

**CITY OF WEST FARGO**  
**NEW INDUSTRY EXEMPTION POLICY AND GUIDELINES**

Businesses that are primarily commercial, industrial or service are eligible for a new industry exemption if they meet the state requirements and the guidelines as stated below. The following criteria are only guidelines. Each application should be judged on its own merits. Any application recommended for approval by the Economic Development Committee that does not meet the guidelines must be justified and documented.

- A \$250.00 non-refundable fee for public notices and processing of applications must be paid before any notices are published.
- A new or expanded business in the community must not gain unfair advantage with existing competitors through use of the exemption. Applicant should be prepared to demonstrate that an unfair advantage is not gained over any possible existing competitor for the amount of the exemption received.
- An existing business is eligible for the new industry exemption. Existing buildings do qualify for NDCC 57-02.2 property tax exemption of improvements. Commercial buildings improved by renovation, remodeling or alteration can qualify for this exemption.
- Property tax incentives must be approved prior to start of construction.
- Projects that are primarily warehousing would not receive exemptions unless the owner proves need or provides other substantiation information to justify granting the exemption.
- Growth projections in the community will be verified through either the City Assessment Department or the City Auditor's Department.
- Amount of exemption will be according to the following schedule:

Year 1 - 100%	Year 4 - 50%
Year 2 - 100%	Year 5 - 25%
Year 3 - 75%	

- Annual Reports - On December 1st of each year, the recipient of the exemption will file a West Fargo Economic Development Annual Employment and Financial Report with the City Assessment Department.
- A qualified project may receive up to 100% exemption in each of years 3, 4, and 5 provided that at the end of year two at least one full-time job has been created for every \$75,000 of the building's market value subject to the tax exemption. Jobs must be maintained in years 3, 4, and 5.
- An exemption that has been granted will be considered lapsed and invalid if construction has not begun in one year and completed within two years. Notice will be sent to the project operator 90 days prior to the exemption lapsing.
- After an exemption has been granted, the project operator needs to locate the operation in another facility; the exemption may be transferred to the new building. The value of the new building can't be more than 15% higher than that of the building for which the exemption was originally granted. If the new building is more than 15% greater in estimated value, the committee will reconsider the exemption.

The Board of Commissioners may waive any of these requirements if they deem a business should receive additional benefits for the good of the community.