

Memorandum



(Second Reading 11-30-04)

Date: September 9, 2004

To: Honorable Chairperson Barbara Carey-Shuler
Ed.D. and Members, Board of County
Commissioners

Agenda Item No. 6(I)

From: George M. Burgess
County Manager

Subject: Ordinance Granting Enterprise Zone Ad Valorem
Tax Exemption Under Ordinance 96-74 for
Apple Sauce, Inc., d/b/a Applebee's Restaurant

RECOMMENDATION

It is recommended that pursuant to the provisions of Section 196.1995, Florida Statutes, and Miami-Dade County Ordinance 96-74, that the Board approve an ordinance granting Enterprise Zone Ad Valorem Tax Exemption to Apple Sauce, Inc., d/b/a Applebee's Restaurant, hereinafter referred to as "Business." The amount of tax exemption for the Fiscal Year 2003 is \$1,681.07 for tangible personal property. Approximately \$1,500,000 in private funds has been invested in the Enterprise Zone and, as a result 48 new full-time jobs have been created by this business, of which six (6) of them are held by residents of the Enterprise Zone.

BACKGROUND

On April 19, 1988, the Board enacted Ordinance No. 88-27, which authorized Enterprise Zone Ad Valorem Tax Exemption for new or expanding businesses, which invest in these zones. On May 21, 1996, the aforementioned ordinance was revised and enacted as Ordinance No.96-74.

The Business has filed an application for Enterprise Zone Ad Valorem Tax Exemption for improvements made to its real properties and for acquisition of tangible personal property. The Property Appraiser reviewed the application and inspected the property to arrive at determinations of the appropriate exemption.

To be eligible for this exemption, a new or expanded business shall create a minimum of five (5) new full-time jobs. If, on a given year of the 5 year exemption, 20% or more of a business' permanent full-time employees are residents of the Enterprise Zone, the exemption for that year will be 100 percent of the assessed value of all improvements to real property, or 100 percent of the assessed value of all tangible personal property. In case the company cannot comply with the 20% residency requirement of their employees living in the Enterprise Zone, then the exemption for that year will be 50% of the assessed value.

Once the Board has granted approval, Miami-Dade's Office of Community and Economic Development (OCED) will monitor the firm's compliance during the life of the tax exemption.

Florida State incentives available in the Enterprise Zone include jobs tax credit, property tax credit, community contribution tax credit, sales tax exemption on building materials and sales tax exemption on business equipment. The Business has indicated that the availability of these incentives was a contributing factor in its decision to locate in the Enterprise Zone.

Detailed information regarding the Business is provided below. The tax exemption is based on the estimated countywide and unincorporated municipal service area millage rates of 8.416 (5.969 and 2.447) for fiscal year 2003, the year the Business became eligible for the tax abatement.

Apple Sauce, Inc., d/b/a Applebee's Restaurant

Address:	20405 S. Dixie Highway, Miami, FL 33157	
Community Redevelopment Area (CRA):	No	
Product:	Restaurant	
Contact Person:	Herb Friesner, Consultant (305) 825-5545	
Employment:	48 New Jobs	
Basis for Application:	Acquisition of Tangible Personal Property	
Total New Investment:	\$1,500,000	Approximately
Exemption Eligibility:	\$ -0-	(real property)
	\$ 399,494	tangible personal property)
50% Estimated County Tax Exemption Per Year:	\$ -0-	(real property)
	\$1,681.07	(tangible personal property)
Total:	\$1,681.07	
Period:	Five (5) Years	

ECONOMIC IMPACT ANALYSIS

The economic impact of the ordinance is summarized in the Economic Impact Analysis Chart on page 3. If the full exemption is granted, the impact on the County budget would be to reduce revenues by \$3,362.14 for fiscal year 2003 based on the estimated countywide and unincorporated municipal service area millage rates for fiscal year 2003 millage (5.969 and 2.447 respectively). The portion, which applies to tangible personal property, totaling \$3,362.14 declines annually as the property is depreciated. However, the Business is entitled to only \$1,681.07 in total tax exemption which represents 50% of the eligible tax exemption. This is due to the fact that the Business has less than 20% employment from the Enterprise Zone. Please see the attached revenue implication statement prepared by the Property Appraiser's Office for this project.

