EDIC MEETING
Tuesday, November 24, 2026 – 1:00 p.m.
City Commission Chambers, Fargo City Hall

AGENDA

1. **Call to Order**
2. **Roll Call**
3. **Approve EDIC Meeting Minutes of 10/27/2026**
   a. October 27, 2026 [Page 1-4]

4. **701x Inc Application for Property Tax Incentive for New or Expanding Businesses** [Page 5-14]
5. **Craftwell Holdings LLC Application for Property Tax Exemption for Improvements to Commercial and Residential Buildings** [Page 15-18]
6. **City of Fargo Incentive Review Policy** [Page 19-22]
7. **Other Business**
8. **Adjournment**

ECONOMIC AND DEVELOPMENT INCENTIVE COMMITTEE

Fargo, North Dakota

Regular Meeting **Tuesday, October 27, 2026**

The October meeting of the Economic and Development Incentive Committee of the City of Fargo, North Dakota was held Tuesday, October 27, 2026.

The committee members present or absent are:

Members Present: Commissioner Chad Peterson, Mayor Josh Boschee, Lucas Paper, Matt Schlenvogt, John Cosgriff

Members Absent: Robert Wilson, Jon Eisert

Others Present: Michael Splonskowski, Nicole Crutchfield

Commissioner Peterson called the meeting to order at 1:00pm. A roll call was conducted and a quorum was established.

Minutes Approved

A motion was made and seconded to approve the September 22, 2026, meeting minutes. Motion carries unanimously by voice vote.

Business Incentive Annual Review Policy

- Michael Splonskowski presented an updated performance matrix incorporating the prior year's incentive survey results. The matrix included letter grades, cumulative performance scores and property valuation information. He explained that missing information for certain recipients reflected responses not received or received after the report was prepared.
- Committee discussion:
    - Members supported Option C, which combines letter grades and cumulative performance scores. They stated that the combination would provide both a general assessment and more specific information when determining whether a recipient should undergo further review.
    - Members discussed annual reporting as a condition of continued incentive eligibility. John Cosgriff supported requiring recipients to provide information annually and discontinuing incentives when recipients fail to report. Staff confirmed that multiple attempts would be made to obtain the information before further action.

- Members discussed considering property investment, preservation of existing structures and increases in assessed value as additional context when reviewing performance. They also expressed interest in further evaluating the public benefit and return associated with incentives.
- Members emphasized working with recipients to understand performance shortfalls while maintaining accountability for the commitments made in their applications. The Committee will review the information and forward recommendations to the City Commission.

- Michael Splonskowski reviewed the proposed optional review provisions, which would allow the Committee to request a written explanation of a performance shortfall, updated projections for the remaining incentive term, supplemental reporting and workforce or operational documentation.
- Committee discussion:
  - Members supported retaining the proposed provisions. Splonskowski clarified that updated projections would help inform the review and would not automatically change the recipient's original commitments.
  - Members discussed circumstances affecting performance, including economic downturns, COVID-19 and operational changes. They acknowledged that individual circumstances would require judgment when determining whether to recommend continued incentives or corrective action.
  - Members supported encouraging a representative of the recipient's leadership team to attend a review meeting in addition to providing a written explanation. A conference room setting was suggested to encourage a collaborative discussion.
  - Members discussed whether continued underperformance over multiple years should result in mandatory review. No specific escalation schedule was established.

- Splonskowski reviewed the mandatory review provisions, including identification of performance issues, specific corrective actions, an implementation timeline and updated performance projections. Members supported retaining the proposed provisions and obtaining legal review of the draft policy.
- Members supported adding clear language near the beginning of the policy addressing termination of incentives for failure to report. Staff discussed distributing annual surveys in July, with a response deadline approximately September 1, to allow sufficient time for review before property tax deadlines.
- Members supported using 90 percent performance as the threshold for generally requiring no further action, rather than the proposed 99 percent threshold. Performance below that level would be considered under the applicable review categories.
- No formal action was taken. Staff will incorporate the Committee's direction into the draft policy.

Incentive Tracking Report

- Splonskowski presented the incentive tracking report prepared with the Economic Development Corporation. Reported average annual wages were approximately $82,000, compared with approximately $63,000 committed. Total reported payroll was approximately $150 million,

compared with approximately $140 million committed. One recipient had not yet reported, and the EDC was working to obtain its information.

