

Memorandum



(Second Reading 01-20-05)

Date: November 30, 2004

Agenda Item No. 6(M)

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

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of George M. Burgess.

Subject: Ordinance Granting Enterprise Zone Ad Valorem Tax Exemption
Under Ordinance 96-74 for Hotel Inter-Continental c/o Six Continents Hotel

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 approves an ordinance granting Enterprise Zone Ad Valorem Tax Exemption to Hotel Inter-Continental c/o Six Continents Hotel hereinafter referred to as "Business". The total amount of tax exemption beginning in fiscal year 2003 for tangible personal property is \$4,017.75. Approximately \$738,000 in private funds has been invested in the Enterprise Zone. As a result, 58 new full-time jobs have been created and added by this business for a total of 484 employees, of which 99 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.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 % of the assessed value of all improvements to real property, or 100 % 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 expand in the Enterprise Zone. Detailed information regarding the Business is provided below. The tax exemption is based on the estimated countywide municipal service area millage rate of 5.969 for fiscal year 2003, which is the year the Business became eligible for the tax abatement.

Hotel Inter-Continental c/o Six Continents Hotel

Address:	100 Chopin Plaza, Miami, Florida 33131	
Community Redevelopment Area (CRA):	NO	
Product:	Full Service Hotel	
Contact Person:	C.J. Evans, (Consultant) (813) 225-4875	
Employment:	58 new jobs	
Basis for Application:	Acquisition of Personal Property	
Total New Investment:	\$ 738,000	(approximately)
Exemption Eligibility:	\$	(real property)
	\$ 673,103	(tangible personal property)
Estimated County	\$	(real property)
Tax Exemption Per Year:	\$ 4,017.75	(tangible personal property)
Total:	\$ 4,017.75	
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 is granted, the impact on the County budget would be to reduce revenues by \$4,017.75 for fiscal year 2003, based on estimated 2003 millages. The portion, which applies to tangible personal property, totaling \$4,017.75 declines annually as the property is depreciated. Please see 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 58 new jobs, and now has a total of 484 employees, which include a total of 99 jobs for residents of the Enterprise Zone. Exemption recipients are monitored

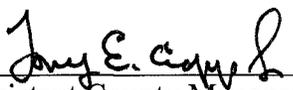
annually for compliance with maintaining five (5) new full-time job requirements. Businesses found not to be in compliance with maintaining five (5) new full-time employees will lose their tax exemption.

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 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	Term	Projected Total Jobs	Projected E.Z. Jobs	Projected New Jobs	Total New Investment
Hotel Inter-Continental c/o Six Continents Hotel	\$4,017.75	5 Yrs.	484	99 (20%)	58	\$738,000
TOTAL	\$4,017.75	5 Yrs.	484	99	58	\$738,000

Attachment


 Assistant County Manager

Enterprise Zone Abatement Property Tax Assessments/Revenue Implications

Business Name: Hotel Inter-Continental Miami % Inter-Continental Hotels Group **Estimate- 2003**
Address: 100 Choplin Plaza Miami, FL 33131
Folio #: 08-851375

1. Assessed Value of Improvements/Additions to:		
(a) Real Property		\$0
(b) Tangible Personal Property		\$9,517,651
2. Total Taxes Levied on Improvements and Additions to:		
(a) Real Property (excluding land) (Based on 2003 millages)		\$0
(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)		\$256,196
(i) County Operating	\$56,810.86	
(ii) Unincorporated Municipal Service Area	\$0.00	
(iii) Debt Service	\$2,712.53	
(v) All other property taxes	\$196,672.74	

Revenue Implications :

3. Total property tax revenue for the current tax year from ad valorem taxes:		\$1,085,664,000
4 Total revenue forgone for the current fiscal year by virtue of exemptions previously granted under this section:		\$1,000,238
5. Total revenue forgone for the current fiscal year if exemption applied for is granted:	R.E. : <u> \$0.00 </u> P.P. : <u> \$4,017.75 </u>	\$4,017.75
6. Taxable value forgone if the exemption applied for were granted on:		\$673,103
(a) Improvement to Real Property	\$0	
(b) Tangible personal Property	\$673,103	

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

Date: 9/16/04

Signed: 
Property Appraiser

Hotel Inter-Continental (C/O Six Continents Hotels)
100 Chopin Plaza, Miami, Florida
Expansion Project
New Hires as of 09/28/2004

