

ORDINANCE NO. 285

AN ORDINANCE OF THE CITY OF PORT ST. JOE, GULF COUNTY, FLORIDA, ESTABLISHING AD VALOREM TAX EXEMPTION FOR ECONOMIC DEVELOPMENT, ESTABLISHING THE CRITERIA FOR GRANTING TAX EXEMPTION, DEFINING TERMS, PROVIDING FOR APPLICATION AND PROOF OF ELIGIBILITY, ESTABLISHING APPLICATION REVIEW PROCEDURE, FEES FOR APPLICATION AND ESTABLISHING ELIGIBLE AND INELIGIBLE BUSINESSES, PROVIDING FOR SEVERABILITY AND FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Port St. Joe has been empowered by referendum to grant tax exemptions to new or expanding businesses; and

WHEREAS, the establishment and growth of businesses within the city is desirous for the city and its citizens; and

WHEREAS, progressive development of new and expansions of existing businesses bring economic and social benefits to the city and its citizens; and

WHEREAS, the City Commissions has found that tax exemption or reduction is an incentive to the establishment of new businesses and the expansion of existing businesses within the city.

NOW, THEREFORE, BE IT ENACTED BY THE BOARD OF CITY COMMISSIONERS OF GULF COUNTY, FLORIDA:

Section 1. Enactment authority.

Pursuant to Section 3, Article VII of the State Constitution and the laws of the State of Florida, incorporated municipalities and counties individually or in combination are authorized and empowered to adopt, amend or revise and enforce an ordinance relating to economic development ad valorem tax exemptions, after the electors of such municipality or county, voting on the question in a referendum, authorize the adoption of such ordinance. In a referendum held May 11, 1999, the voters or the City of Port St. Joe authorized the adoption of such an ordinance.

Section 2. Purpose and intent.

The public health, safety, comfort, economy, order, convenience and general welfare require the harmonious, orderly and progressive development of new business and expansion of existing business within Florida and its incorporated municipalities and counties. In furtherance of this general purpose counties, by Chapters 125, 163, 192, 196, and 214, Florida Statutes and Florida Department of Revenue Rules, Chapter 12D-7, Florida Administrative Code, are authorized and empowered to adopt, amend or revise and enforce measures relating to economic development ad valorem tax exemptions for new business and expansion of existing business. It is the intent of this article to secure or to ensure:

- (1) The establishment of a criteria for granting such exemptions to certain types of businesses or industries or for denying exemptions on a rational, nonarbitrary, nondiscriminatory basis by the board of city commissioners. The following criteria may be used as a guideline in evaluating each respective request for exemption. The extent of the exemption should be weighted according to the greatest accumulation of points.

	<i>Points</i>
<i>Capital Investment</i>	
Under \$1 million	1
\$1 - 5 million	3
Over \$5 million	5
<i>Number of Employees</i>	
25 - 50	1
50 - 100	3
Over 100	5
<i>Wage Rate</i>	
Below area average	0
Average	1
Above Average	3

- (2) No precedent shall be implied or inferred by the granting of an exemption to a new or expanding business. Applications for exemptions shall be considered by the board of city commissioners on a case-by-case basis for each application, after consideration of the property appraiser's report on that application.
- (3) Any exemption granted may apply up to one hundred (100) per cent of the assessed value of all improvements to real property made by or for the use of a new business and all tangible personal property of such new business, up to one hundred (100) per cent of the assessed value of all added improvements to real property which additions are made to facilitate the expansion of an existing business and of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business.
- (4) Any exemption may be for a full ten-year period or any period less than ten (10) years from the time the exemption is granted.
- (5) No exemption shall be granted on the land on which new or expanded businesses are to be located.
- (6) No exemption shall be granted on school or water management district taxes, or on taxes levied for payment of bonds or taxes authorized a vote of the electors of the city.

Section 3. Definition of terms.

The following words, phrases and terms shall have the same meanings attributed to them in current Florida Statutes and the Florida Administrative Code, except where the context clearly indicates otherwise:

Applicant: Any person or corporation submitting an economic development ad valorem tax exemption application to the board.

Board: The Board of City Commissioners, City of Port St. Joe.

Business: Any activity engaged in by any person, corporation or company with the object of private or public gain, benefit or advantage, either direct or indirect.

Corporation newly domiciled in Florida: A corporation created under Florida laws, which, by law, considers Florida as the center of its corporate affairs and the place where its functions are discharged, and which has been incorporated in Florida for a period of not more than twelve (12) months preceding the initial date of application for exemption. The domicile of a corporation is in the state under whose laws it is created, regardless of where it may do business.

Department: The Florida Department of Revenue.

Expansion of existing business:

- (a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or
2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by Section 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed;

provided that such business increases operations on a site colocated with a commercial or industrial operation owned by the same business, resulting in a net increase in employment of not less than 10 per cent or an increase in productive output of not less than 10 per cent.