- Ryan Aasheim described overall portfolio performance as positive. He discussed factors affecting individual recipients, including COVID-19, global economic conditions, tariffs, automation, artificial intelligence and workforce availability. Supplemental information from Border States explaining its performance shortfalls was also available.
- The report showed approximately 188 percent growth in property value for PILOT recipients, compared with approximately 67.2 percent growth in Fargo's overall assessed property value.
- Committee discussion:
    - Aasheim clarified that the citywide comparison covered 2016 through 2025, while individual PILOT projects were measured from their respective pre-incentive values to current values.
    - Lucas Paper suggested refining the comparison to account for differences between existing properties and new construction. Members discussed comparing developments of similar construction years and similar projects receiving and not receiving PILOT incentives.
    - Members requested clarification regarding whether the citywide figures included residential properties and discussed accounting for differences among commercial, single-family and multifamily properties.
    - Members expressed support for continued data collection to improve public understanding of incentive performance and the resulting growth in the tax base.
- No formal action was taken.

Updates from the Joint Commission Meeting

- Planning Director Nicole Crutchfield provided an update on the joint informational meeting concerning the commercial redevelopment policy. She reported that the City Commission approved the revised policy on October 26, 2026. The Cove development proposal at 45th Street and Main Avenue, previously considered by the Committee, was also presented to the City Commission.
- Mayor Boschee reviewed the principal policy changes:
    - Geographic eligibility boundaries tied to designated areas in the Fargo Growth Plan.
    - A requirement that at least 5 percent of housing units serve households at or below 80 percent of area median income.
    - A requirement to at least double the number of housing units when housing already exists on the property.
- Committee discussion:
    - Mayor Boschee explained that household income eligibility would be determined when applying for a housing unit. Subsequent income increases would not disqualify an existing tenant or penalize the developer.
    - The geographic boundaries were intended to provide clearer eligibility criteria and guide redevelopment toward areas identified in the Growth Plan.

- Mayor Boschee stated that he intends to bring additional housing incentive policy language to the Committee in the coming months, informed by the Growth Plan, housing needs information and the Land Development Code update.
- Members discussed establishing clearer criteria to guide incentives toward identified community needs while broader policy work continues.

- No formal action was taken.

Other Business

No other business was presented.

A motion was made and seconded to adjourn the meeting. Motion carries unanimously by voice vote. The meeting was adjourned at 2:01 p.m.

Application For Property Tax Incentives For New or Expanding Businesses

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

Project Operator's Application To 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: 701x, Inc.
2. Address of project: 969 34th St N
   City: Fargo County: Cass
3. Mailing address of project operator: 700 main ave
   City: Fargo State: ND Zip: 58103
4. Type of ownership of project
   - ☐ Partnership
   - ☐ Subchapter S corporation
   - ☐ Individual proprietorship
   - ☑ Corporation
   - ☐ Cooperative
   - ☐ Limited liability company
5. Federal Identification No. or Social Security No. [redacted]
6. North Dakota Sales and Use Tax Permit No. [redacted]
7. If a corporation, specify the state and date of incorporation: ND. November 19, 2020
8. Name and title of individual to contact: Max Cossette, CFO
   Mailing address: 700 Main Ave
   City, State, Zip: Fargo, ND 58103 Phone No. 7013617049

Project Operator's Application For Tax Incentives

9. Indicate the tax incentives applied for and terms. Be specific.

   ☑ **Property Tax Exemption**
   - 5 Number of years
   - 100 Percent of exemption

   ☐ **Payments In Lieu of Taxes**
   - _____ Beginning year _____ Ending year
   - _____ 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:
    - ☑ New business project
    - ☐ Expansion of a existing business project

Description of Project Property

11. Legal description of project real property
Lot: 5 Block: 1 REPLAT OF RWA LOT 5 BLK 1

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? 2001

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application

b. Description of project to be constructed including size, type and quality of construction
Clean room for DNA processing, Electromagnetic floors for SMT Line, and possible improvements to HVAC for venting along with additional wiring for machines

c. Projected number of construction employees during the project construction 5

14. Approximate date of commencement of this project's operations 1/2/2027

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

a. Land ..... $ 388,700

b. Existing buildings and structures for which an exemption is claimed ..... $ 3.5m

c. Newly constructed buildings and structures when completed ..... $

d. Total ..... $ 3,888,700

e. Machinery and equipment ..... $ 2.6m

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 ..... $ 175,000

c. Newly constructed buildings and structures when completed ..... $ 0

d. Total taxable valuation of property eligible for exemption (Add lines b and c) ..... $ 175,000

e. Enter the consolidated mill rate for the appropriate taxing district 298.43

f. Annual amount of the tax exemption (Line d multiplied by line e) ..... $ 52,225.25

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).

