|  |  |  |
| --- | --- | --- |
|  |  **CITY OF MOORHEAD****PROPERTY TAX EXEMPTION APPLICATION** | **2022** |

**Application Procedures**

The purpose of the Border City Development Zone Program (pursuant to 1998 Laws of Minnesota, Chapter 389, Article 12)is to encourage development and expansion/rehabilitation in order to spur economic growth within the community, retain and create new jobs, and create additional housing choice for Moorhead residents.

1. The program is available within Moorhead city limits outside of the Renaissance Zone.
2. Applications are accepted at any time. Please allow 4 to 6 weeks for approval process.
3. **Construction activities on a project may not begin until after City Council approval.** Construction activities include pouring a footing/foundation, framing, or any other activity other than general site preparations.
4. Site plan review or building permit review process may occur simultaneous to the tax incentive approval process.

**Pre-Approval Process**

1. The business applicant (also referred to as the Business Owner) and city staff work together to complete the application. A meeting may be scheduled to review the application for completeness.
2. Staff will send the notice of the public hearing (and notice to competitors) to the legal newspaper, The Extra. The notice must be published twice, at least one week apart. The publication must be completed not less than 15 days nor more than 30 days before the city council approves the tax exemption.
3. Prior to the public hearing, staff will send the council report and information for attending the public hearing.
4. At the public hearing, staff will present the project to the City Council. The applicant, or applicant’s representative, should attend the public hearing and be prepared to answer questions about the project, if requested by council members.
5. Once approved by the City Council, construction activities may begin immediately.

**Post-Approval Process**

1. A Tax Incentive Agreement is circulated by staff for signature. A project is not eligible for a property tax exemption without a signed Tax Incentive Agreement.
2. After the project is complete, as evidenced by a Certificate of Occupancy issued by Moorhead Building Codes, the Business Owner has two years to obtain the job and wage goals agreed to in the Tax Incentive Agreement.
3. Staff will assist the Business Owner with submitting the required annual report to the Department of Employment and Economic Development, by April 1, until goals have been achieved.
4. In the event investment, job, and wage goals are not achieved, the Business Owner may be required to repay all or a portion of the property tax exemption received.
5. The Business Owner must continue operations in substantially the same manner and scale, in the City of Moorhead, for at least 5 years after the benefit date (which is the date of the Certificate of Occupancy).

**Application Checklist**

1. Completed application
2. Application fee - $525
3. Site Plan, Building Floor Plan, Site Elevations (with architect’s permission to use)
4. Lease Agreement, if applicable
5. Tax Clearance Letter from the Department of Revenue

|  |  |  |
| --- | --- | --- |
| **Submit Application to:** | **Questions?** |  |
| Moorhead Economic Development 500 Center Avenue, 4th FloorP.O. Box 779Moorhead, MN 56561-0779economicdevelopment@cityofmoorhead.com  | Amy ThorpeEconomic Development Program AdministratorEmail: amy.thorpe@cityofmoorhead.com Phone: 218.299.5441 | Derrick LaPointDMI / Economic DevelopmentEmail: dlapoint@dtmoorhead.org Phone: 218.443.1361 |

|  |
| --- |
| Part 1 – All applicants must complete |

|  |
| --- |
| **IDENTIFICATION OF BUSINESS / BUSINESS OWNERSHIP** |
| ***Business Owner*** *means the person, partnership, corporation, limited liability company, or other business entity that owns or operates the new business or the expansion portion of an existing business for which a tax incentive is sought pursuant to the Border City Development Zone Program*. *This is the owner of the building and real estate which will be listed on the Clay County Property Tax Statement.* |
| **Business Legal Name**       | **Doing Business As**       |
| **Street Address** | **Street**       |
|  | **City**       | **State**       | **Zip**       |
| **Mailing Address** | **Street**       |
|  | **City**       | **State**       | **Zip**       |
| **Type of Ownership** *(select one):* |
| [ ]  Limited Liability Company [ ]  C-Corporation [ ]  S-Corporation | [ ]  Other *(Please specify)*:       |
| **Federal ID Number**       | **MN Tax ID Number**       | **NAICS Code**       |
| **Name of Business Owner(s) & Title(s)** *(attach addition pages if necessary)*:  |
| **Full Name** | **Title** | **% Share** |
|       |       |       |
|       |       |       |
|       |       |       |
| **Does the entity identified above have a parent corporation?**[ ]  Yes [ ]  NoName of parent corporation:       *(Indicate name and address of the parent corporation below. If more than one, indicate ultimate owner.)*Street address:       City/State/Zip Code:       |