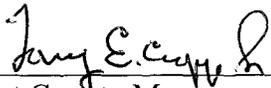
The impact of the exemption on the private sector is to reduce the applicant's operating costs by these amounts, which is intended as an incentive to invest and create jobs in the most distressed areas of Miami-Dade County. The Business created 48 new jobs, which include a total of six (6) jobs for residents of the Enterprise Zone. Exemption recipients are monitored annually for compliance with maintaining five (5) new full-time jobs requirement. Businesses found not to be in compliance with maintaining five (5) new full-time employees will lose their tax exemption.

The initial cost of processing the application is offset by a \$50 application fee, plus 10% of the first year's exemption. The public benefits of this project is the investment and job creation in Miami-Dade County's distressed areas. The additional payroll and economic activity generates other taxable activity. In addition, once the exemption period ends, the County will receive the increased taxes from the new business.

ECONOMIC IMPACT ANALYSIS CHART

Company	Exemption	Term	Projected Total Jobs	Projected E.Z. Jobs	Projected New Jobs	Total New Investment
Apple Sauce, Inc., d/b/a Applebee's Restaurant	\$1,681.07	5 Yrs.	48	6 (13%)	48	\$1,500,000
TOTAL	\$1,681.07	5 Yrs.	48	6	48	\$1,500,000

Attachment


 Assistant County Manager

**Enterprise Zone Abatement
Property Tax Assessments/Revenue Implications**

Business Name: Apple Sauce, Inc d/b/a Applebee's Restaurant
Address: 20405 S. Dixie Highway Miami, Fl. 33189
Folio #: P.P. Folio: 40-107129

Estimate- 2003

1. Assessed Value of Improvements/Additions to:		
(a) Real Property		<u>\$0</u>
(b) Tangible Personal Property		<u>\$403,900</u>
2. Total Taxes Levied on Improvements and Additions to:		
(a) Real Property (excluding land) (Based on 2003 millages)		<u>\$0.00</u>
(i) County Operating	\$0.00	
(ii) Unincorporated Municipal Service Area	\$0.00	
(iii) Debt Service	\$0.00	
(v) All other property taxes	\$0.00	
(b) Tangible Personal Property (Based on 2003 millages)		<u>\$8,959.92</u>
(i) County Operating	\$2,410.88	
(ii) Unincorporated Municipal Service Area	\$988.34	
(iii) Debt Service	\$115.11	
(v) All other property taxes	\$5,445.58	

Revenue Implications :

3. Total property tax revenue for the current tax year from ad valorem taxes:		<u>\$1,085,664,000</u>
4 Total revenue forgone for the current fiscal year by virtue of exemptions previously granted under this section:		<u>\$1,000,238</u>
5. Total revenue forgone for the current fiscal year if exemption applied for is granted:		<u>\$3,362.14</u>
R.E. :	<u>\$0.00</u>	
P.P. :	<u>\$3,362.14</u>	
6. Taxable value forgone if the exemption applied for were granted on:		<u>\$399,494</u>
(a) Improvement to Real Property	<u>\$0</u>	
(b) Tangible personal Property	<u>\$399,494</u>	

7. Last year for which exemption may be applied for 2007.

Date: 4/13/04

Signed: 
Property Appraiser

PTARI FORM

Applebee's Cutler Ridge

Full Time Enterprise Zone Employees

	NAME	Address	Address 2	CITY	ST	ZIP	Ez No.
1	BARRETO, JADIRA J.	1634 A. N.W. 1 ST AV		FLORIDA CITY	FL	33034	1301
2	CHERENFANT, IHISHA P.	405 NW 2ND STREET		HOMESTEAD	FL	33030	1301
3	DIETRICH, SCOTT A.	10241 DOLPHIN RD	APT F	MIAMI	FL	33157	1301
4	HERNANDEZ, JOSE	10101 BROAD CHANNEL RD		MIAMI	FL	33157	1301
5	JACKSON-TURNER, GERRI A.	530 NW 19TH STREET		MIAMI	FL	33136	1301
6	KAMIN, JENNIFER B.	19751 STERLING DR		MIAMI	FL	33157	1301

