



Economic Development Advisory Committee
West Fargo City Hall, Riverside Room
Monday, February 12, 2024
9:00 -9:45 am

Voting Members

Eddie Sheeley Chair
Banking
Choice Financial
Nicole Steen-Dutton V.
Chair
Retail
Thunder Coffee
Jaysen Schock
Past Chair
Manufacturing
Cargill
Marshall McCullough
Service
Ohnstad Twichell
Paul Matthys
Utilities
Cass County Electric
Tom McDougall
Technology
High Point Networks
Nick Killoran
Small Business Owner
Great North Insurance
Jeffrey Volk
Const./ Engineering
Moore Engineering
Cairn Reisch
Member at Large
Marvin

Ex-Officio Members

Shannon Full
FMWF Chamber of
Joe Raso
GFMEDC
Levi Bachmeier
WFPS
Robert Wilson
Cass County

City Commissioners

Roben Anderson
Brad Olson

City Staff

Nick Lee
City Assessor
Casey Sanders- Berglund
Economic Development
Aaron Nelson
Planning Director

The Economic Development Advisory Committee (EDAC) meets regularly on the first Thursday of every month to review incentive applications and other items pertaining to the Economic Development within the City of West Fargo. The committee provides recommendations to the City Commission for final review. All Committee meetings are open to the public and any Executive Sessions abide by North Dakota Century Code. The Committee reserves the right to hold special meetings at its discretion facilitate efficient development within the City of West Fargo.

AGENDA:

1. Call to order
2. Attendance roll call
3. Approval of last meetings minutes
4. Approve order of Agenda
5. Renaissance Zone Application for NW Tires (Casey Sanders-Berglund)
6. Adjournment

Future Meeting Dates (1st Thursdays of each month)

Thursday, March 7, 2024

Thursday, April 4, 2024

Thursday, May 2, 2024



**West Fargo Economic Development
Advisory Committee
Thursday, February 1, 2024
8 am**

The City of West Fargo Economic Development Advisory Committee met on Thursday, February 1, 2024, at 8 am.

Voting Members Present: Eddie Sheeley (Chair), Nicole Steen-Dutton (Vice-Chair), Marshall McCullough, Paul Matthys, Tom McDougall, Carin Reisch.

City Staff: Casey Sanders-Berglund (Economic Development Manager), Aaron Nelson (Planning Director) Nick Lee (City Assessor)

Ex-Officio Members: Joe Raso & Ryan Aashiem (GFMEDC)

Commissioners: Brad Olson

Eddie called the meeting to order.

Marshall moved and Paul seconded to approve the minutes for January 4th, 2024 as presented. No opposition. Motion carried.

Marshall moved and Paul seconded to approve the Order of Agenda. No opposition. Motion carried.

Casey Sanders-Berglund shared the options to amend the bi-laws to reflect the elected officer positions for the EDAC moving to two-year terms. The terms need to be approved by the City Commission to be formally adopted.

Paul made the motion to move forward with the term adjustment in the bi-laws and recommending the change to the City Commission. Carin seconded. No opposition. Motion carried.

Casey Sanders-Berglund shared a review of incentive opportunities within West Fargo. Each voting member received a binder with a review and resource to reference. Additionally, went through examples of how the incentives have been activated in the city. Then the discussion focused on a conversation around sources and uses of economic development sales tax dollars. To help guide the next steps in the discussion as the plan needs to be discussed with all commissioners and offer opportunities for input.

Paul motioned and Marshall seconded to adjourn the meeting. No opposition. Meeting was adjourned.