|  |
| --- |
| **Primary Contact Information** |
| **Primary Contact’s Name**       | **Title**       |
| **Contact mailing address**  | **Street**       |
|  | **City**       | **State**       | **Zip**       |
| **Contact Phone Number** | **Business**       | **Cell**       |
| **Contact Email Address** |       |
|  |
| **LESSEE INFORMATION** |
| *If the Business Entity above intends to Lease all or a portion of the new or expanded commercial project, please complete this section. The assumption is that the Lessee is providing the required jobs. A* ***triple net lease*** *should be established between the Lessor / Lessee and submitted with this application.* ***Lessee will be required to sign the Tax Incentive Agreement and report on job goals.*** |
| **Business Name of Lessee:**       |
| **Business Address:**        |
| **Primary Contact Name:**        | **Primary Contact Title:**        |
| **Phone:**       **Email:**        |
| **Federal ID Number**       | **MN Tax ID Number**       | **NAICS Code**       |

|  |
| --- |
| **DESCRIPTION OF PROJECT PROPERTY** |
| ***Project Property*** *means the property located within the corporate limits of the City of Moorhead upon which the project is located or to be located.* |
| **Property (Land & Building) Holding Company - Entity Legal Name**       |
| **Address of Project Property**       |
| **Property Identification Number (PIN):**       [www.moorheadproperty.org](http://www.moorheadproperty.org)  |
| **Land Value:**       Assessment Year 2022 / Payable Year 2023 |
| **Existing Building Value:**       Assessment Year 2022 / Payable Year 2023 |

|  |
| --- |
| **PROJECT OVERVIEW** |
| ***Project*** *means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.* |
| **Has the project started (i.e. contracts signed, leases without contingency language have been executed, building permits have been issued, and/or construction started on-site)**[ ]  Yes [ ]  No *If you answered “Yes”, the project cannot meet the “but for” test and is not eligible for this program.*  |
| **Project Type:** [ ]  Start-up Company (New business with no parent company or current operations) [ ]  Minnesota Expansion – On Site (expansion of an existing facility) [ ]  Minnesota Expansion – Off Site (expansion of an existing MN company at a new site) [ ]  Out of State Expansion – (expansion to MN by a company with operations outside of MN) |
| **Project Involvement:** [ ]  Construction of a new facility that will be owned by the business or a related party [ ]  Renovations to an existing facility currently owned or to be acquired by the business or related party [ ]  Leasing a facility to be constructed by an unrelated third party [ ]  Leasing an existing facility where leasehold improvements will be made by an unrelated third party |
| **Are there facility or land limitations that do not allow the business to expand at an existing Minnesota facility?**[ ]  Yes [ ]  No [ ]  Not Applicable |
| **Description of the New Expansion and / or New Construction:**Building dimensions:      Building height:      Type of construction:      Exterior Finishes:      Site Improvements (hard surface parking, etc.):      Other Amenities:       |
| **Do you have any other expansion plans on the same property in the next five years?** [ ]  Yes [ ]  No If so, please describe:       |
| **Project Timeline:**  |
| **Task** | **Estimated Completion Date (MM/YYYY)** |
| Start of Construction |       |
| Complete Construction |       |
| Begin Operations |       |

**Construction Costs:**

|  |  |  |
| --- | --- | --- |
| **Task** | **Project Cost** | **Additional Details, if needed**  |
| Property Acquisition |       |       |
| Site Improvement |       |       |
| New Construction |       |       |
| Renovation of Existing Building |       |       |
| Machinery & Equipment |       |       |
| Other |       |       |
| **Total Construction Cost** |       |       |

|  |  |  |  |
| --- | --- | --- | --- |
| **BUSINESS DESCRIPTION**

|  |
| --- |
| *This section should be completed for the Business Entity which will fulfill the job goals necessary to apply for this tax incentive.* |
| **Business Overview & Company History** – Includedescription of company’s products or services |
|                                |

