

**FARGO TAX EXEMPT REVIEW COMMITTEE**  
**Tuesday, August 28, 2018 – 1:00 p.m.**  
**City Commission Room**  
**AGENDA**

1. **Approve Tax Exempt Review Committee meeting minutes of 7/24/2018 meeting**
  - a) July 24, 2018 minutes [Page 1]
  
2. **PILOT Application by James Pladson & Austin Morris, representing Dakota Beach Capital, LLC, for a University Mixed Use zoned apartment project**
  - a) Application for New or Expanding Business Payment In Lieu of Tax (PILOT)  
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TAX EXEMPT REVIEW COMMITTEE  
Fargo, North Dakota

**Regular Meeting**

**Tuesday, July 24, 2018**

The July 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, July 24, 2018.

The committee members present or absent are:

Present: Dave Piepkorn, Mayor Tim Mahoney, Bruce Grubb, Kent Costin, Jim Gilmour, Robert Wilson, Erik Johnson, Chuck Hoge, Jackie Gapp, Mark Lemer, Jim Buus, Jessica Ebeling

Absent: Ben Hushka

Others Present: Kati Wilcox

Commissioner Piepkorn called the meeting to order at 1:00 p.m.

A motion was made by Jim Buus to approve the minutes from the June meeting held on June 26, 2018. Motion was seconded and carried.

**PILOT application by Enclave Development for downtown apartment**

Jim Gilmour discussed the PILOT Application from Enclave Development for a new apartment complex near their recent 300 Lime project. The application is for 100% exemption for five years with a 75% exemption for an additional five years, per the old policy. A “but-for” test has not been done on this project; however Austin Morris from Enclave Development would be willing to provide this information to be reviewed by the financial consultant.

Austin Morris addressed the committee. He spoke of the success of the 300 Lime project – a mix of efficiency, one-, two-, and three-bedroom apartments – that is currently 98% occupied at the desired rent amounts. The new project will be an esthetically different project with a new architect designing a new concept.

Mr. Morris stated he is willing to share the financials proving this success; however, he is concerned about the requirements of open record laws associated with sharing this information with elected officials. Erik Johnson approached the podium, explaining there are ways to present the information necessary to do the analysis while retaining the information that is sensitive without violating the open record law.

Jim Buus requested a summary of the projected rents for the new units. Austin Morris said a plan has not been calculated as they are still waiting for approval on the application. However, 85-90% of the rent costs at 300 Lime fit into the adjusted median income for the area, and include almost all utilities.

Dave Piepkorn asked for viewpoints on going forward with a “but-for” test and following what the new process will be. Jim Buus stated this has not yet been adopted as formal policy. Even though Enclave has offered to present that information, he does not feel it necessary. Jessica Ebeling agreed, stating a clean break would be preferred to prevent any grey area between the two policies.

Dave Piepkorn then asked Austin Morris which stages of this process are the most difficult. Mr. Morris explained years one and two are the riskiest, however years six and 11 would be considered the most difficult, due in part to the increase in real estate taxes. Commissioner Piepkorn asked if a more gradual increase would be preferable. Mr. Morris agreed this would be easier to manage. After some discussion, it was decided a “but-for” test would be beneficial, despite not being

required. Jim Buus asked which entity would be absorbing the cost of the test since it is not a requirement for the developer. Kent Costin suggested the actual cost. Tim Mahoney made a motion to approve the PILOT, subject to receipt of the “but-for” test, with the actual cost of the test paid by the applicant. Jim Buus approved. Motion Carried.