Name	Address	City	State	Zip Code
Alexandre, Wenda	133 NW 70th St	Miami	FL	33150
Anderson, Latrice	520 NW 69th St	Miami	FL	33150
Arguello, Wiston	850 S Miami Ave	Miami	FL	33130
Arias, Estela	1771 SW 6th St	Miami	FL	33135
Arqueta, Madeline	345 NE 58th St	Miami	FL	33137
Baluja, Nancy	1649 NW 5th St	Miami	FL	33125
Camargo, David	227 NE 2nd St	Miami	FL	33132
Castillo, Albertina	270 SW 10th St	Miami	FL	33130
Chacon, Digna	212 NW 7th Ave	Miami	FL	33128
Cobos, Jose L.	2333 Brickell Ave	Miami	FL	33129
De Araujo, Raquel	7373 NW 174th Terr	Miami	FL	33015
Delgado, Aroldo	1620 W 4th Ln	Hialeah	FL	33010
Desir, Rene	685 NE 149th St	Miami	FL	33161
Durosier, Almirose	880 NE 164th St	N. Miami	FL	33162
Elierzaire, Yvane	13105 NE 6th Ave, #24	Miami	FL	33161
Fornoni, Marcelo	13271 SW 112th Terr	Miami	FL	33186
Garrido, Beatriz	1247 SW 67th Ave	Miami	FL	33144
Garzon, Esperanza	420 NE 12th Ave	Miami	FL	33128
Gaviria, Irene	1581 Brickell Ave	Miami	FL	33129
Gonzalez, Gladys	955 W 29th St	Hialeah	FL	33012
Gonzalez, Jesus	1649 NW 5th St, #6	Miami	FL	33125
Guillory, Jeffrey	300 3rd St	Miami	FL	33131
Hernandez, Carolina	1017 Jefferson Ave	Miami Beach	FL	33139
Ismeric, Marie Michelle	729 NE 127 St, #8	N. Miami	FL	33161
Jarquin, Pedro	927 SW 7th Ave	Miami	FL	33130
John, Kurian	101 SW 13th St, #211	Miami	FL	33130
Kock, Armin	926 79th Terr, #7	Miami	FL	33141
Linares, Abelardo	2831 SW 17th St	Miami	FL	33145
Lorenzo, Eric	2003 SW 25th St	Miami	FL	33133
Louis, Marie A	1830 NE 167th St, #8	N. Miami Beach	FL	33162
Marin, Ana	3910 SW 4th St	Miami	FL	33134
Mason, Jahlion	724 NW 52nd St	Miami	FL	33127
McHyman, Carter	1980 S Ocean Dr	Hallandale	FL	33009

Mendez,Edwin	419 Falcon Ave	Miami Springs	FL	33166
Miranda,Edgard	403 NW 72nd Ave	Miami	FL	33126
Montealegre,Jerusias Pete	2900 SW 3rd St, #C-3	Miami	FL	33135
Mora,John	100 NW 163rd St.	Miami	FL	33169
Pantic,Svetlana	6715 SW 88th St, #714	Miami	FL	33156
Parra,Gladis	2953 SW 16th Terr	Miami	FL	33135
Pautynsky,Patricia	1901 Brickell Ave	Miami	FL	33129
Pierre Louis,Pierre Renel	26 NE 78th St	Miami	FL	33138
Redondo,Adam	8530 Byran Ave, #402	Miami	FL	33141
Rigaud,Philippe	540 Brickell Ave, #218	Miami	FL	33131
Rodriguez,Carmen	600 NE 23rd St	Miami	FL	33137
Rojas,Jaime	14321 SW 87th Ave	Palmetto Bay	FL	33176
Roque,Monica	8231 NW 8th St, #514	Miami	FL	33126
Rosales,Luis H	4702 NW 94th Ct	Miami	FL	33138
Rosario,Juan	9131 SW 122nd Ave, # 207	Miami	FL	33186
Rosier,Sauveur	555 NW 87th St	Miami	FL	33150
Ruiz,Socorro	1915 NW 19th Ave	Miami	FL	33125
Ruodin,Robenson	441 NE 68th St	Miami	FL	33138
Sarria,Eduardo A	915 NW 1st Ave	Miami	FL	33136
Saturne,Jean-Claude	900 NW 141st St	Miami	FL	33168
St Georges,Raymonde	12501 NE 13th Ave	North Miami	FL	33161
Torres,Florangel	3400 SW 5th St	Miami	FL	33135
Vasquez,Cesar	6345 Collins Ave, #923	Miami Beach	FL	33141
Vasquez,Joaquin Miguel	1455 N Treasure Dr	N.Bay Village	FL	33141
Vega,Paul	1913 S Ocean Drive	Hallandale	FL	33009

TOTAL EMPLOYEES	484
ENTERPRISE ZONE EMPLOYEES	99
PERCENT ENTERPRISE ZONE EMPLOYEES	20%



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(M)

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 (M)

01-20-05

ORDINANCE NO. _____

ORDINANCE GRANTING ENTERPRISE ZONE AD VALOREM TAX EXEMPTION TO HOTEL INTER-CONTINENTAL C/O SIX CONTINENTS HOTEL AN EXPANDED 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, Hotel Inter-Continental c/o Six Continents Hotel hereinafter referred to as “Business”, located at 100 Chopin Plaza, Miami, Florida 33131, 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 an “expanded business” as defined in Section 196.012(16) (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 Hotel Inter-Continental c/o Six Continents Hotel located at 100 Chopin Plaza, Miami, Florida 33131 an "expanded 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 100 Chopin Plaza, Miami, Florida 33131.

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 names in the ordinance is estimated at \$4,017.75 for tangible personal property, 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 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.

RAG


Prepared by:

Shannon D. Summerset