

Memorandum

MIAMI-DADE
COUNTY

Date: (Second Reading 01-20-05)
November 30, 2004

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Agenda Item No. 6(L)

**Subject: Ordinance Granting Enterprise Zone Ad Valorem Tax Exemption
Under Ordinance 96-74 for Silton Management, Inc. (Chevron)**

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 Silton Management, Inc. (Chevron) hereinafter referred to as "Business". The total amount of tax exemption beginning in fiscal year 2003 for real estate is \$ 4,413.81 and \$1,605.59 for tangible personal property beginning in fiscal year 2004, for a total of \$6,019.40. Approximately \$1,100,000 in private funds has been invested in the Enterprise Zone. As a result, 16 new full-time jobs have been created by this business, of which 10 of them are 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. 69-74.

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 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 had 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) fiscal year 2003, which is the year the Business became eligible for the tax abatement for real estate and the same millage rate for fiscal year 2004 for tangible personal property.

Silton Management, Inc. (Chevron)

Address:	4100 N.W 27 th Avenue, Miami, Florida 33142	
Community Redevelopment Area (CRA)	No	
Product:	Service Station and Convenience Store	
Contact Person:	Max R. Watson, Consultant (800) 428-9992	
Employment:	16 new jobs	
Basis for Application:	Improvements to Real Estate and Acquisition of Tangible Personal Property	
Total New Investment:	\$1,100,000	(Approximately)
Exemption Eligibility:	\$ 524,455	(real property)
	\$ 190,778	(tangible personal property)
Estimated County Tax Exemption Per Year:	\$ 4,413.81	(real property - year 2003)
	\$ 1,605.59	(tangible personal property - year 2004)
Total:	<u>\$ 6,019.40</u>	
Period:	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 were granted, the impact on the County budget would be to reduce revenues by \$4,413.81 for fiscal year 2003, based on estimated 2003 millages. Additionally \$1,605.59 beginning in fiscal year 2004, based on estimated 2004 millages. The portion, which applies to improvements to real property, totaling \$ 4,413.81 in fiscal year 2003, remains relatively constant for the duration of the exemption period. The portion, which applies to tangible personal property, totaling \$1,605.59, beginning in the year 2004 declines annually as the property is depreciated. Please see attached revenue implication statement prepared by the Property Appraiser's Office for this project.

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The ordinance for tax abatement was not prepared until now because the Property Tax Appraiser's Office had not completed its "revenue implication" which is needed to write the ordinance. It is the policy of the Property Tax Appraiser's Office not to prepare "revenue implications" forms for tax abatement when the applicants fail to file a personal tangible property tax return with the County.

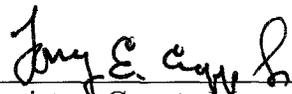
The impact of the exemption on the private sector is to reduce the applicant's operating costs by these amounts, which is intended as an incentive to invest and create jobs in the most distressed areas of Miami-Dade County. The Business created 16 new jobs, which include a total of 10 jobs for residents of the Enterprise Zone. Exemption recipients are monitored annually for compliance with maintaining five (5) new full-time job requirements. Business 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 are 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 expanded business.

ECONOMIC IMPACT ANALYSIS CHART

Company	Exemption	Exemption	Term	Projected Total Jobs	Projected E.Z. Jobs	Projected New Jobs	Total New Investment
Silton Management Inc. (Chevron)	2003 \$4,413.81 Real Estate	2004 \$1,605.59 Tangible Personal Property	5 Yrs.	16	10 (62%)	16	\$1,100,000
	TOTAL:	\$6,019.40	5 Yrs.	16	10	16	\$1,100,000

Attachment


Assistant County Manager

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

Business Name: Silto Management Inc - Chevron
Address: 4100 N W 27 Ave
Folio #: 40-116895

