

**EDIC MEETING
With Renaissance Zone Authority**

**Tuesday, March 22, 2022 – 1:00 p.m.
City Commission Chambers, Fargo City Hall**

AGENDA

- 1. Proposals for 419 3rd Street North**
- 2. Proposals for 401 3rd Ave North**

**AGENDA
Economic Development Incentive Committee**

- 1. Approve EDIC Meeting Minutes of 02/25/2022**
 - February 22, 2022 [Page 1-4]
- 2. Request for Tax Increment Financing [Page 5-7]**
- 3. CoSchedule [Page 8-19]**
- 4. Committee Membership**

ECONOMIC AND DEVELOPMENT INCENTIVE COMMITTEE
Fargo, North Dakota

Regular Meeting

Tuesday, February, 2022

The February meeting of the Economic and Development Incentive Committee of the City of Fargo, North Dakota was held in the City Commission Room at City Hall at 1:00 p.m., Tuesday, February 22, 2022.

The committee members present or absent are:

Present: Dave Piepkorn, Mayor Tim Mahoney, John Cosgriff, Jessica Ebeling, Jim Gilmour, Deb Mathern, Arlette Preston, Prakash Mathew, Michael Splonskowski

Absent: Jim Buus, Levi Bachmeier, Bruce Grubb, Kent Costin, Erik Johnson, Jackie Gapp, Joe Raso, Robert Wilson, Dean Brescani, Chad Peterson, Steve Swiontek, Reid Middaugh, and Nancy Morris.

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

Economic Incentive Program White Paper

- Collin McAweeney (TischlerBise)
- 4 Tasks
 - Task 1: Project Initiation
 - Task 2: Preparation of a White Paper on Economic Development Incentives
 - Task 3: Develop Economic Impact Model
 - Task 4: Implement Develop Economic Impact Model
- Focused on Task # 2
- Current Policies
 - Renaissance Zone
 - 5 1/2 % in property value
 - 28 future sites, potential over 1 million square feet of development
- Special Assessment Finance
 - Unique public strategy
 - Capital burdens shifted to city
 - Allows builders to not front load costs.
- Case Studies/Comparable Cities
 - Dubuque, Iowa- Waterfront Development
 - Paducah, Kentucky- Targeting Talent and Land Banking
 - Fargo has a more comprehensive incentive program
- Recommendations
 - Fargo has a robust and thoughtful incentive program
 - Continue Renaissance Zone and Special Infrastructure Financing programs
 - Target high multiplier, sales tax generators

- Time limitations for incentive programs
- Remove new construction residential housing exemption (2 year exemption)
- Explore new parking opportunities, land banking and waterfront development programs.
- Questions:
 - Mayor Tim Mahoney: Fargo drops 2 year exemption, can Fargo lose out on market share?
 - The market for Fargo drives these incentives and people want to be in Fargo.
 - Jessica Ebeling: How much of this project was done with prime vs. secondary research?
 - 50/50
- Steps going forward
 - Receive & file report
 - Train on how on the TischlerBise Economic Model
 - Implement
- Commission will receive and file at 5:00pm

No motion

419 3rd St North-

- 2 proposals for this site from Authentic Housing and Kilbourne Group
- Old Health Department Building
- Fred Eoff- from PFM
 - Multi-housing project constructed without dedicated parking
 - Low-income tax credit- element of 1986 Tax Act
 - 90% of the newly constructed lower income building nationwide
- Authentic Housing
 - What this did not give the city:
 - Did not produce a preliminary commitment from a lender
 - Companion preliminary letter from equity lender/investor
 - Market study that identifies how this property fits into market place.
- Questions:
 - Mayor Mahoney: if we were getting a housing study done this year would that answer the elements that they would have to request on the housing analysis?
 - Yes, it would fill that need.
 - Arlette Preston: In experience with other communities without dedicated parking, does it get to be a big issue?
 - A building like this without dedicating parking is unusual.
 - Other projects are done in an area with a major hub.
 - Readily available mixed transportation usually surrounds these projects. Mass transit is usually available too.

A motion was made by Mayor Mahoney to draft Authentic Housing Authority to work with the Housing Authority to work on the Barel Project to which both parties would be able to come forward. John Cosgriff seconded motion.