 |

|  |
| --- |
| **List all jobs retained or created as a result of this project, including wages and benefits.** *Include all employees with the same title and wage in the same line.* |
|  | **Employee Benefits** |
| **Position Title** | **Full or** **Part-time** | **New or** **Retained** | **Hours /** **Week** | **Hourly Wage (excluding benefits)** | **# of** **employees** | **Healthcare** **Insurance (Y or N)** | **Retirement****(Y or N)** | **Other****(Y or N)** |
| *Example: Store Manager* | *Full* | *New* | *40* | *$19* | *1* | *Y* | *N* | *N* |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |

|  |
| --- |
| **Projected annual revenue, expense, and net income of the project for each year for the first five years.** |
| Year | 20      | 20      | 20      | 20      | 20      |
| Annual Revenue |       |       |       |       |       |
| Annual Expense |       |       |       |       |       |
| Net Income |       |       |       |       |       |
| **Projected annual number of persons to be employed as a result of the project at the project location for each year of the requested incentive and the estimated annual payroll.**  |
| **Year** | 20      | 20      | 20      | 20      | 20      |
|  | **No. of employees** | Full time |       |       |       |       |       |
| Part time |       |       |       |       |       |
|  | **Estimated payroll** | Full time |       |       |       |       |       |
| Part time |       |       |       |       |       |

|  |
| --- |
| **PREVIOUS BUSINESS ACTIVITY** |
| **Is the Business Owner(s) succeeding someone else in this or a similar business?** [ ]  Yes [ ]  No |
| If yes, please explain:       |
| **Has the Business Owner(s) conducted this business (or a similar business) at this or any other location either inside or outside of the state on Minnesota?** | [ ]  Yes [ ]  No |
| If yes, please explain:       |
| **Has the Business Owner(s) or any officers of the project received any prior tax incentives?** [ ]  Yes [ ]  No |
| If yes, please explain:       |

|  |
| --- |
| **TAX LIABILITY DISCLOSURE STATEMENT** |
| **Does the property or the business have any outstanding local, state, or federal tax liabilities?** | [ ]  Yes [ ]  No |
|  If yes, please explain:       |
| **Are there any current or unsatisfied judgements or injunctions against the business or owners?** | [ ]  Yes [ ]  No |
| If yes, please explain:       |
| **Is there current or pending litigation involving this business?**  | [ ]  Yes [ ]  No |
| If yes, please explain:       |

|  |
| --- |
| **TAX CLEARANCE LETTER** |
| Prior to consideration of this application by the City, a Business Owner must request and receive a tax clearance letter from the **Minnesota Department of Revenue** and provide a copy of the letter to the Moorhead Economic Development office. The tax clearance letter received from the Minnesota Department of Revenue must affirmatively establish that, as of the date of this application, the Business Owner does not owe delinquent income or sales tax pursuant to Minnesota Statutes, Chapters 290, 296A, 297A, 297B, 197For 297G. A sample tax clearance letter is attached with this application packet for your use.Written requests for tax clearance letters should be mailed to the following address: **Minnesota Department of Revenue, Mail Station 1250, St. Paul, MN 55145-1250** |
| **Tax Clearance Letter Requested on** *(month/day/year)***:**       |

|  |  |
| --- | --- |
|

|  |
| --- |
| Part 2 – Multi-Family Housing or Mixed Use Projects Only |

 |
| **MULTI-FAMILY RESIDENTIAL PROJECTS** |
| **Square footage of the lot and of the proposed building** *(list each floor separately)* |
|  | **Total Square Footage** | **Apartment****Sq. Ft.** | **Commercial****Sq. Ft.** |
| Lot |       | N/A | N/A |
| Proposed Building - 1st Floor |       |       |       |
| 2nd Floor |       |       |       |
| 3rd Floor |       |       |       |
| 4th Floor |       |       |       |
| 5th Floor |       |       |       |
| Basement (Lower Level) |       |       |       |
| **Describe how you will meet off street parking requirements.** *(Number of spaces below ground or ramped, garage, or lot.)* |
|       |
|       |
| **Give total number of apartment units and** **describe breakdown of units** *(i.e., 12 units total, 10 units - 3 bed/2 bath, 2 units – efficiency)* |
|       |
|       |

|  |
| --- |
| **CERTIFICATION OF BUSINESS OWNER** |

I,      , do hereby certify that all answers to the questions contained herein and all of the information contained in this application, including all attachments hereto and supporting documentation, 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 or information contained in this application has been omitted. The Business Owner hereby agrees to notify the City of Moorhead immediately of any relevant information or facts material to the City’s consideration of this application which becomes known to the Business Owner prior to the City taking final action on this application. The Business Owner hereby acknowledges that providing knowingly false information in this application, or failure to provide relevant material information necessary for the City to adequately consider this application, may result in denial of the application or termination of any granted tax incentive.