Enterprise Zone Employees 6
Total Employees 48
Percent EZ Employees 13%

Applebee's Cutler Ridge

Full Time Non Enterprise Zone Employees

	NAME	Address	Address 2	CITY	ST	ZIP
1	BROWN, JERMAINE R.	10761 SW 150 TERR		MIAMI	FL	33176
2	BROWN, LISA	9831 SW 195 ST		MIAMI	FL	33157
3	BRUSH, SARA	16410 SW 77 CT		MIAMI	FL	33157
4	BURCHETTE, JESSICA D.	10831 S.W. 225 ST		MIAMI	FL	33170
5	CAMPBELL, DENNIS A.	19924 SW 122 COURT		MIAMI	FL	33177
6	CARMODY, TIM P.	20175 SW 89TH CT		MIAMI	FL	33189
7	CHANDLER, ERIC L.	12140 SW 202 ST		MIAMI	FL	33177
8	CRUZ, JAY R.	22530 SW 108TH PL		MIAMI	FL	33170
9	DAVIS, TRENT L.	26213 SW 134TH AVE		MIAMI	FL	33032
10	DIXON, NICOLE M.	16522 SW 114 CT		MIAMI	FL	33157
11	DOWNS, LANE E.	10475 SW 152 ST		MIAMI	FL	33157
12	ELDRIDGE, MICHAEL N.	15601 SW 137TH AVE	APT 301	MIAMI	FL	33177
13	FELIPE, KENNETH M.	29830 SW 148TH PLACE		HOMESTEAD	FL	33033
14	GARZA, ALEX T.	11875 SW 184TH ST		MIAMI	FL	33177
15	GIBSON, JAMES E.	28200 SW 125TH AVE		HOMESTEAD	FL	33033
16	GREEN, NICOLE H.	9367 SOUTHWEST	185TH ST	MIAMI	FL	33157
17	GREEN, ROBYN S.	8580 SW 212 ST	APT 101	MIAMI	FL	33185
18	GREENBERG, JODI N.	9960 MONTEGO BAY DR		MIAMI	FL	33189
19	HALL, CHIQUITA A.	20325 SW 110 CT		MIAMI	FL	33170
20	HEILEMANN, JENNY G.	22334 S.W. 103 CT		MIAMI	FL	33190
21	HIRALDO, BISMARCK A	14931 S.W. 82 LN	APT 404	MIAMI	FL	33193
22	JONES, TAMIKA S.	11785 SW 223 ST	APT #4	MIAMI	FL	33170
23	MARKS, MICHAEL E.	2608 SE 21 CT		HOMESTEAD	FL	33035
24	MARSHALL, BRIAN K.	18452 SW 88TH PLACE		MIAMI	FL	33157
25	MENA, RACHEL M.	19230 SW 319 ST		HOMESTEAD	FL	33030
26	ORTIZ, ARTURO E.	15492 SW 104TH ST	APT 1015	MIAMI	FL	33196
27	OZBUN, DENISE	10713 S.W. 148TH CT		MIAMI	FL	33196
28	PAGAN, ISAAC	PO BOX 972112		MIAMI	FL	33197
29	PASCASIO, GERMAN E.	10725 S.W. 155TH	TERRACE	MIAMI	FL	33157
30	QUILES, ANTHONY	12783 SW 48 TERR		MIAMI	FL	33175
31	RIVERA, MARK A.	634 N.E 11 ST		HOMESTEAD	FL	33030
32	ROGERS, DIANA G.	14831 SW 169 LN		MIAMI	FL	33187
33	ROMERO, ALVIN	13701 SW 283 RD ST		MIAMI	FL	33033
34	ROMERO, GUADALUPE E.	13730 SW 268 ST		HOMESTEAD	FL	33030
35	SANDS, TAJA A.	24925 SW 127TH CT		MIAMI	FL	33032
36	SMITH, BOBBY J.	14501 JEFFERSON ST		MIAMI	FL	33176
37	TAYLOR, ADLAI E.	26215 SW 127TH COURT		MIAMI	FL	33032
38	ULYSSE, KISHA J.	16141 SW 102 PL		MIAMI	FL	33157
39	WAGER, BRUCE C.	11817 SW 218 TERR		MIAMI	FL	33189
40	WILCOX, LARRY G.	9011 SW 188TH TERR		MIAMI	FL	33157
41	WILLIAMS, ANIKA D.	10240 SW 123 ST		MIAMI	FL	33157
42	YEAMAN, CATHRYN A.	25611 SW 130TH AVE		HOMESTEAD	FL	33032