701x designs, develops, and manufactures hardware and software products for the beef cattle industry. Our flagship product is the xTpro tag, a GPS ear tag with satellite and cellular connectivity that transmits alerts for out-of-fence, health, bull-not-mounting, estrus, and calving. We are bringing in an SMT line to produce our own circuit boards as well as building automated manufacturing machinery to automate production of the tags. Additionally 701x will be installing a DNA processing line to serve the needs of our breed association and packer clients.

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

Surface mount technology (SMT) line, DNA processing machinery, custom automated manufacturing machinery for our xTpro tag, xTlite tags, and EID tags. Clean room for DNA processing and electromagnetic floor for SMT 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 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	11008311	21316991	25067107	29476948	34662576
Annual expense	9735019	13092826	14322888	16178069	18671098
Net income	-3959197	-1090085	99445	1384433	205169

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
59					3	2	3

Year		(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1)	44	49	53	57	59	62
	(2)	15	18	21	22	24	26
Estimated payroll	(1)	4321574	4857507	525403[illegible]	5650569	584883[illegible]	614623[illegible]
	(2)	714480	879840	102648[illegible]	107536[illegible]	1173120	127088[illegible]

(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).

701x has been operating out of 700 main ave, Fargo, ND 58103 for 6.5 years developing the inital products and buiding a manual assembly line that is now semi-automated. This move allows us to automate and expand production and sales capacity.

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, Max Cossette, 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.

Max Cossette	CFO	11/10/2026
Signature	Title	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

Notice To Competitors Of Hearing On Application For Property Tax Incentives

Notice is hereby given that the _____
(City or county governing body)

of _____, North Dakota, will meet at _____
(City or county) (Time)

on _____at _____ to consider the application of
(Date) (Location)

_____
(Project operator name and address)

for property tax relief on the project which the applicant will use in the operation of

_____
(Type of business)

at _____
(Address)

_____
(Legal description)

Any competitor of that applicant may appear and be heard by the _____
(City or county governing body)

at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code § 40-57.1-03

Business Incentive Agreement

1. In fulfillment of the requirements of N.D.C.C. § 54-60.1-03, Grantor and Recipient enter into this Business Incentive Agreement.

Grantor

Name City of Fargo
Address 225 4th Street North Fargo, ND 58102

Recipient

Name	
Address	
Contact Person	E-mail Address
Recipient Parent Company (If applicable)	
Business Type (NAICS Code)	
Location of Recipient Prior to Receiving Incentive (If different)	

2. Description of project.

3. Grantor(s) agrees to provide recipient with a business incentive described as follows:

3.a. Is this incentive tax increment financing? ❒ Yes ❒ No
If yes, describe the type of district:

4. The business incentive will be provided on _____.
This date is the benefit date.

5. The public purpose(s) of the business incentive are:

❒ Assisting community development
❒ Directly create employment opportunities
❒ Job retention
❒ Increase tax base
❒ Indirectly increase employment opportunities
❒ Other _____

6. Value of Business Incentive: $_____

7. Recipient currently employs _____ people, located in _____.

8. In return for the business incentive, Recipient shall, within two years create: _____
Number of full-time equivalent jobs

_____ + _____ = _____
Average hourly wage | Benefits per hour value | Average hourly compensation

9. The Recipient shall continue operations in the jurisdiction in which the business incentive was issued for five years or more after the benefit date.

10. Recipient shall file a recipient report with the Grantor, as described in N.D.C.C. § 54-60.1-05 annually on or before March 1st of each year for two years, beginning in 2007, following the benefit date or until the goals of paragraph 8 are met, whichever is later.

10.a. Grantor shall mail the recipient a warning letter if no report is received by March 8th. Recipient shall file the progress report within 14 days of the postmarked date of the warning letter.

10.b. If a recipient report is not received within 14 days of the warning letter, Recipient agrees to pay to Grantor a $100 penalty for each subsequent day until the report is filed. The maximum penalty under this section may not exceed $1,000.

11. Recipient shall pay back the value of the incentive to the Grantor, prorated to reflect any partial fulfillment of the job and compensation goals, if, after two years, the job and compensation goals listed in paragraph 8 are not met.

11.a. Paragraph 11 does not apply if the job and compensation goals were not met as a result of an act of God or terrorism.

12. This business incentive agreement shall only be modified or extended by the Grantor pursuant to N.D.C.C. § 54-60.1-04.

13. If the terms of this business incentive agreement are not met, Recipient shall not receive a business incentive from any grantor for five years from the date of failure or until a recipient satisfies the repayment obligation.

14. The Recipient has disclosed, in attachment "A" of this agreement, all additional financial assistance received from state or political subdivision Grantors for this project since inception.

