

Memorandum



Date: April 10, 2006

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

From: George M. Burgess
County Manager

Subject: Ordinance Granting Property Tax Exemption in Areas Designated as Enterprise Zone

CEERC
Agenda Item No. 3 (D)

RECOMMENDATION

It is recommended that the Board of County Commissioners adopt the attached ordinance amending Section 29-81 of the Code of Miami-Dade County to continue granting economic development ad valorem property tax exemptions on real property and on tangible personal property of new and expanded businesses within the County's Enterprise Zone.

This ordinance partially removes the present prohibition on granting ad valorem tax exemptions in Community Redevelopment Areas (CRAs) within the Enterprise Zone by allowing the tax exemptions on tangible personal property qualifying for the exemptions. Applications to the County for the tax exemption on tangible personal property from businesses located in municipal CRAs will require the prior approval of the CRA board and the governing body of the municipality (e.g. City Commission, City Council, etc.) in which the business is located.

In addition, this ordinance imposes a new restriction on granting ad valorem tax exemptions to businesses located in the terminals of the Miami International Airport.

BACKGROUND

The Enterprise Zone Program is a joint program of the State of Florida and Miami-Dade County aiming to revitalize distressed areas by promoting private sector investment and job creation through the use of tax incentives.

The State of Florida's Enterprise Zone Program expired on December 31, 2005, and in order to continue the program into the future, the Florida Legislature authorized the Florida Enterprise Zone Act of 2005 this summer, allowing local governments to apply for a new designation of local enterprise zones and participate in the new State program which becomes effective on January 1, 2006.

Miami-Dade County's application to the State for reauthorization was recently approved with an effective date of January 1, 2006. As part of the County's reauthorization application, the Board has indicated its intent to continue to provide a package of incentives including the economic development ad valorem tax exemption program that was sunsetted on June 30, 2005. This Ordinance accomplishes this intent by making the ad valorem tax exemption program part of the new State program which started on January 1, 2006.

The Economic Development Ad Valorem Tax Exemption Program is meant to encourage and attract investment to the Enterprise Zone (zone). Miami-Dade County will abate the increase in property or tangible property taxes attributable to improvements or investment in the zone. This abatement will not

reduce or eliminate existing taxes. It encourages business owners and investors to improve real property in the zone by offering reduced County tax liability for up to five years on the improvements. The increase in property tax assessment and, thus, the eligible yearly abatement, is determined by the Property Appraiser's Office.

To become eligible for this exemption, a business must satisfy several requirements – stipulated in the ordinance – the primary one being the creation of at least five (5) new jobs which must be maintained throughout the duration of the exemption. At a minimum, a business must create at least 5 full-time jobs in order for the business to qualify for 50% of the abatement. However, if 20% or more of the business' permanent full-time employees are residents of the Enterprise Zone, the business shall qualify for 100% of the abatement.

The tax exemptions would only apply to the countywide operating and unincorporated municipal service area millages. School Board, Water Management, Municipal and other taxing districts will not be affected. The exemptions could be granted for a maximum period of up to five (5) years.

This ordinance is modifying two (2) features, which existed under the County's tax abatement program that ended at the end of June 2005.

The first one concerns tax abatement within Community Redevelopment Areas (CRAs). Under the old program, ad valorem tax exemptions were not granted within CRAs simply because the increase in tax revenues in CRAs are used to pay for the financing of improvements in the CRAs. This type of financing is called "tax increment financing" and usually is the main financial instrument available in CRAs. However, normally the tax increment pledged in tax increment projects is derived from real estate development and improvement, and not from the taxable tangible personal property within the CRA.

The new proposed tax abatement program would allow ad valorem tax exemptions for improvements to tangible personal property. The Board, as is the case in all instances, would have the discretion to grant the tax abatement on tangible personal property in a CRA. The Office of Community and Economic Development (OCED) conducted a survey of the executive directors of Miami-Dade County CRAs to determine support for this incentive and it was indicated to the County that such a change would be welcomed in order to have another tool to spur development within CRAs. As the result of further discussions on this subject, this ordinance requires that any application to the County by a business located in a municipal CRA for a tangible personal property tax exemption must receive the approval of the CRA Board and the governing body of the municipality prior to being submitted to the County for consideration.

A second modification of the old tax abatement program pertains to the elimination of ad valorem tax exemptions within the terminals of the Miami International Airport that is part of the Enterprise Zone. This modification to the program is being recommended pursuant to the previously expressed concern of various Board members who have questioned the need to provide County tax exemptions to businesses located in the Airport terminals.

Business participation in the tax abatement program will require a non-refundable \$150 application fee, a one-time 10% fee of the first year tax abatement amount approved by the Board, and a \$200 annual monitoring fee of all the companies in the Enterprise Zone tax abatement portfolio.

These fees reflect an increase of \$100 in the application fee from \$50 to \$150, and a new annual monitoring fee of \$200. All of the County's fees are consistent with the fee structure in other communities operating Enterprise Zone programs and are probably lower than most.

Businesses which submitted applications to OCED that were pending as of June 30, 2005 will be eligible to receive the ad valorem exemption under the new program.

The Enterprise Zone Advisory Council, a BCC-appointed body with oversight of the Enterprise Zone Program, endorsed the renewal of the tax abatement program as it participated in the reauthorization process of the Enterprise Zone program and the local incentives.

It should be noted that since the Board approved the last tax abatement program in 1996, both the City of Miami and the City of Hialeah have joined the County in providing economic development ad valorem tax abatement to businesses within their respective jurisdictional boundaries. In addition, it should be noted that Enterprise Zone businesses that are granted economic development ad valorem tax abatement are eligible to apply to the County for available exemptions from impact fees for police, roads, fire and emergency services and for an exemption from the payment of water and sewer connection charges.