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MEMORANDUM

(Revised)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners

DATE: November 30, 2004

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 6(I)

Please note any items checked.

- _____ **“4-Day Rule” (“3-Day Rule” for committees) applicable if raised**
- _____ **6 weeks required between first reading and public hearing**
- _____ **4 weeks notification to municipal officials required prior to public hearing**
- _____ **Decreases revenues or increases expenditures without balancing budget**
- _____ **Budget required**
- _____ **Statement of fiscal impact required**
- _____ **Bid waiver requiring County Manager’s written recommendation**
- _____ **Ordinance creating a new board requires detailed County Manager’s report for public hearing**
- _____ **Housekeeping item (no policy decision required)**
- _____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 6(I)
11-30-04

ORDINANCE NO. _____

ORDINANCE GRANTING ENTERPRISE ZONE AD VALOREM TAX EXEMPTION TO APPLE SAUCE, INC., D/B/A APPLEBEE'S RESTAURANT, A NEW BUSINESS LOCATED IN THE ENTERPRISE ZONE; PROVIDING SCOPE AND TERMS OF EXEMPTION; PROVIDING SEVERABILITY, EFFECTIVE DATE AND EXPIRATION DATE

WHEREAS, this Board recognizes the need to stimulate economic development in certain areas of Dade County which are economically depressed, where housing and structural conditions are blighted and deteriorated, and where unemployment and poverty are prevalent, said areas being designated "Enterprise Zones" as defined in Section 196.012 and Section 290.004, Florida Statutes; and

WHEREAS, pursuant to Article VII, Section 3 of the Florida Constitution, the State has enacted Section 196.1995, Florida Statutes, providing a local government option for ad valorem tax exemption to new businesses and expansions of existing businesses in each such Enterprise Zone; and

WHEREAS, this Board erroneously authorized Enterprise Zone Ad Valorem Tax Exemptions to businesses through Ordinance No. 99-74, No. 01-210, No. 03-52; and

WHEREAS, this Board desires to encourage economic growth and development and alleviate the conditions of unemployment, economic disinvestments and poverty by creating new construction, new jobs, and an enhanced business climate particularly for small or minority owned businesses; and

WHEREAS, Apple Sauce, Inc., d/b/a Applebee's Restaurant, hereinafter referred to as "Business", located at 20405 S. Dixie Highway, Miami, Florida 33157, within Enterprise Zone No. 1301 has made application for ad valorem tax exemptions; and

WHEREAS, the Business has committed to this Board that it will maintain a work force of at least five (5) employees; and

WHEREAS, this Board finds that the Business has tax bills which are current; and

WHEREAS, this Board finds that ad valorem tax exemption is appropriate and consistent with the public purpose to eliminate the serious and distressing economic conditions of the designated "Enterprise Zone" in Miami-Dade County,

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. Legislative Intent and Findings of Public Purpose. The above recitations of legislative intent and findings of public purpose are fully incorporated herein as part of this ordinance.