4 YES / 3 NO. Motion approved.

A motion was made by Mayor Mahoney moved to a 3 week delay for Authentic Housing Authority to respond to a request. Deb Mathern seconded, the motion.

5 YES / 1 NO. Motion passed. A meeting will be set in 3 weeks to discuss this.

A motion was made by Dave Piepkorn to approve the minutes from January 25, 2022. John Cosgriff seconded, motion carries.

Dakota Specialty Milling

- Bryan Hendricks
- \$8 million investment. \$4 million building. \$4 million equipment (Large oven equipment)
- 5 year exemption request at 100% on the extra 40,000 square feet expansion
- Approved for PILOT exemption in 2016
 - Exemption expired and is now reapplying
 - Still the same project but would add value.

A motion was made by Jessica Ebeling to approve the Dakota Milling Property Tax Incentive for Dakota Specialty Milling. John Cosgriff seconded, motion carries.

J Street Properties

- Matt- PFM Recommendation
- 1418 1st Ave & 19 14 ½ St N
- 90 units, 4-story unit multi-family project with enclosed parking for 92 vehicles plus additional parking for 21 vehicles
- \$1.25 million TIFF over 10 years
- Developer investing 20% about \$3 million
- Internally Rate of Return with TIFF is 9%. Without TIFF is 5.58%
- For a project of this size a reasonable rate of return is 10-15%
- Project to begin in Spring of this year
- Mark Bjornstad- now owns property as of 12/3/2021 stated clean up with start when TIFF is approved and when the weather warms up.

A motion was made by Mayor Mahoney to approve. John Cosgriff seconded, motion carries.

The meeting was adjourned at 2:52 pm.

March 16th, 2022

Jim Gilmour, Director of Strategic Planning & Research

City of Fargo

225 4th St N

Fargo, ND 58102

RE: TIF Application

West End Development

Fargo, ND

Mr. Gilmour,

West Acres Development, LLC, HJ Development Inc., and Alliance Management Group, LLC are excited to present this letter of application for Tax Increment Financing for the proposed mixed-use project, West End. The project is located on the former site of Herberger's at the West Acres mall, a structure that has sat vacant and is encumbered with asbestos. The subject property is located at 3940 13th Ave, South.

Agent Information

Jon Casper

Alliance Management Group, LLC

1700 42nd St. S, Suite #2000

Fargo, ND, 58103

(701) 893-8005

jonathan@berggroupnd.com

Project Overview

- Project Location
 - 3940 13th Avenue South. Fargo, North Dakota 58103.

- Ownership Group
 - Alliance Management Group, LLC
 - West Acres Development, LLC
 - HJ Development Inc

- Project Description
 - Mixed use property with approximately 160 multifamily units, 51,500 square feet of retail space, 9,300 square feet of amenity space, 225 enclosed residential parking stalls, and the potential to include up to 40,000 square feet of either office and/or hospitality space. Project is also likely to reconfigure traffic flow from the mall's entrance off of 13th Ave, South.
 - Multifamily Unit Matrix (number of each unit type):
 - Studio: 7
 - Alcove: 23
 - One Bedroom: 65
 - One Bedroom + Den: 19
 - Two Bedroom: 40
 - Two Bedroom + Den: 6
- Projected Schedule
 - Expected to begin construction in the spring of 2023. Construction will be complete by the summer of 2025. Asbestos removal and subsequent demolition of the existing structure will begin in the summer of 2022.

Summary Financial Information

- Estimated Project Cost
 - \$56,621,057
- Project Bank Financing
 - Formal proposals are currently being acquired by development team.
 - Assumed 75% loan-to-value with a 5–10 year term, interest rate in the 4.00-4.50% range.
- Pro Forma
 - Complete pro forma is being finalized by development team.
- TIF Request
 - Approximately \$6.5MM
- Proposed Rents/Unit Type:
 - Studio: \$875/mo.
 - Alcove: \$925/mo.
 - One Bedroom: \$1,150/mo.
 - One Bedroom + Den: \$1,175/mo.
 - Two Bedroom: \$1,650/mo.
 - Two Bedroom + Den: \$1,750/mo.