Estimate 2004

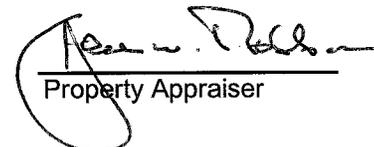
1. Assessed Value of Improvements/Additions to:		
(a) Real Property		<u>\$0</u>
(b) Tangible Personal Property		<u>\$195,853</u>
2. Total Taxes Levied on Improvements and Additions to:		
(a) Real Property (excluding land) (Based on 2003 millages)		<u>\$0.00</u>
(i) County Operating	\$0.00	
(ii) Unincorporated 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>\$4,252.89</u>
(i) County Operating	\$1,169.05	
(ii) Unincorporated Municipal Service Area	\$479.25	
(iii) Debt Service	\$55.82	
(v) All other property taxes	\$2,548.77	

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>\$1,605.59</u>
R.E. : <u>\$0.00</u> P.P. : <u>\$1,605.59</u>		
6. Taxable value forgone if the exemption applied for were granted on:		<u>\$190,778</u>
(a) Improvement to Real Property	<u>\$0</u>	
(b) Tangible personal Property	<u>\$190,778</u>	

7. Last year for which exemption may be applied for 2008.

Date: 9/15/04

Signed: 
 Property Appraiser

PTARI FORM

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

Business Name: Silton Management Inc.
Address: 4100 NW 27 Ave
Folio #: 30-3121-025-0030

Estimate- 2003

1. Assessed Value of Improvements/Additions to:

(a) Real Property	<u>\$524,455</u>
(b) Tangible Personal Property	<u>N/A</u>

2. Total Taxes Levied on Improvements and Additions to:

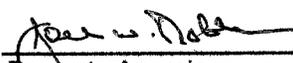
(a) Real Property (excluding land) (Based on 2003 millages)	<u>\$11,634.25</u>
(l) County Operating	\$3,130.47
(ii) Unincorporated Municipal Service Area	\$1,283.34
(iii) Debt Service	\$149.47
(v) All other property taxes	\$7,070.96
(b) Tangible Personal Property (Based on 2003 millages)	<u>N/A</u>
(l) County Operating	
(ii) Unincorporated Municipal Service Area	
(iii) Debt Service	
(v) All other property taxes	

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: R.E. : <u>\$4,413.81</u> P.P. : _____	<u>\$4,413.81</u>
6. Taxable value forgone if the exemption applied for were granted on:	<u>\$524,455</u>
(a) Improvement to Real Property	<u>\$524,455</u>
(b) Tangible personal Property	<u>\$0</u>

7. Last year for which exemption may be applied for 2006.

Date: 12/22/03

Signed: 
Property Appraiser

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Memorandum

To: Arturo Morales
OCED

January 8, 2004

From: Tyrone Hoskins
Property Appraisal Supervisor

Re: Revenue Implication Sheets with the wrong date

Below are the names of the businesses Revenue Implication sheets that were provided for the 2003 tax year that had the wrong date for the last year that the exemption may be applied for. The sheets had the year 2006, the correct year is 2007 for those properties receiving the enterprise abatement for the first year being the 2003 tax year.

Applications forwarded

1. World Wide/LACI Joint Ventures Burger King, Concourse F MIA
2. World Wide/LACI Joint Ventures Pizza Hut, Concourse F MIA
3. Siltan Management Inc., Service Station & Convenience Store, 4100 NW 27 Ave.
4. Pelican Development LLC, Multi-story Public Parking Garage, 1027 Collins Ave.
5. Ideal Warehouse Park, LLC, 10600 SW 190 St.
6. 1530 Washington Ave d/b/a Courtyard by Marriot South Bch, 1530 Washington Av.
7. American Petroleum of Franjo LLC, 18001 S.W. 97 Ave.
8. G. C. Parteners Inc. d/b/a Golden Coral Restaurant, 33525 S Dixie Hwy.
9. Burger King Corporation, 5505 Blue Lagoon Dr.
10. Williamson Body Shop, 19300 S.W. 108 Ave.