- (b) Any business located in an enterprise zone that increases operations on a site colocated with a commercial or industrial operation owned by the same business.

Improvements: Physical changes made to raw land, and structures placed on or under the land surface.

New business:

- (a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant;
2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by Section 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or
3. An office space in this state owned and used by a corporation newly domiciled in this state; provided such office space houses 50 or more full-time employees of such corporation;

provided that such business or office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

- (b) Any business located in an enterprise zone that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

- (c) A business that is situated on property annexed into a municipality and that, at the time of the annexation, is receiving an economic development ad valorem tax exemption from the county under Section 196.1995.

Sales factor: A fraction, the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period. (See section 220.15(5), Florida Statutes, for specifics of computation.)

Section 4. To whom application made; proof of eligibility.

- (a) The economic development ad valorem tax exemption is a local option tax incentive for new or expanding business which may be granted or refused at the sole discretion of the board. To apply for such an exemption a business locating or expanding in the City of Port St. Joe must file an application with the City Clerk. (Dept. Revenue Form 418). The application shall request the adoption of an Ordinance granting the applicant an exemption and shall include the following information:
 - (1) The name and location of the new business or expansion of an existing business;
 - (2) A description of the improvements to real property for which an exemption is requested and the date of commencement of construction of the improvements;
 - (3) A description of the tangible personal property for which an exemption is requested and the dates when such property was or is to be purchased
 - (4) Satisfactory proof that the business meets the criteria for exemption as a new business or expansion of an existing business as defined by this Ordinance and Florida Statutes must accompany the application.
 - (5) The number of new jobs created and the pay rate for each job category in the application shall be filed every year in which an exemption is requested.

Section 5. Application review procedure.

(a) Before the board acts on an application, the application must be submitted to the property appraiser for review. After careful consideration, the property appraiser shall report to the board concerning the fiscal impact of granting exemptions. The property appraiser's report shall include the following:

- (1) The total revenue available to the city for the current fiscal year from ad valorem tax sources.

- (2) The amount of revenue lost to the city for the current fiscal year because of economic development ad valorem tax exemptions previously granted.
- (3) An estimate of the amount of revenue which would be lost for the current fiscal year if the exemption is granted to the new or expanding business.
- (4) A determination that the business meets the definition of a new or expanding business as defined in this Ordinance and Section 196.012(15) and (16), Florida Statutes. Upon request, the department will provide the property appraiser such information as it may have available to assist in making this determination.

(b) After consideration of the report of the property appraiser, the Board of City Commissioners may choose to adopt an ordinance granting the tax exemption to a new or expanding business. The ordinance shall be adopted in the same manner as any other ordinance of the city. The ordinance shall include the following information:

- (1) The name and address of the new or expanding business.
- (2) The amount of revenue available from ad valorem tax sources for the current fiscal year, revenue lost for the current fiscal year because of economic development ad valorem tax exemptions currently in effect, and the amount of estimated revenue which would be lost because of the exemption granted to the new or expanding business.
- (3) The period of time for which the exemption will remain in effect and the expiration date of the exemption.
- (4) A finding that the business meets the definition of a new business or an expansion of an existing business in accordance with Florida Statutes 196.012 (15), (16).
- (5) The rating of the new or expanding business in accordance with the point system described in Section 2.

Section 6. Fees.

No fees shall be charged for processing the economic development ad valorem tax exemption application or any exemption ordinance adopted by the board.

Section 7. Eligible business or industry.

(a) Any business or industry as defined in section 3, definitions of “business,” “expansion of existing business” or “new business,” which is not an ineligible business or industry as defined by section 8.

(b) When considering the issue of whether or not a business or industry is an eligible business as defined herein, the board may consider the anticipated number of employees, average wage, type of industry or business, geographical location of the proposed new or expanding business, environmental impacts, volume of business or production prior to accepting the economic development ad valorem tax exemption application.

Section 8. Ineligible business or industry.

An ineligible business or industry is any business or industry, including, but not limited to, a business:

- (1) In violation of any federal, state or local law or regulation governing environmental matters such as air, water and noise pollution; or
- (2) Deemed to be noxious or offensive to the general public and which may be or become a nuisance or jeopardize the health and safety of citizens of the county.

Section 9. Severability.

In the event any portion of this Ordinance is, for any reason, held or declared to be unconstitutional, inoperative, or void, such holding shall not affect the remaining portions of this Ordinance. Further, in the event this Ordinance or any provision hereof shall be held to be inapplicable to any person, property, or circumstances, such holding shall not affect its applicability to any other person, property or circumstance.

Section 10. Effective date.

This Ordinance shall take effect immediately upon its adoption.

THIS ORDINANCE ADOPTED this 5th day of March, 2002.

CITY COMMISSION OF THE CITY
OF PORT ST. JOE, FLORIDA

BY: 
Mayor-Commissioner

Attest: 
Auditor/Clerk

The following commissioners voted yea: Pate, Raffield, Williams, Roberts & Horton
" " Nay: None