- Project Cost:

Construction Costs	\$42,137,500
Contractor's Fee	\$2,879,625
Contingency	\$1,439,813
Land Cost	\$1,000,000
Financing/Closing Costs	\$1,008,500
Development Expenses	\$5,368,204
Development Fee	<u>\$2,787,415</u>
	\$56,621,057

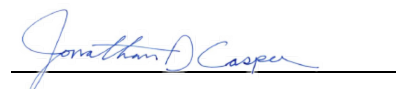
- Extraordinary Costs:

Soil Remediation/Environmental	\$500,000
Demolition	\$1,500,000
Asbestos Mitigation	\$2,500,000
HVAC	<u>\$2,000,000</u>
	\$6,500,000

- All of these expenses are preliminary and subject to change due to design elements, the market for construction materials, and any unforeseen issues.

Please reach out if there are any questions with respect to the material presented, or if any additional information is necessary.

Sincerely,



Jonathan Casper

March 18th, 2022

Jim Gilmore
Director of Strategic Planning & Research
225 4th Street North
Fargo, ND 58102

RE: CoSchedule Exchange Building Development Project

Dear Mr. Gilmour,

CoSchedule is pursuing a purchase, remodel, and relocation of our team into the Exchange Building located at 502 1st Ave, Fargo, ND.

CoSchedule is seeking a 5 year property tax exemption on this building as a primary sector business that will create additional opportunities for CoSchedule's continued growth. The savings generated by this incentive will be used to remodel the exterior building, and will provide additional operating capital to invest in employee growth, benefits, and compensation.

Over the last 8 years, CoSchedule has grown to over 50 staff members, 35 of those are located in our Fargo office. CoSchedule has been leasing space in downtown Fargo for the past 8 years at various locations. Now looking towards the future, the opportunity to purchase and occupy a building will secure our ability to stay located in downtown Fargo and also provide the opportunity to continue to grow our team for many years to come.

CoSchedule is certified by the North Dakota Department of Commerce as a Primary Sector Business. In 2021, 1.5% of our revenues were generated from sales inside the state of North Dakota. The remaining 98.5% of our revenues were generated from out of state sales. This creates new wealth in the Fargo area through our locally sourced talented team.

We continue to be excited about the future that CoSchedule has in Fargo and the opportunities for growth this building project provides.

Justin Walsh
Co-Founder & CTO





March 7, 2022

Justin Walsh
CoSchedule LLC
318 E Broadway Ave
Bismarck, ND 58501

Dear Justin:

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, **CoSchedule LLC**, as primary sector and a new wealth creator in the economy of North Dakota. This certification is valid for **four years** (3/4/2022 to 3/3/2026).

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 Joseph Mwangura at 701-328-5367.

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 black ink, appearing to read "Joshua Teigen", is written over a horizontal line.

Joshua Teigen, Director
Economic Development & Finance Division

1600 E Century Avenue, Suite 6 | P.O. Box 2057 | Bismarck, ND 58502

PHONE: 701-328-5300 | TOLL FREE: 1-866-4DAKOTA | ND RELAY TTY: 1-800-366-6888 | VOICE: 1-800-366-6889 |
NDCommerce.com

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 CoSchedule, LLC

2. Address of project 502 1st Ave
City Fargo County Cass

3. Mailing address of project operator 318 East Broadway Ave
City Bismarck State ND Zip 58503

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. _____

7. If a corporation, specify the state and date of incorporation _____

8. Name and title of individual to contact Justin Walsh
Mailing address 318 East Broadway Ave
City, State, Zip Bismarck, ND, 58501 Phone No. 701-220-0528

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:
 New business project Expansion of a existing business project

11. Legal description of project real property

Parcel Number: 01-1520-00120-000

12. Will the project property be owned or leased by the project operator?

Owned Leased

Changed to Lease per JG- Assessor

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? 1902

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

c. Projected number of construction employees during the project construction

14. Approximate date of commencement of this project's operations May 16th, 2022

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

a. Land \$ 137,000

b. Existing buildings and structures for which an exemption is claimed..... \$ 1,458,000
\$ 1,225,000


c. Newly constructed buildings and structures when completed \$ 500,000

d. Total..... \$ 2,095,000
\$ 1,725,000

e. Machinery and equipment \$ 0

Changes made to application per JG. Original application for full building, modified for leased space only to be exempt.