#### **Update on recommended revisions to TIF policy**

Jim Gilmour met with Roers Development on the TIF policy, and plans to do the same with Austin Morris and the Kilbourne Group who plan to submit comments. He is planning a joint meeting at the Cass County Courthouse with county and city commissioners and school board members to review the policy, and then return to the city commission for adoption of the new policy. The issue has been advertised for public comment for about a year now. He has heard from a few developers, including those attending the Tax-Exempt Review Committee meeting last month, though there have not been any comments from the general public. Mr. Gilmore stated there will be another opportunity for public comment prior to the city commission meeting to adopt the new policy. Kent Costin asked Jim Gilmour which methods of media outreach he has been utilizing. Jim Gilmour stated the City of Fargo website, as well as contacts from the mainstream media.

Mayor Tim Mahoney inquired about the \$5,000 fee as a policy change. Jim Gilmour stated the finance committee has already approved a \$2,500 fee for a project under \$3 million, \$5,000 for projects between \$3 and \$10 million, and more for any projects larger. Mr. Gilmour will work with Kent Costin to decide administrative fee and interest rates for the policy.

Dan Madler with Beyond Shelter addressed the committee with comments regarding investors involved in rent restrictive housing projects. Mr. Madler stated these investors do not like the uncertainty involved with these developments and more information/clarification on what the “but-for” test means and the (un)predictability involved. Dan Madler would also like policy clarification on the policy with projects outside downtown.

Dave Piepkorn addressed the audience, asking for any more public comments. There were none. Mark Lemer asked the committee if there is a need to be more explicit on the purpose of a post-construction “but-for” test assisting future decisions on what these policies should look like, versus being utilized as a potential “claw-back” or reduction in the benefit. Jim Gilmour explained the policy is deliberately vague to allow for differences in varying sized projects, and has the intent of being more educational than as a tool to further change the policies. Tim Mahoney stated many things can change in an economy over the span of 10 years and there are many variables of that which are not included in the policy. If the city “claws-back” because a project is doing well, developers can simply take their money elsewhere. Mark Lemer suggested the policy being explicit that the purpose of the policy change is not to be removing the benefits from successful development projects. Jim Buus suggested clarifying the policy to state post-construction “but-for” tests are only educational.

The meeting adjourned at 1:50p.m., Tuesday, July 24, 2018.




PLANNING AND DEVELOPMENT  
200 Third Street North  
Fargo, North Dakota 58102  
Phone: (701) 241-1474  
Fax: (701) 241-1526  
E-Mail: [planning@FargoND.gov](mailto:planning@FargoND.gov)  
[www.FargoND.gov](http://www.FargoND.gov)

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## MEMORANDUM

TO: BOARD OF CITY COMMISSIONERS

FROM: JIM GILMOUR, STRATEGIC PLANNING DIRECTOR 

DATE: JUNE 27, 2018

SUBJECT: REQUEST FOR PILOT FINANCING

The Planning and Development Department has received a request for assistance from the Payment In Lieu of Taxes (PILOT) Program, for a proposed project to be located at 914 and 918 15th Street North near North Dakota State University (NDSU). The request is from James Pladson and Austin Morris representing Dakota Beach Capital, LLC. Two older houses are now located on this property. The proposed project would be redevelopment of the site and the construction of a 16-unit apartment building with interior and exterior parking.

A copy of the request is attached for your information. Fargo PILOT policy calls for the City Commission to review the request, to determine if staff should proceed to work with the developer on the project and forward the PILOT application to the City financial advisors for review.

I have attached a map showing the project location and the UMU PILOT Policy.

**RECOMMENDED MOTION:** Authorize staff to submit the Dakota Beach Capital proposal to the City's financial advisors for review, and draft a development agreement for the redevelopment of property at 914 and 918 15th Street North.

