification within 60 days of registering the business with the ND Secretary of State. Appropriate action, relative to primary sector designation for the subsidiary and BNG Holdings, will be taken by the ND Department of Commerce on those applications at that time.

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.

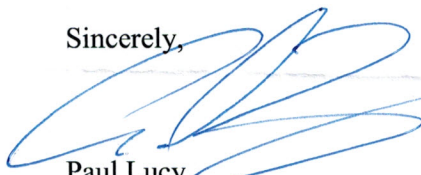
This certification is not the application process for the North Dakota New Jobs Training Program administered by Job Service North Dakota. To apply for the North Dakota New Jobs Training Program, you must contact Job Service North Dakota for the required application forms. Application forms for other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

Tyler Buechler
BNG Holdings, Inc.
May 10, 2016
Page 2

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,



Paul Lucy
Director, ED&F Division



April 11, 2016

Jason Gingerich
ConnectBooster LLC
1405 Prairie Parkway Ste C
West Fargo ND 58078

Dear Jason:

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, **ConnectBooster LLC**, 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 4/11/2020).

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.

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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 blue ink, appearing to read "Paul Lucy", is written over a faint, circular official stamp.

Paul Lucy
Director, ED&F Division



April 11, 2016

Jason Gingerich
BNG Technologies LLC
1405 Prairie Parkway Ste C
West Fargo ND 58078

Dear Jason:

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, **BNG Technologies LLC**, 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 4/11/2020).

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 blue ink, appearing to read "Paul Lucy", is written over a horizontal line.

Paul Lucy
Director, ED&F Division