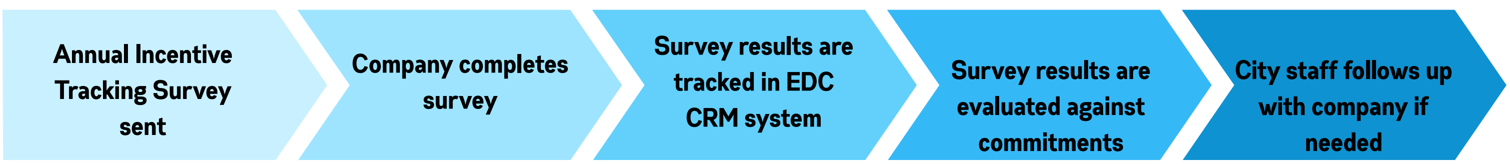
INCENTIVE TRACKING REPORT

Project Description and Objective:

This Incentive Tracking Report provides a comprehensive overview of the PILOT/Property Tax Exemptions provided to Primary Sector Companies from 2016 - 2024. The purpose of the incentive tracking program is to evaluate the effectiveness, participation, and outcomes of the incentives offered to primary sector companies in generating an economic impact and ROI to the city of Fargo. This system specifically measures the number of full-time employees and average salary (wage) benchmarked against the initial company commitment documented in the New Industry Application and Business Incentive Agreement.

How Does It Work?

GFMEDC sends an annual survey to companies asking about job growth and wages, comparing results to their incentive agreements. Staff also assist Fargo city officials in identifying companies that may need follow-up.



Individual Results

Utilizing a combination of direct company outreach and GFMEDC's CRM system, we were able to receive responses from 20 of 23 currently active PILOT recipients for 2025.
The Companies who have not responded include:

- Appareo
- DigiKey
- FedEx

The individual results of each current PILOT incentive can be found in the "Business Incentive Tracking Results" spreadsheet.

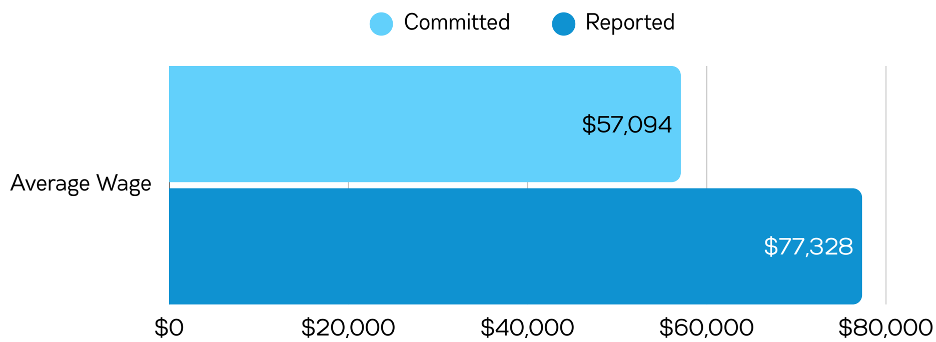
Aggregate Results

The aggregate results of 2025 PILOT recipient reporting confirm the creation of 441 new jobs over the baseline employment reported at the time of each PILOT recipient's application.

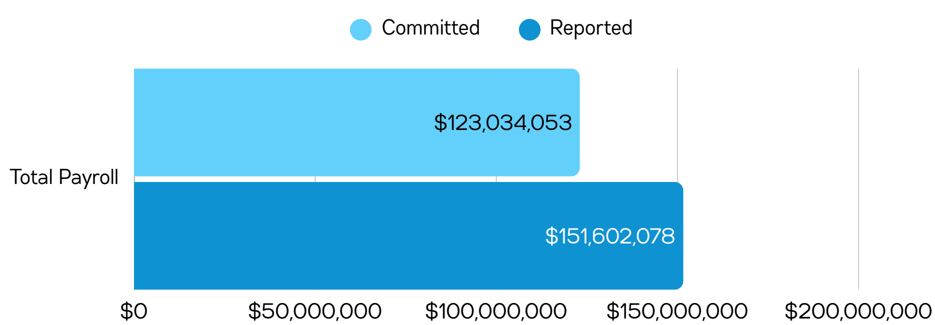
The total number of employees (jobs created and retained) reported in 2025 across PILOT recipient companies totals 2,056, which is 110 less than the original amount committed by all PILOT companies of 2,166. This number falls short of new jobs created within the aggregate of current agreements but it should be noted that 12 of the companies are still operating within the contract period and have time to fulfill the job obligations within their agreements.

The job creation gap could be explained by the following:

- Increasing demand and undersupply of workers during this period.
- Several PILOT incentives were approved prior to COVID, which dramatically shifted the workforce dynamics across the nation.
- Automation has also increasingly impacted the ability to fill repetitive jobs which previously required human interaction.
- The 15 companies analyzed as of this report, collectively, had 351 job postings over the last rolling 12 month period which demonstrates efforts to hire for key positions.
- Wages during the analyzed time period (2016 - 2024) increased by a significant 35%. The average 2025 wage reported across all responses of $77,328 exceeds the average original committed wage of $57,094 by $20,234.



The aforementioned increase in wages translates to total payroll across all analyzed companies of $151,602,078 which exceeds the actual company payroll commitment of $123,034,053 by $28,568,025. Despite hiring challenges and a gap in overall jobs created across PILOT recipients, a greater economic impact is achieved through higher overall payroll, due to rising wages, which is a market response to workforce demand that exceeds worker supply.



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