Attachment

CC: Ben Hushka



## 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

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>Dakota Beach Capital LLC</u>
2.	Address of project <u>914 and 918 15th ST N.</u>
	City <u>Fargo</u> County <u>Cass</u>
3.	Mailing address of project operator <u>2315 University Dr N Ste L2</u>
	City <u>Fargo</u> State <u>ND</u> Zip <u>58102</u>
4.	Type of ownership of project
	<input type="checkbox"/> Partnership <input type="checkbox"/> Subchapter S corporation <input type="checkbox"/> Individual proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input checked="" type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No. <u>[REDACTED]</u>
6.	North Dakota Sales and Use Tax Permit No. <u>NA</u>
7.	If a corporation, specify the state and date of incorporation <u>ND 06/24/2010</u>
8.	Name and title of individual to contact <u>James Pladson and/or Austin Morris</u>
	Mailing address <u>2315 University Dr N Ste L2</u> <u>1 2nd St N Suite 102</u>
	City, State, Zip <u>Fargo, ND 58102</u> Phone No. <u>701-238-5663</u>

### Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.
	<input type="checkbox"/> <b>Property Tax Exemption</b> <input checked="" type="checkbox"/> <b>Payments In Lieu of Taxes</b>
	<u>          </u> Number of years <u>2019</u> Beginning year <u>2029</u> Ending year <u>          </u> Percent of exemption <u>          </u> 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 checked="" type="checkbox"/> New business project <input type="checkbox"/> Expansion of a existing business project

**Description of Project Property**

<b>11. Legal description of project real property</b> <u>914 and 918 15th St. North, Fargo, ND</u>	
<b>12. Will the project property be owned or leased by the project operator?</b> <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased If the answer to 12 is leased, will the benefit of any incentive granted accrue to the project operator? <input type="checkbox"/> Yes <input type="checkbox"/> No If the property will be leased, attach a copy of the lease or other agreement establishing the project operator's benefits.	
<b>13. Will the project be located in a new structure or an existing facility?</b> <input checked="" type="checkbox"/> New construction <input type="checkbox"/> 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 <u>9/1/18</u>	
b. Description of project to be constructed including size, type and quality of construction <u>The project will be a 16 unit apartment with some tuck under garages and exterior parking. Exterior finishes will be brick/stone and siding. Interior will be mid to upper apartment range finishes including quarts counter tops.</u>	
c. Projected number of construction employees during the project construction <u>100</u>	
<b>14. Approximate date of commencement of this project's operations</b> <u>9/1/18</u>	
<b>15. Estimated market value of the property used for this project:</b> a. Land.....\$ <u>32,600</u> b. Existing buildings and structures for which an exemption is claimed.....\$ <u>0</u> c. Newly constructed buildings and structures when completed.....\$ <u>1,584,000</u> d. Total.....\$ <u>1,616,820</u> e. Machinery and equipment.....\$ <u>0</u>	<b>16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:</b> a. Land (not eligible) .....  b. Eligible existing buildings and structures.....\$ <u>0</u> c. Newly constructed buildings and structures when completed.....\$ <u>79,200</u> d. Total taxable valuation of property eligible for exemption (Add lines b and c).....\$ <u>79,200</u> e. Enter the consolidated mill rate for the appropriate taxing district..... <u>285.49</u> f. Annual amount of the tax exemption (Line d multiplied by line e).....\$ <u>22,610</u>

**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).

To develop, manage and lease the 16 unit apartment near the NDSU campus.

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

N/A

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.

	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
Year (12 mo. periods)	Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue	<u>181,000</u>	<u>182,000</u>	<u>183,000</u>	<u>184,000</u>	<u>185,000</u>
Annual expense	<u>158,000</u>	<u>158,500</u>	<u>159,000</u>	<u>159,500</u>	<u>160,000</u>
Net income	<u>23,000</u>	<u>23,500</u>	<u>24,000</u>	<u>24,500</u>	<u>25,000</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

Year	(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees (1)						
(2)						
Estimated payroll (1)						
(2)						

(1) - full time  
(2) - part time

NA

**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).  
~~Currently operating rental properties at this location and others locations in the City of Fargo.~~

**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  
 \_\_\_\_\_  
 \_\_\_\_\_  
 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.

