

TAX EXEMPT REVIEW COMMITTEE
Fargo, North Dakota

Regular Meeting

Tuesday, March 28, 2017

The Regular Meeting of the Tax Exempt Review Committee of the City of Fargo, North Dakota, was held in the City Commission Room at City Hall at 1:00 p.m., Tuesday, March 28, 2017.

The committee members present or absent are:

Present: Dave Piepkorn, Jim Buus, Jessica Ebeling, Mark Lemer, Mayor Tim Mahoney, Erik Johnson & Ben Hushka.

Absent: Chuck Hoge, Kent Costin, Bruce Grubb

Committee Chairman Dave Piepkorn called the meeting to order at 1:00 p.m.

Application for New/Expanding Industry Exemption submitted by Korber Medipak Systems

Commissioner Dave Piepkorn asked Ben Hushka, City Assessor, to introduce the item. Mr. Hushka stated this is the former Fargo Automation which manufactures packaging machinery for the medical device and pharmaceutical industry.

Kevin Biffert from Korber Medipak stated that Fargo Automation was transferred to Korber Medipak, a German company. Mr. Biffert stated that the reason for the transfer was to grow the company world-wide. He said that the company had previously been strictly in the United States.

Mr. Hushka said that the applicant is expanding their operation at their current location and that the company does have primary sector status with the State of North Dakota. He also said that the application does meet the necessary points for recommended approval.

Mr. Biffert stated that they will be doubling their engineering space. He also stated that part of the company now operates from Clearwater, Florida and they are looking to move that part of the company to Fargo. He said that is also part of this expansion.

Of the 15 employees added, Mr. Biffert said that about ½ would be engineering positions and the rest would be related to the transfer from the Florida facility. He said that, most likely, the Florida employees would not actually move here. Rather, the positions would be new hires from the Fargo area.

Chairman Piepkorn asked the applicant about the importance of the incentive for this expansion. Mr. Biffert stated that the incentive would benefit them from the support shown. He said that the company is also looking at a location in North Carolina. He said that they offer similar incentives and he feels that the show of local support is like another check box in their decision making process of where to locate the expansion.

Jim Buus asked for clarification about the term of the incentive requested. He said that the payment in lieu of tax option was checked on the application but no term was provided. Mr. Biffert stated that, at this point, 5 years would be fine because in less than 5 years, they will be constructing a new building and would likely be back with another request. He said they are going to grow.

Mark Lemer stated that, based on the discussion, it appears that the incentive may not necessarily incent the building construction as much as it may the growth in employee count. Mr. Biffert confirmed that.

Jim Buus made a motion to approve a 5 year exemption at 100%. Jessica Ebeling seconded the motion. Motion carried unanimously.

Chairman Piepkorn asked for a motion for approval of the minutes of the last meeting. Jessica Ebeling made a motion to approve the minutes of the previous meeting. Mayor Mahoney seconded the motion. Motion carried unanimously.

The meeting adjourned at 1:21 p.m., Tuesday, February 28, 2017.