|  |  |  |
| --- | --- | --- |
|       |  |       |
| **Dated** |  | **Signature of Business Owner** |
|  |  |  |
|  |  | **By:**       |
|  |  | **Its:**       |

**Return Completed Application to:**

City of Moorhead

Economic Development

500 Center Avenue, 4th Floor

P.O. Box 779

Moorhead, MN 56561-0779

**SAMPLE LETTER**

Minnesota Department of Revenue

Corporate Franchise Tax Division

Mail Station 1250

St. Paul, MN 55145-1250

Re: Request for Tax Clearance Letter

To Whom It May Concern:

 As an authorized agent for ***(insert name of business)***, this letter constitutes our request for a Tax Clearance Letter for ***(insert name of business)*** from the Minnesota Department of Revenue. A Tax Clearance Letter is requested as part of the City of Moorhead’s Border City Development Zone Program to establish that ***(insert name of business)*** does not owe delinquent amounts of taxes under Minnesota Statutes, Chapters 290, 296A, 297A, 297B, 297F, or 297G. Our Minnesota Tax Identification Number is ***(insert MN Tax ID)*** and our Federal Tax Identification Number is ***(insert MN Tax ID)***.

 Should you have any questions or require additional information, please contact me at ***(insert phone number)***, and thank you in advance for your attention to this matter.

Sincerely,

**(This letter should be signed by an authorized agent or officer of the business who has authority to request tax information on behalf of the business.)**

**AUTHORIZATION FOR CITY OF MOORHEAD TO PUBLISH**

**NOTICE TO COMPETITORS OF APPLICATION FOR TAX INCENTIVE**

The City of Moorhead, Minnesota, is hereby authorized by the undersigned applicant for a tax incentive, as part of the undersigned’s application under the City’s Border City Development Zone Program, to complete and publish, on behalf of the undersigned applicant / Business Owner, the attached Notice to Competitors form in the City’s official newspaper in accordance with applicable statutory notice requirements contained in 2017 Minn. Stat. 469.1734 Subd. 7.

The undersigned applicant for a tax incentive pursuant to the City’s Border City Development Zone Program hereby agrees to review for accuracy the Notice to Competitors form once completed by the City prior to publication thereof. The undersigned applicant is solely responsible for the truthful content of accuracy of published notice and all liability associated with completion, content, publication of the Notice of Competitors form is solely that of the applicant / Business Owner. The undersigned applicant / Business Owner hereby agrees to indemnify and hold harmless the City against any and all liability, loss, cost, damages, expenses, claims or causes of action, including attorney’s fees, which the City may sustain, incur, or be required to pay, arising out of or by reason of any act or omission in connection with performance or failure to adequately perform obligations pursuant to this authorization.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date Printed Name of Applicant / Business Owner

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Signature of Applicant / Business Owner

**EXAMPLE OF PUBLIC HEARING NOTICE**

***City staff will complete and place ad in Moorhead’s legal newspaper, The Extra.***

**NOTICE TO COMPETITORS OF APPLICATION**

**FOR TAX INCENTIVE(S) AND PUBLIC HEARING**

Notice is hereby given that the City Council of the City of Moorhead, Minnesota, will meet at 5:45 p.m. on Monday, ***(Month, Day, Year)***, in the Council Chambers of City Hall, 500 Center Avenue, Moorhead, Minnesota, to consider the application of ***(Business Owner Name)***, ***(Business Owner Address)***, for tax incentives which the applicant will use in the operation of ***(Describe type of business)*** located at ***(Project Address)*** with a legal description of:

**[INSERT LEGAL DESCRIPTION]**

All City Council meetings are open to the public. A competitor of the applicant or any other interested person or governmental unit may provide written comments to the City of Moorhead prior to the above-referenced City Council meeting date by mailing the same to the City of Moorhead Economic Development, PO Box 779, Moorhead, MN 56561-0779. This notice is given by the above-named applicant/Business Owner pursuant to the provisions of 2020 Minn. Stat. 469.1734 Subd. 7.