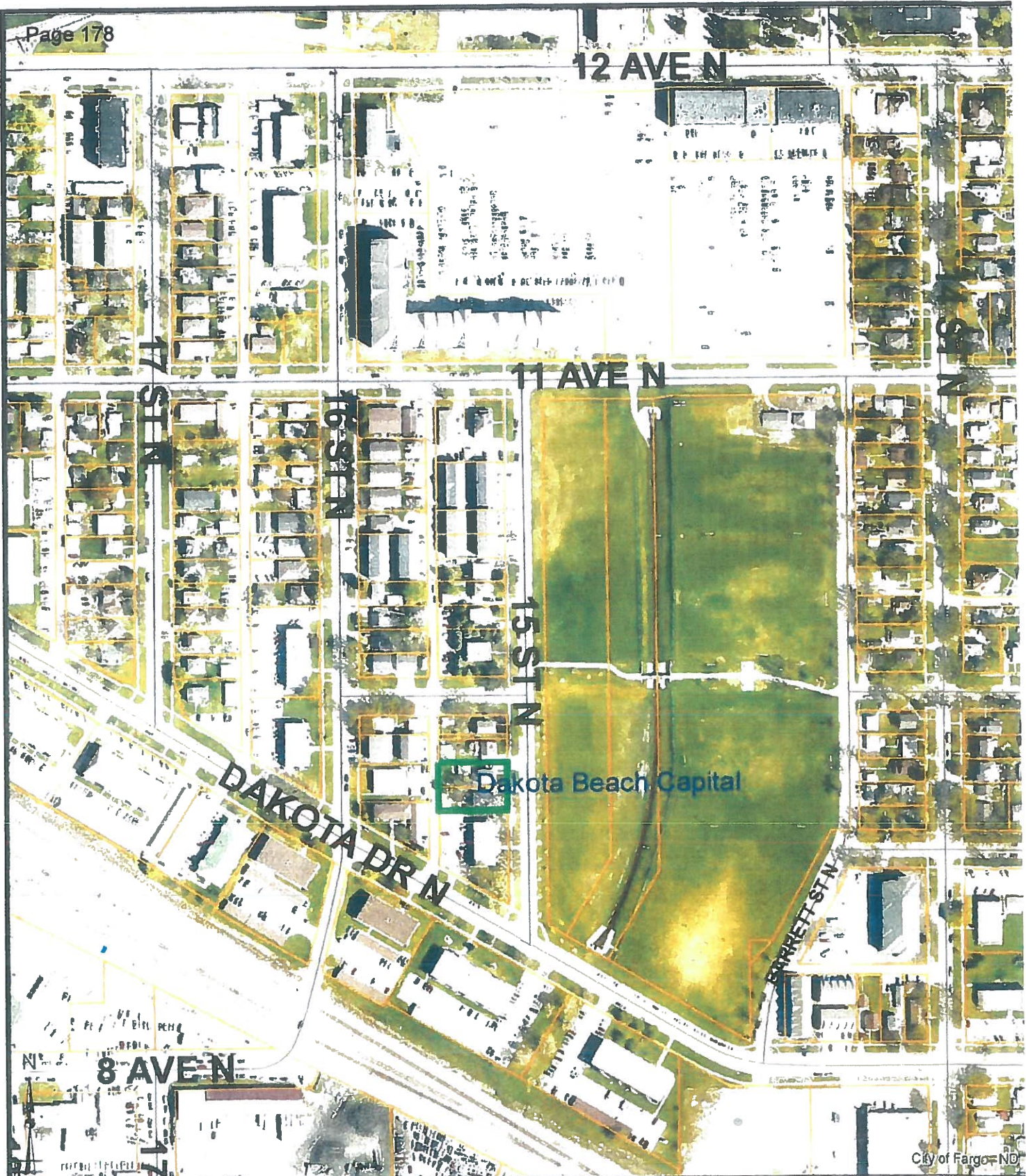
I, James Pladson, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

  
 Signature

Representative  
 Title

6-26-18  
 Date





City of Fargo ND

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.