SILTON MANAGEMENT INC. – CHEVRON
EMPLOYEE LIST
DECEMBER 21, 2003

<u>NAME</u>	<u>ADDRESS</u>
Alexia N. Davis	8195 NW 23 rd Ave – Miami, FL 33150
✱ Charna U. Williams	5242 NW 25 th Ave – Miami, FL 33142
✱ Ellis R. Brown	6945 Abbott Avenue – Miami Beach, FL 33141
✱ Ernesto Gonzalez-Quevedo	7600 NW 27 th Ave – Miami, FL 33147
Francisco Rijo	1517 NE 109 Street – N. Miami, FL 33161
✱ Gordon K. Perisee	6944 Byron Ave #15 – Miami Beach, FL 33141
✱ Italia E. Dixon	2745 NW 42 nd St – Miami, FL 33142
✱ Jenny T. Perez	1732 NW 21 st St – Miami, FL 33142
Juan Carlos Pequero	8250 Byron Ave #303 – Miami Beach, FL 33141
✱ Karla V. Arcia	3620 NW 30 th Ave – Miami, FL 33142
✱ Latisha K. Mitchell	4407 NW 23 rd Court – Miami, FL 33142
Lofton Moncur	920 NW 83 rd Terrace – Miami, FL 33150
Maynard E. Mast	422 Poinciana Island Dr – Sunny Isles Beach, FL 33160
✱ Rafael Garcia	4111 NW 37 th Ave – Miami, FL 33142
Ronald Brown	4298 NW 43 rd St – Miami, FL 33142
✱ Teresa Perez	1732 NW 21 st St #1 – Miami, FL 33142

✱ Indicates Enterprise Zone Resident

TOTAL EMPLOYEES	16
ENTERPRISE ZONE EMPLOYEES	10
PERCENT ENTERPRISE ZONE EMPLOYEES	62%



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: January 20, 2005

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 6(L)

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

Approval _____ Mayor
Veto _____
Override _____

Agenda Item No. 6(L)
01-20-05

ORDINANCE NO. _____

ORDINANCE GRANTING ENTERPRISE ZONE AD VALOREM TAX EXEMPTION TO SILTON MANAGEMENT, INC. (CHEVRON) 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 Miami-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 Sections 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 authorized Enterprise Zone Ad Valorem Tax Exemptions to new businesses and for the expansion of existing businesses located in the Enterprise Zone through Ordinance No. 96-74, enacted on May 21, 1996; 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, Siltan Management, Inc (Chevron) hereinafter referred to as “Business”, located at 4100 N.W 27th Avenue, Miami, Florida 33142 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 of whom at least twenty percent (20%) must be residents of the Enterprise Zone; 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; and

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 Siltan Management, Inc. (Chevron) located at 4100 N.W 27th Avenue, Miami, Florida 33142 a “new business”. The exemption shall be up to 100% of the eligible assessed value of the improvements to real property and the eligible tangible personal property, if the company complies with the 20% residency requirement of their employees living in the Enterprise Zone. If 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 eligible assessed value of the improvements to real property and the eligible tangible personal property acquired and owned by the Business and located at 4100 N.W 27th Avenue, Miami, Florida 33142.

Section 4. Revenue Implications. The total amount of revenue available to the County from ad valorem tax sources for the 2003 and 2004 fiscal years is \$1.1 billion for each year. The total amount of revenue foregone by the County for the 2003 and 2004 fiscal years by virtue of Enterprise Zone Ad Valorem Tax Exemptions is \$1,000,238 for each year. The revenue foregone by the County attributable to the exemption of the Business names in the ordinance is estimated \$4,413.81 for real property beginning in fiscal year 2003 and \$1,605.59 for tangible personal property beginning in fiscal year 2004, 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 for real estate and after year 2008 for tangible personal property. Notwithstanding the foregoing, the Business must file for a renewal of the exemption each year for which the exemption is sought. Failure to file a renewal 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 up to 100% of the eligible assessed value of the improvements to real property and the eligible tangible personal property, if the company complies with the 20% residency requirement of their employees living in the Enterprise Zone. If 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 eligible assessed value of the improvements to real property and the eligible tangible personal property made by or for the use of the Business. 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.

RA6


Prepared by:

Shannon D. Summerset