15. By signing this agreement, Recipient verifies that it has not failed to meet the terms of any business incentive agreement in the last five years.

Dated this _____ day of _____, 20____.

Grantor: _____ on behalf of _____

Dated this _____ day of _____, 20____.

Recipient: _____ on behalf of _____

Attachment "A"

Recipient has received the following additional financial assistance from state or political subdivision Grantors for this project since inception.

Grantor:	Description of Assistance	
Agricultural Products & Utilization Commission (APUC)	For purchase of SMT and DNA processing line machinery	
Value of Assistance	**Benefit Date**	**Pending Benefit Date**
$250,000	7/21/2026	

Grantor	Description of Assistance	
Value of Assistance	**Benefit Date**	**Pending Benefit Date**

Grantor	Description of Assistance	
Value of Assistance	**Benefit Date**	**Pending Benefit Date**

Grantor	Description of Assistance	
Value of Assistance	**Benefit Date**	**Pending Benefit Date**

Grantor	Description of Assistance	
Value of Assistance	**Benefit Date**	**Pending Benefit Date**

November 17, 2026

Economic Development Incentives Committee
City Hall
Fargo, ND 58102

RE: Commercial Remodeling Exemption located at 202 4th St N

Dear Committee Members:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements submitted by Craftwell Holdings, LLC. A description of the types of improvements made are indicated on the application.

The improvements are to a commercial property and exceed the pre-existing value of the building. Pursuant to City of Fargo economic development incentive policies and guidelines, the property tax exemption must be reviewed by the Economic Development Incentives Committee.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based on the value added due to the remodeling is $26,599 with Fargo's share being $5,112.

Sincerely,

Mike Splonskowski
City Assessor

jrh
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed See exhibit A Attached.
2. Address of Property 202 4th St. N. Fargo, ND 58102
3. Parcel Number 01-2160-00170-000
4. Name of Property Owner Craftwell Holdings LLC Phone No. [redacted]
5. Mailing Address of Property Owner 202 4th St. N.

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Renovation of former auto repair shop for commercial office use & reno of former admin office space for rentable event venue. Interior scope includes floor plan modifications, →
7. Building permit No. 2301-0394-REN (office) 2204-0306-REN (demo) 2311-0387-REN (events)
8. Year built (residential property)
9. Date of commencement of making the improvements demo permit: 4/11/2022
10. Estimated market value of property before the improvements $ 800,000
11. Cost of making the improvement (all labor, material and overhead) $ 1,600,000
12. Estimated market value of property after the improvements $ 2,100,000

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [signature] Date 10.21.26

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☐ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization Date

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20___, 20___, 20___, 20___, 20___.

Chairperson Date

24840 (Rev. 6-01)

new finishes, new HVAC, plumbing, and electrical. Exterior scope is limited to a new storefront entrance and a security enclosure at grade around the existing parking area.

Exhibit A

Legal Description of the Property

All that part of Lots Three (3) and Four (4), Block Eight (8), North Dakota Urban Renewal R-1 Addition to the City of Fargo, together with the vacated alley adjacent thereto and the right to encroach upon the right of way for 4th Street and 2nd Avenue North described as follows:

Commencing at a point on the East line of Lot Three (3) 112. 25 feet North of the Southeast corner of Lot Four (4); thence East .42 feet; thence South parallel to the East line of Lots Three (3) and Four (4) to the extended South line of Lot Four (4); thence West along the South line of Lot Four (4) 19.50 feet; thence South 45°00'00" West 1.41 feet; thence West 29.29 feet; thence North 45°00'00" West 1.41 feet to the South line of Lot Four (4); thence West to a point 149.42 feet West of the Southeast corner of Lot Four (4); thence North 95.19 feet; thence East 7.67 feet; thence North 17.06 feet; thence East 141.75 feet to the point of beginning, except that part above elevation 906 15 described as: Commencing at the Northwest corner of the above-described tract; thence East 20 feet; thence South 8 feet; thence West 20 feet; thence North 8 feet; to the point of beginning.

Excepting and reserving unto the City all that part of the premises extending above the underside of the parking ramp to be constructed thereon I and further excepting and reserving, and subject to, the following easements:

1. Easement for the location, replacement, inspection, maintenance and repair of all footings, foundations, columns, supports and appurtenant facilities for the construction, repair and replacement of the parking ramp.

2. Easements for public utility services as originally installed to nerve the parking ramp and hotel, including the right to inspect, repair and replace such services and, in an emergency, to install temporary utility services.