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 \$ 72,900

c. Newly constructed buildings and structures when completed..... \$ 25,000
61,250

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 97,900

e. Enter the consolidated mill rate for the appropriate taxing district 296.01
86,250

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ 28,979.38
\$ 25,530.86

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).

CoSchedule makes a variety of software products that help marketing teams work more efficiently and get better marketing results for the companies that they serve. We sell three primary products to our customers on monthly and yearly service contracts.

19. Indicate the type of machinery and equipment that will be installed
We will be installing general office equipment, high tech video conferencing systems, and network infrastructure. Additional bathrooms will also be added to the building. The exterior of the building will be updated.

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
	Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue	<u>7,200,000</u>	<u>7,500,000</u>	<u>8,000,000</u>	<u>8,500,000</u>	<u>9,000,000</u>
Annual expense	<u>6,800,000</u>	<u>7,000,000</u>	<u>7,400,000</u>	<u>7,800,000</u>	<u>8,200,000</u>
Net income	<u>400,000</u>	<u>500,000</u>	<u>600,000</u>	<u>700,000</u>	<u>800,000</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
48					1	1

Year	(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1) <u>48</u>	<u>50</u>	<u>53</u>	<u>56</u>	<u>60</u>	<u>65</u>
	(2) <u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Estimated payroll	(1) <u>\$4,282,137.60</u>	<u>\$4,594,816.61</u>	<u>\$4,989,507.88</u>	<u>\$5,430,610.65</u>	<u>\$5,960,676.55</u>	<u>\$6,457,399.59</u>
	(2) <u>\$108,160.00</u>	<u>\$108,160.00</u>	<u>\$112,320.00</u>	<u>\$112,320.00</u>	<u>\$116,480.00</u>	<u>\$116,480.00</u>

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

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

Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition 0 %

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

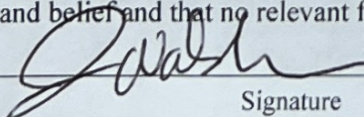
28. The project operator is reapplying for property tax incentives for the following reason(s):

- 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, Justin Walsh, 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

CTO & Co-Founder
 Title

3/18/2022
 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.

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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

Payments in lieu of taxes

_____ Number of years

_____ Beginning year _____ Ending year

_____ Percent of exemption

_____ Amount of annual payments (Attach schedule if payments will vary)

Auditor

BUSINESS INCENTIVE AGREEMENT
 NORTH DAKOTA DEPARTMENT OF COMMERCE
 SFN 59686 (10/2018)

(For office use only) Agreement Number

Grantor Reference Number

The RECIPIENT specified below has been approved to receive a business incentive from the state of North Dakota. Therefore, in fulfillment of the requirements of North Dakota Century Code § 54-60.1-03, the grantor of the business incentive (**GRANTOR**) and the entity to receive the business incentive (**RECIPIENT**) must enter into a **Business Incentive Agreement**. This Business Incentive Agreement provides project data and specifies the goals the RECIPIENT has agreed to meet in order to receive the state business incentive.

Should the value of this incentive be less than \$25,000, and should the RECIPIENT receive no additional incentives to bring the total to \$25,000 or more within twelve months, the reporting requirements outlined in North Dakota Century Code § 54-60.1-05 and in this agreement, will not go into effect.

Grantor

Name of GRANTOR/GRANT ADMINISTRATOR	On Behalf Of		
Address	City	State	ZIP Code

Recipient

Name of RECIPIENT Business CoSchedule, LLC	Also known as		
Mailing Address 318 East Broadway Ave	City Bismarck	State ND	ZIP Code 58501
Street Address	City	State	ZIP Code
Location of Project (street address, city, county) 502 1st Ave Fargo, ND 58102			
Business Classification of RECIPIENT (3 digit NAICS Code) 541			
Parent Company of RECIPIENT (if any)			
Street Address	City	State	ZIP Code

Recipient Contact Information

Main Contact Person Justin Walsh	Email Address justin.walsh@coschedule.com
Title CTO	Telephone Number 701-220-0528

Location of Recipient PRIOR to receiving this business incentive (if relocating)

Street Address 630 1st Ave N	City Fargo	State ND	ZIP Code 58102
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Business Owners or Shareholders

List the names and addresses of all individuals or shareholders owning twenty percent (20%) or more of this business.