914 and 916 15th St.

1:4,514

6/27/2018 12:49:20 PM

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





## **I. POLICY PURPOSE**

For the purposes of this document, the term "City" shall include the Fargo City Commission.

The purpose of this policy is to establish the City of Fargo's position relating to the use of Payment in Lieu of Taxes (PILOT) for private development above and beyond the requirements and limitations set forth by State Law. This policy shall be used as a guide in the processing and review of applications requesting Payment in Lieu of Taxes. The fundamental purpose is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance.

The City of Fargo is granted the power to utilize PILOT by the TAX EXEMPTIONS FOR NEW AND EXPANDING BUSINESSES, as amended. It is the intent of the City to provide the minimum amount of tax exemptions at the shortest term required for the project to proceed. The City reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies, project criteria, and demand on city services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of PILOT to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

## **II. OBJECTIVES OF PILOT program in the University Mixed Use Zone**

As a matter of adopted policy, the City will consider using PILOT to assist private development projects to achieve one or more of the following objectives:

- To create opportunities for affordable housing.
- To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development.
- To assist developers enough to achieve development on sites which would not otherwise be developed without PILOT assistance.
- To remove blight and/or encourage the development of new housing that is of high quality and provides housing in close proximity to North Dakota State University.
- To offset increased costs of redevelopment (i.e. contaminated site cleanup, infrastructure needs, and higher land costs) over and above the costs normally incurred in development.
- To contribute to the implementation of other public policies, as adopted by the City from time to time, such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.

### III. POLICIES FOR THE USE OF PILOT - University Area Housing

#### Policy #1

The property must be zoned University Mixed Use.

#### Policy #2

The maximum PILOT Incentive will be a 100% exemption for the first 5 years and a 50% exemption for an additional 5 years.

#### Policy #3

To the extent required by state, federal or local law or regulations, a relocation plan should be provided by the developer. Relocation payments to tenants of businesses or residential uses must be made. These relocation payments should follow state/federal guidelines, as applicable, for assistance (E.g. NDCC Ch. 54-01.1 and USC).

#### Policy #4

The amount or value of the PILOT tax exemption will be limited to the extraordinary costs of development, and the extraordinary costs are limited to following costs. The amount of the assistance is defined as the estimated present value of the future PILOT tax exemptions, which would include an allowance for interest.

1. The costs of land acquisition, subject to the limits outlined in Policy #5.
2. Relocation of existing tenants.
3. The costs of demolition, including the removal of building foundations, parking lots, and the removal and replacement of unsuitable soil.
4. Public Improvements that are in the public right-of-way such as sidewalks, driveway approaches, lighting, and connections to the water, sanitary sewer, and storm water systems.
5. On site storm water retention including the cost of excavation, underground storm water lines, or underground storage facilities. It does not include water collection systems such as parking lots, sidewalks, or curb/gutters.
6. Architectural and engineering costs are limited to those necessary services to implement other activities allowed by this policy. Developer fees and legal costs are not permitted.
7. The required city fees and the estimated costs of interest from the time the costs are paid by the developer and the next February 15 date after property tax statements are mailed.

#### Policy #5

Land acquisition assistance should not encourage the acquisition of land at excessive prices, the assistance should not be the primary extraordinary costs, and the assistance should not reduce the cost below the base value of the land. Therefore, Land acquisition costs are limited to the lowest of the following amounts.

1. The total acquisition cost allowed by the PILOT program may not be more than 150% of the assessor's market value for the property for property tax purposes.
2. The cost of land acquisition allowed for by the PILOT program must be less than the total of other (non-property acquisitions costs) allowed in Policy #4.
3. The cost of land acquisition allowed for by the PILOT program must be less than the difference between the actual purchase price paid by the developer and the assessor's market value for the land (as opposed to land and buildings).