Section 2. Eligibility Requirements. This Board finds the Business is a "new business" as defined in Section 196.012(15) (b) Florida Statutes (1991) and as defined in Miami-Dade County Ordinance No. 96-74 and after careful consideration of certain factors including those enumerated in Section 29-84(d) of the Dade County Code finds and determines the Business is eligible for ad valorem tax exemption.

Section 3. Granting the Exemption. This Board hereby grants ad valorem tax exemptions pursuant to Ordinance No. 96-74, enacted on May 21, 1996, to Apple Sauce, Inc., d/b/a Applebee's Restaurant, located at 20405 S. Dixie Highway, Miami, Florida 33157, a "new business". The exemption will be 50% of the eligible assessed value of the tangible personal property acquired and owned by the Business and located at 20405 S. Dixie Highway, Miami, Florida 33157.

Section 4. Revenue Implications. The total amount of revenue available to the County from ad valorem tax sources for the 2003 fiscal year is \$1.1 billion. The total amount of revenue foregone by the County for the 2003 fiscal year by virtue of Enterprise Zone Ad Valorem Tax Exemptions is \$1,000,238. The revenue foregone by the County attributable to the exemption of the Business named in the ordinance is estimated at \$1,681.07 for tangible personal property, which represents 50% of the eligible tax exemption, based on the assessment by the Property Appraiser of Miami-Dade County.

Section 5. Duration and Expiration of the Tax Exemption. The duration of the Enterprise Zone Ad Valorem Tax Exemption granted to the Business is five (5) years. The tax exemption granted in this ordinance shall expire after the 2007 tax assessment rolls of Miami-Dade County. Notwithstanding the foregoing, the Business must apply for a renewal of the exemption each year for which the exemption is sought. Failure to file a renewal application with the Property Appraiser by March 1, of each year shall constitute a waiver of the exemption for the year.

Section 6. Scope of Exemptions. The property tax exemption authorized through this ordinance shall be 50% of the eligible assessed value of the tangible personal property made by

or for the use of the Business, if the company complies with the five (5) full-time jobs requirement. The exemption shall apply only to Miami-Dade County countywide operating millage and, when applicable, the unincorporated municipal service area millage and shall not apply to taxes levied for payment of bonds or to taxes authorized by vote of the electors pursuant to Section 9(b) of Section 12, Article VII of the State Constitution. The exemption shall not be prolonged or extended by granting exemption from additional taxes or by virtue of any reorganization or sale of the Business receiving the exemption.

Section 7. Penalties. Non-compliance during the life of the tax exemptions unless expressly waived by the Board, with any of the eligibility requirements of Section 29-87 of the Miami-Dade County Code will nullify the tax exemption benefits granted through this ordinance and the Business shall be required to make payments of taxes exempted in addition to interest accrued from the date of non-compliance.

Section 8. Fee. The Business named in the ordinance will pay a \$50 application fee and a fee of 10% of the first year tax exemption to cover administrative expenses of Miami-Dade County in processing the application for tax exemption. The fee is non-refundable even if Dade County rescinds the tax exemptions due to non-compliance with eligibility requirements.

Section 9. Renewal Provisions. Enterprise Zone Ad Valorem Tax Exemptions granted through this ordinance can be renewed each year for the duration of the term of the exemption as indicated in Section 5 of this ordinance; however, the Business must re-apply to maintain the exemptions on or before March 1 of each year for which the renewal is sought. Failure to file a renewal application with the Property Appraiser by March 1 of any year shall constitute a waiver of the exemption for that year.

Section 10. Severability. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 11. Effective Date. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

Section 12. Sunset. This ordinance shall stand repealed five (5) years from its effective date.

PASSED AND ADOPTED:

Approved by County Attorney as
To form and legal sufficiency.

RA 6

Prepared by:
Shannon D. Summerset

SDS/RA 6