Owner or Shareholder	Mailing Address	City	State	ZIP Code
Justin Walsh	7901 Nicklaus Dr	Bismarck	ND	58503
Garrett Moon	3505 Pelican Pl	Mandan	ND	58554

Project Information

Benefit Date May 15th 2022		Incentive Value \$93,000
Project Description CoSchedule is pursuing a purchase, remodel, and relocation of our team into the Exchange Building located at 502 1st Ave, Fargo, ND. The savings generated by this incentive will be used to remodel the exterior of the building, and will provide additional operating capital to invest in employee growth, benefits and compensation.		
Incentive Description 5 Year 100% Property Tax Exemption		
Is this incentive tax increment financing? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, describe the type of district	Business Investment Value

Incentive Type (check one only)

<input type="checkbox"/> Contribution of property or infrastructure	<input type="checkbox"/> Preferential use of government facility
<input type="checkbox"/> Direct cash transfer, loan, or equity investment	<input type="checkbox"/> Guarantee of payment under loan, lease, or other obligation
<input checked="" type="checkbox"/> Reduction or deferral of tax or fee	<input type="checkbox"/> Interest buy-down

Public Purpose (check one only)

<input type="checkbox"/> Assisting community Development	<input type="checkbox"/> Indirectly creating employment opportunities through increased economic activity
<input type="checkbox"/> Increasing tax base	<input type="checkbox"/> Job retention (only in cases where job loss is specific and demonstrable)
<input checked="" type="checkbox"/> Directly creating employment opportunities	

Current Employment, Wages, Benefits and Compensation

Is this a new business or a business with no full-time employees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If yes, please enter 0 for the current number of jobs, average hourly wage, and average hourly benefits below. If no, please enter the current number of jobs, average hourly wage, and average hourly benefits below.			
Current number of Full Time Equivalent Employees (FTE's) ¹ 48	Average Hourly Wage ² \$38.54	Average Hourly Benefits ³ \$4.35	Average Hourly Compensation (Wage plus Benefits) ⁴ \$42.89
<input type="checkbox"/> Seasonal, explain:			

Goal Information

In exchange for the incentive provided by the GRANTOR, the RECIPIENT agrees to, within 2 years (check one only)			
<input checked="" type="checkbox"/> Create Jobs <input type="checkbox"/> Retain Jobs <input type="checkbox"/> Neither create nor retain jobs ⁵			
Current number of Full Time Equivalent Employees (FTE's) ¹ 53	Average Hourly Wage ² \$40.67	Average Hourly Benefits ³ \$4.59	Average Hourly Compensation (Wage plus Benefits) ⁴ \$45.26

¹ Full time equivalent employees (FTE's) work 32 hours per week or greater. The exception is when a single position is filled by two people. In this instance each person needs to work 20 hours per week or greater to be considered an FTE. Please round job numbers to the nearest 0.5 FTE.

²Wage includes wages, salary, bonuses and commissions.

³ Benefits include health, disability, life and retirement benefits or insurance premiums paid by the employer; an employee's share of payroll taxes paid by the employer; and other fringe benefits such as housing allowance and transportation expense.

⁴Wage plus benefits.

⁵If 'Neither create nor retain jobs' is checked, please enter '0' for number of jobs, wage and benefits goals. All RECIPIENTS must file recipient reports as described on page 3 of this document, including those with no job, wage or benefits goals.

In addition to meeting the goals outlined in this document, the RECIPIENT agrees to the following terms as specified by N.D.C.C. §54-60.1:

1. The RECIPIENT shall continue operation in the jurisdiction in which the business incentive is used for five years or more after the benefit date.
2. RECIPIENT reports requesting current job, wage and benefit information will be mailed to the RECIPIENT by the GRANTOR. The RECIPIENT shall complete, sign and return this annual recipient report to the GRANTOR within 60 days of the annual anniversary of the benefit date for a period of two years or until the goals specified in the Business Incentive Agreement have been met, whichever is later.

If the recipient report is not received within those 60 days, the GRANTOR shall mail the RECIPIENT a warning letter. The RECIPIENT then has 14 days from the postmarked date of that warning letter to file a report. If the recipient report is still not received, the RECIPIENT may be charged one hundred dollars (\$100) from the GRANTOR for each subsequent day until the report is received. The maximum penalty under this section may not exceed one thousand dollars (\$1,000).