#### Policy #6

The estimated value of the PILOT assistance should be limited to a percentage up to 15% of hard capital costs of development including the costs of acquisition. In other words, the tax exemption assistance will be equal to or less than 15% of hard construction costs plus the land acquisition costs, excluding the costs of professional fees, developer fees, furniture and fixtures, interest, profit, and other soft costs. In addition, Developer must provide at least 10% of total capital costs as Developer's equity in the project.

#### Policy #7

PILOT assistance for UMU projects should not be viewed by the developer as an entitlement. When undertaking any PILOT project the due diligence procedures in determining the feasibility and level of public assistance must be reviewed by the City's financial consultant in conjunction with the City's staff. The financial consultant must use accepted public financing procedures in determining project feasibility and levels of public assistance. Particularly when public assistance includes substantial reimbursement to the developer of costs of acquisition or land write-down amounts, review of the level of public assistance may include an estimate of the return on investment anticipated by the project and analysis as to whether the expected return on investment, including the public assistance, is within reason.

#### Policy #8

When undertaking a PILOT project a non-refundable administrative fee equal to 5% of the total value of the estimated tax exemption must be paid by the developer after final approval by the City Commission and prior to the final approval of the development agreement. These fees are to reimburse the City for costs expended by staff and consultants to determine the feasibility, level of public assistance and the preliminary costs of project development by the City. Other City costs such as engineering, bond carrying costs, and annual special assessment administration will be in addition to this administrative fee if warranted. To the extent that PILOT assistance exceeds \$2 million or more, the

administrative fee on said excess may be negotiated to a sum less than 5%, as may be appropriate. A non-refundable deposit of \$5,000 shall be paid to the City along with an initial application for a PILOT project. The City, upon approval of the Finance Committee, may require additional sums to be deposited, from time to time, to defray such costs initially borne by the City. The \$5,000 deposit and any other additional sums paid to the City may be offset against and accredited toward 5% administrative fee.

#### Policy #9

Applications for PILOT Assistance are to be submitted to the Department of Planning and Development and the City Assessor. The application must include a description of the project and an estimate of the level of assistance needed to proceed with the project. [A checklist and application form are attached.] The application will be reviewed by the appropriate Committee and the City Commission to determine if city staff, city financial advisors, and city attorney should proceed with a review of the project pro-forma, and draft of a developer's agreement.

#### Policy #10

The development should be compatible with long term City redevelopment plans, and create a high quality development that will have a positive impact on the tax base and the surrounding area. The developers' agreement should include design standards to insure that the development will be compatible with the long term plans for the area.

#### Policy #11

Interest rates allowed to be recouped as eligible costs shall be one percent (1%) over the municipal bond indexed rate for taxable municipal bonds or over such indexed rate for tax-exempt municipal bonds, as appropriate, as identified by the City Finance Director, with consultation with the City's financial advisor as may be needed.

#### IV. PROJECT QUALIFICATIONS

All University Mixed Use Zoning PILOT projects considered by the City of Fargo must meet each of the following requirements:

- a. To be eligible, a project shall result in a minimum increase of \$1 million in property valuation, or, if not, the developer shall establish that other goals and objectives of the project warrant approval.
- b. The project shall meet at least one of the objectives set forth in Section II and satisfy all the provisions set forth in Section III of this document.
- c. The developer shall demonstrate that the project is not financially feasible but for the use of the PILOT program. The projected internal rate of return as determined by the City's financial advisor based upon information provided by developer must be no more than a percentage that provides a reasonable rate of return of a particular project.
- d. The project must be consistent with the City's Comprehensive Plan, Land Use Plan, and Zoning Ordinances.