Chair, Eddie Sheeley

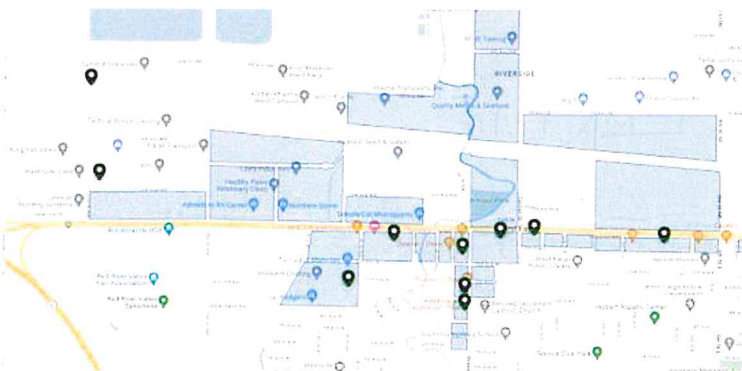
CITY OF WEST FARGO ECONOMIC DEVELOPMENT

STAFF REPORT

NW Tire	
1281 Main Ave West Fargo ND 58078	
Lot 9 Block 1 Butler	
Applicant: Kory Grossman Owner: NW Tire (Vetter & Wald, LLLP)	Staff Contact: Economic Development Casey Sanders
Economic Development Advisory Committee:	
West Fargo Public School District:	N/A
Cass County Board of Commissioners:	N/A
Public Hearing:	N/A
City Commission:	

PURPOSE:

The applicant is proposing to expand their services by demolishing and building a new facility to the property south of their current West Fargo Location. NW Tire is the current owner of the property that has been operating as Johnson & Schock Excavating. NW Tire will remain in their current location and add to their West Fargo Location this expansion of a second service center.



STAFF REPORT

DISCUSSION AND OBSERVATIONS:

- Zoned as Light Industrial
- Expansion to support approximately 15 new jobs
- All tax and specials payments are current on this property
- The property value increases by over 3.5 times
- Outside of property tax NW Tires estimates in the first five years to conduct anywhere from 3,250,000 to 5,200,000 dollars in sales. This is the potential of \$260,000 - \$416,000 in sales tax revenue annually.

PROJECT ELIGIBILITY FOR DEVELOPMENT:

The project is located in a renaissance zone identified in the West Fargo Renaissance Zone Development Plan.

The infill project with the demolition and build will increase the lifespan of the infrastructure of this area along main Ave.

PUBLIC PARTICIPATION:

Public assistance for this project is through property tax through the renaissance zone program.

This program uses property tax as an incentive in which are subject to a comparison of percentage of the current properties true and full value (less land) and the future value of the building. Based on the percentage of the increase the property is eligible for a maximum of 5 years and 100% exemption as long as the 100% (+) of the current building value is being proposed.

In this case the improvements being proposed offer an improvement value of over 3.5 times.

The Property currently has an improvement value of \$606,500.00 with property tax at \$15,561.24. After the improvements the future improvement value is estimated to be over \$4,000,000.00 with a property tax estimated to be \$58,086.00.

Current Building Value	Future Bulding Value	Difference
\$ 606,500.00	\$ 4,000,000.00	\$ 3,393,500.00

Property Tax Currently	Future Property Tax	Difference Annually
\$ 15,561.24	\$ 58,086.00	\$ 42,524.76

The proposed incentive would exempt NW Tire of 5 years of property tax beginning after the improvements beginning in 2025. The total exempt taxes over 5 years the public participation is valued at \$290,430.00.

	Improvement Value	Property Tax	Ren. Zone Incentive
1	\$	58,086.00	100%
2	\$	58,086.00	100%
3	\$	58,086.00	100%
4	\$	58,086.00	100%
5	\$	58,086.00	100%
T	\$	290,430.00	\$ 290,430.00

CITY OF WEST FARGO ECONOMIC DEVELOPMENT

STAFF REPORT

Without the improved property the existing property would continue to be taxed at the current amount or \$15,561.24 or \$77,806.20 over the five years requested in this incentive.

RECOMMENDATIONS:

The proposed project meets the programs requirements and eligibility standards. The business is an existing West Fargo Business since 2017 looking to expand. They currently own land in other communities and can currently expand there, however, this space offers an ideal location and was identified as a space that the City aims to support through the Renaissance Zone revitalization program which also enhances the business attraction to our city. After a comparison of the next 5-8 years during the middle of the 7th year you can see that the improvement begins to surpass the property tax revenue total should the incentive not be implemented.

	With Incentive	Without Incentive
1	\$ -	\$ 15,561.24
2	\$ -	\$ 15,561.24
3	\$ -	\$ 15,561.24
4	\$ -	\$ 15,561.24
5	\$ -	\$ 15,561.24
6	\$ 58,086.00	\$ 15,561.24
7	\$ 58,086.00	\$ 15,561.24
8	\$ 58,086.00	\$ 15,561.24
T	\$ 174,258.00	\$ 124,489.92

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE RECOMMENDATION:

Economic Development Advisory Committee is reviewing this project in February 2024.