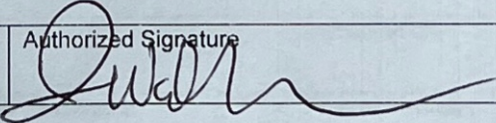
3. If, after 2 years, the job and compensation goals listed in the Business Incentive Agreement are not met, the RECIPIENT shall continue to provide recipient reports to the grantor until the incentive is repaid to the grantor. At a minimum, a recipient that fails to meet business incentive agreement goals shall pay back the value of the incentive to the GRANTOR prorated to reflect any partial fulfillment of the job and compensation goals. There is an exception to this financial obligation for any unmet goals that result from an act of God or terrorism.
4. The Business Incentive Agreement shall only be modified or extended by the GRANTOR pursuant to N.D.C.C. §54-60.1-04.
5. If the terms of the Business Incentive Agreement are not met, RECIPIENT, including all individuals or shareholders owning twenty percent (20%) or more of the business, will not be eligible to receive a business incentive from any GRANTOR for a period of five years from the date of failure or until RECIPIENT satisfies its repayment obligation.

By signing this document, RECIPIENT agrees to the terms noted herein, verifies that it has not failed to meet the terms of any business incentive agreement in the last five years and confirms that it has disclosed, in Attachment "A" of this agreement, all additional financial assistance received from state or political subdivision GRANTORS for this project.

GRANTOR

Title	Authorized Signature	Date
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RECIPIENT

Title CTO	Authorized Signature 	Date 3/18/2022
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Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligation hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

ATTACHMENT "A"

RECIPIENT verifies it has received additional financial assistance from state or political subdivision GRANTORS from the following entities for this project since its inception. A listing of incentives from past projects (i.e. past expansions) is not required.

GRANTOR		On Behalf Of
Benefit/Pending Benefit Date	Value of Assistance	Type of Incentive
Description of Assistance		

GRANTOR		On Behalf Of
Benefit/Pending Benefit Date	Value of Assistance	Type of Incentive
Description of Assistance		

GRANTOR		On Behalf Of
Benefit/Pending Benefit Date	Value of Assistance	Type of Incentive
Description of Assistance		

GRANTOR		On Behalf Of
Benefit/Pending Benefit Date	Value of Assistance	Type of Incentive
Description of Assistance		

GRANTOR		On Behalf Of
Benefit/Pending Benefit Date	Value of Assistance	Type of Incentive
Description of Assistance		

Exemption Evaluation Calculator				188.0					188.0
CoSchedule				Points					Points
Project Type Code	Year 1		4	38.0	Year 3		4	38.0	
Current Number Of Employees			48				48		
Hourly Salary Without Benefits	# Jobs				# Jobs				
Under \$13.00									
\$13.01-\$15.00									
\$15.01-\$20.00									
\$20.01-\$28.00			Pts. For # Jobs->	10.0			Pts. For # Jobs->	10.0	
\$28.01-\$35.00	1		Pts. For \$ Jobs->	55.0	4		Pts. For \$ Jobs->	55.0	
Over \$35.00	1				4				
TOTAL # OF JOBS CREATED	2				8				
% GI w/ Local Competition (not downtown)				25.0				25.0	
Value of Proposed Buildings		\$	1,725,000	20.0		\$	1,725,000	20.0	
Downtown Location (Y/N)			Y	25.0			Y	25.0	
Startup Firm (Y/N)			Y	15.0			Y	15.0	
Has Const Started or Has Bldg Been Leased or Occupied If Existing (Y/N)			N	0.0			N	0.0	
Number of Years (Exemption)			5				5		
Company Safety Experience Rating				0.0				0.0	
RECOMMENDATION IS TO APPROVE					APPROVE				
Description	Primary Sector Service				Primary Sector Service				
Estimated New Annual Payroll	\$141,440				\$565,760				
Estimated Annual Real Estate Tax	\$25,531				\$25,531				
Property Value / # of Jobs	\$ 862,500				\$ 215,625				
Total Value Of Benefit	\$ 127,654				\$ 127,654				