## V. APPLICATION PROCESS

1. Applicant submits letter requesting PILOT support for a project. The letter shall describe the project and shall be submitted to the City Commission for preliminary review and direction authorizing the staff to move forward with the application process.
2. Applicant submits the completed application along with all application fees. (See Policy #8 - \$5,000 non-refundable deposit.)
3. City staff reviews the application and completes the Application Review Worksheet. The application and supporting documentation will be submitted to the City's financial advisor for due diligence consideration. At least three (3) weeks should be allowed for due diligence review and consideration [upon submittal of a complete and approved application.]
  - A. As part of the application review, the Director of Planning and Development shall be authorized to inquire as to the character, reputation, fitness of the applicant to engage in the project and to bear the responsibilities entailed therein and any other pertinent information. Such inquiry may include background checks on the applicant and principles of the applicant, as the case may be.
  - B. With respect to certain proprietary, commercial and financial information that is submitted as part of the application and review process, said information may be exempt from the North Dakota Open Records law, Chapter 44-04, N.D.C.C., and to the extent that N.D.C.C. §44-04-18.4 allows, it is the City's intention to maintain confidentiality of such information when requested by the applicant. Section 44-04-18.4, N.D.C.C., provides:

"Confidentiality of trade secret, proprietary, commercial, and financial information.

    1. Trade secret, proprietary, commercial, and financial information is confidential if it is of a privileged nature and it has not been previously publicly disclosed.
    2. "Trade secret" includes:
      - a. A computer software program and components of a computer software program which are subject to a copyright or a patent, and any formula, pattern, compilation, program, device, method, technique, or process supplied to any state agency, institution, department, or board which is the subject of efforts by the supplying person or organization to maintain its secrecy and that may derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons or organizations that might obtain economic value from its disclosure or use; and
      - b. A discovery or innovation which is subject to a patent or a copyright, and any formula, pattern, compilation, program, device, method, technique, or process supplied to or prepared by any public entity which is the subject of efforts by the supplying or preparing entity,

person, business, or industry to maintain its secrecy and that may derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, any person who might obtain economic value from its disclosure or use.

3. "Proprietary Information" includes information received from a sponsor of research conducted by a public entity, as well as any discovery or innovation generated by that research, technical, financial, and marketing information and other documents related to the commercialization, and any other discovery or innovation produced by the public entity which an employee or the entity intends to commercialize.

4. This section does not limit or otherwise affect a record pertaining to any rule of the State Department of Health or to any record pertaining to the application for a permit or license necessary to do business or to expand business operations within this state, except as otherwise provided by law.

5. Unless made confidential under subsection 1, the following economic development records and information are exempt:

a. Records and information pertaining to a prospective location of a business or industry, including the identity, nature, and location of the business or industry, when no previous public disclosure has been made by the business or industry of the interest or intent of the business or industry to locate in, relocate within, or expand within this state. This exemption does not include records pertaining to the application for permits or licenses necessary to do business or to expand business operations within this state, except as otherwise provided by law.

b. Trade secrets and commercial or financial information received from a person, business, or industry that is interested in or is applying for or receiving financing or technical assistance, or other forms of business assistance.

6. Unless made confidential under subsection 1 or made exempt under subsection 5, bids or proposals received by a public entity in response to a request for proposals by the public entity are exempt until such time all of the proposals have been received and opened by the public entity or until such time that all oral presentations regarding the proposals, if any, have been heard by the public entity. Records included with any bid or proposal naming and generally describing the entity submitting the proposal shall be open."

In advance of the submission to the City of such confidential records or information, the City and Applicant will make appropriate arrangements for the handling of such information and records to protect the confidentiality thereof.

4. Results of the Worksheet are submitted to the appropriate Finance Committee for its recommendation and City Commission for preliminary approval of the proposal.

5. If preliminary approval is granted, the renewal plan or development plan, as the case may be, along with all necessary notices, resolutions and certificates are prepared by City staff and/or consultants.

6. Notices are published as required.

7. Public hearing(s) on the proposed project, as may be required by law, are held.

8. The City Commission grants final approval or denial of the proposal.



