

CITY OF WEST FARGO
ADDITIONAL POLICY AND GUIDELINES FOR PAYMENT IN LIEU OF TAX EXEMPTIONS

The City of West Fargo will consider up to a five-year payment in lieu of tax (PILOT) for a new or expanded business. The following criteria are only guidelines and are in addition to the requirements for the standard tax exemption. Each application should be judged on its own merits. Any application recommended for approval by the Economic Development Advisory Committee that does not meet the guidelines listed below must be justified and documented.

The first five years of the PILOT will mirror the standard business tax exemption.

- A qualified project will receive a 100% exemption in years 1 & 2 with an additional 100% exemption in each of years 3, 4, and 5. However, 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.
- 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.
- PILOT incentives must be approved prior to occupancy of the property.

A qualified project may receive a 50% exemption for years 6 - 10 provided the following guidelines are met:

- The project size must have at least a \$700,000 market value of newly constructed buildings and structures.
- A minimum of 20 new full time jobs providing an average wage of \$9.00 per hour excluding benefits must be created by the end of year 5. These jobs must be maintained in years 6-10.
- Annual reporting requirements by the recipient of the exemption will also continue in years 6-10.
- An inflation factor may be included in the payment schedule and also in the average hourly wage. This inflation factor will be determined at the time the payment schedule is set.
- If the project fails to meet any of the above listed guidelines in years 6-10, the project will not be eligible for any percentage of the exemption. The exemption on this project cannot be reapplied for if the requirements are again met at a future time and the initial 10-year period has not expired.