CITY OF FARGO

BUSINESS INCENTIVE ANNUAL REVIEW POLICY

DRAFT

1. Purpose

The City shall annually review active business property tax incentives to determine whether recipients are progressing toward the commitments established in their Business Incentive Agreements (BIAs).

The review is intended to provide transparency, verify performance, identify projects requiring additional review, and provide the EDIC and City Commission with information necessary to determine whether further action is warranted.

2. Mandatory Reporting

The applicant is required to report annually for the term of the PILOT as a condition of receiving the exemption, and as laid out in the Business Incentive Agreement. Failure by the recipient to report the required jobs and wages in a calendar year shall constitute grounds for termination of the incentive. Upon such failure, the incentive benefit may be terminated for the next taxable years.

3. Annual Review -

Every active incentive shall be reviewed annually for the duration of the incentive.

The review shall consider:

jobs committed and jobs reported;

wages committed and wages reported;

Jobs and wages shall be evaluated as separate performance measures. The City may also calculate an overall performance measure using a weighting established by the City.

4. Year Three Review

All incentive years shall be reviewed. Beginning in Year Three, the review shall receive heightened scrutiny.

The Year Three review shall consider both current-year performance and the recipient's performance history to determine whether the recipient is making reasonable progress toward its commitments.

A shortfall in a single year shall not, by itself, require termination or other action.

5. EDIC Review

The annual performance report shall first be presented to the Economic Development Incentive Committee (EDIC), which will decide whether a follow-up is necessary.

EDIC shall determine whether:

no additional action is necessary;

continued monitoring is appropriate;

additional information or follow-up from the recipient is required; or

the matter should be referred to the City Commission.

6. Recipient Follow-Up

If EDIC determines that additional follow-up is necessary, City staff shall notify the project operator of the apparent shortfall and request appropriate information or explanation.

The project operator shall have an opportunity to provide documentation concerning its performance, including circumstances affecting jobs, wages, project development, or other commitments under the BIA. Written documentation is accepted, but an in-person meeting with board members is encouraged.

7. EDIC Recommendation

After reviewing any additional information, EDIC may:

recommend continuation of the incentive;

recommend continued monitoring or additional reporting;

recommend corrective action;

recommend termination in part or whole of the incentive.

All recommendations shall be referred to the City Commission for final decisions.

8. City Commission

The City Commission shall consider matters referred by EDIC and may take any action authorized by the applicable BIA, City policy, and law.

Performance scores or classifications shall serve as review tools and indicators of performance, not automatic grounds for termination or modification of an incentive.

9. Records

The City shall maintain an annual performance record for each active incentive showing the applicable commitments, reported performance, performance measures, EDIC action, and any subsequent Commission action.

10. Timing

The annual review process shall be scheduled so that any incentive requiring further action can be considered sufficiently in advance of applicable statutory or agreement deadlines. The existing procedures identify December 31 as the date for termination of existing incentives. Surveys will be sent out July 1, with a deadline of September 1 for return of survey information.

11. Performance Grading and Scoring

Each incentive will receive a Performance Grade (A–F) and a Cumulative Performance Score (CPS).

12. Decision Matrix

OK: Grade A/B and CPS 0.90 - 1.00

Optional Review: Grade C and CPS 0.80 - 0.89

Definite Review: Grade D/F and <0.80

13. Corrective Action Plans

A. No Action Required (OK Category)

Applicable when:

Performance Grade = A or B

CPS = 0.90 or greater

Action: Incentive continues without modification.

No additional reporting is required unless otherwise directed by EDIC.

B. Optional Review Category

Applicable when: Performance Grade = C and CPS = 0.80 to 0.89

EDIC may request any of the following:

Written explanation of the performance shortfall. In-person meeting is preferred.

Updated performance projections for the remaining term.

Supplemental reporting (quarterly or semi-annual).

Workforce or operational documentation related to hiring, wages, or project delays.

C. Definite Review / Corrective Action Required

Applicable when: Performance Grade = D or F and CPS = below 0.80

Staff shall notify the recipient and request a formal Corrective Action Plan that includes:

Identification of performance issues and contributing factors.

Specific corrective actions the recipient will undertake.

Implementation timeline and internal accountability.

Updated performance projections.

EDIC may additionally require:

Temporary performance benchmarks

Conditional continuation of the incentive

Suspension or reduction of incentive benefits

Recommendation for partial or full termination to the City Commission.

Appendix A: Threshold Tables

Category	Grade	CPS	Action
OK	A/B	>=.90	Continue incentive
Optional Review	C	0.80–0.89	Request explanation/reporting
Definite Review	D/F	<0.80	Corrective Action Plan