FISCAL IMPACT STATEMENT

Proposed Tangible Personal Property Abatement

OCED staff consulted with the Personal Property Section of the Property Appraiser's Office to determine the impact of providing Economic Development Ad Valorem Tax Exemptions for tangible personal property improvements in Community Redevelopment Areas (CRAs) within the Enterprise Zone. It should be noted that all companies, located within the County, applying for EZ state incentives, must be pre-approved first by Miami Dade County. Staff examined the list of companies located in CRAs applying for EZ State incentives in 2005, of which eight (8) companies were identified that would have qualified for an exemption of tangible personal property. Additionally, staff reviewed actual data of nine (9) companies that applied for tangible personal property exemption from 2002-2004 (but were not eligible at the time).

The estimated cost of the tax abatement on the tangible personal property for these seventeen (17) companies totaled \$415,495 per year. This amount would likely decrease, although not significantly, as a result of the depreciation of the tangible property, notwithstanding the increases or decreases in the County's millage rate. As of the preparation of this item, there are eleven (11) fully functioning CRAs in existence in Miami-Dade County.

Existing Tax Abatement Program

The County's Economic Development Ad Valorem Tax Exemption Program, which includes real estate and tangible personal property exemptions, had a fiscal impact of approximately \$1.5 million per year during the period of 2002 to 2004. This amount is expected to increase slightly as property values increase.

The Office of Community and Economic Development has administered the Enterprise Zone Program, including the tax abatement incentive, since October 1995 and will continue to do so.


Assistant County Manager



MEMORANDUM

(Revised)

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

DATE: March 7, 2006

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Agenda Item No. 4(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

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 4(L)
03-07-06

ORDINANCE NO. _____

ORDINANCE AMENDING CHAPTER 29 OF THE CODE OF MIAMI-DADE COUNTY RELATING TO TAXATION; AUTHORIZING THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, TO GRANT ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS TO NEW AND EXPANDING BUSINESSES IN AREAS DESIGNATED AS ENTERPRISE ZONES; EXCLUDING AD VALOREM TAX EXEMPTIONS FOR IMPROVEMENTS TO REAL PROPERTY IN COMMUNITY REDEVELOPMENT AREAS; PROVIDING FOR AD VALOREM TAX EXEMPTIONS FOR IMPROVEMENTS TO TANGIBLE PERSONAL PROPERTY IN COMMUNITY REDEVELOPMENT AREAS; REQUIRING THE PRIOR APPROVAL OF THE CRA BOARD AND THE GOVERNING BODY OF THE MUNICIPALITY IN WHICH THE BUSINESS IS LOCATED; EXCLUDING AD VALOREM TAX EXEMPTION IN THE MIAMI INTERNATIONAL AIRPORT TERMINALS; PROVIDING SCOPE OF EXEMPTIONS; AND PROVIDING SEVERABILITY, INCLUSION IN THE CODE, EFFECTIVE DATE AND EXPIRATION DATE

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

Section 1. Section 29-81 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:¹

* * *

Sec 29-81. Authority to grant the exemptions.

* * *

Pursuant to the terms of this article [~~(Ordinance Number 88-27)~~], the Board of County Commissioners at its discretion is hereby authorized to grant by ordinance ad valorem tax exemptions to new and expanding businesses located within >>the<< Enterprise

¹ Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

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Zone, as defined herein, except >>to businesses located in the terminals of the Miami International Airport and except for real property improvements in any community redevelopment area; however, the Board of County Commissioners may grant ad valorem tax exemptions for the tangible personal property of new and expanding businesses in a community redevelopment area located within the enterprise zone.<< [[but not limited to the area located in the Southeast Overtown/Park West which is generally bounded by I-395, I-95, N.W. 5th Street, Metrorail right-of-way, N.W. 1st Street, North Miami Avenue, N.E. 5th Street and Biscayne Boulevard; and the community redevelopment area located in South Miami Beach which is generally bounded by Sixth Street on the north, Biscayne Bay on the west, the Atlantic Ocean on the east and Government Cut on the south.]] >>Applications to the County for the tax exemption on tangible personal property from businesses located in municipal CRAs shall require the prior approval of the CRA Board and the governing body of the municipality in which the business is located prior to being submitted to the County for consideration.<< The Board of County Commissioners may also commit to grant an exemption based on presentation of substantive proposals that indicate serious intent to build a new business or expand an existing business within an enterprise zone, provided however, that the improvements to real property are made or the tangible personal property are added or increased on or after the day of the ordinance granting the exemption is adopted. The commitment by the Board to grant an exemption based on plans and proposals is contingent on the business completing the indicated improvements in substantially the same form and extend as presented.

Section 2. Section 29-82 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:

* * *

Sec 29-82. Definitions.

* * *

For the purpose of this article, the following terms are defined as follows:

- (a) Enterprise zone means an area either designated pursuant to Section 290.005 [Florida Statutes] and approved by ~~[[the Secretary of Commerce]]~~ >>the Office of Tourism, Trade and Economic Development<< pursuant to Section 290.0065, Florida Statutes, or authorized to be an enterprise zone pursuant to Section 290.0055, Florida Statutes, and approved by the

~~[[Secretary of Commerce]]~~ >>the Office of Tourism, Trade and Economic Development<< pursuant to Section 290.0065, Florida Statutes.

* * *

Section 3. Section 29-83 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:

* * *

Sec 29-83. Scope and terms of exemptions.

* * *

(b) The exemption shall apply only to >>Miami<<-Dade County Countywide operating and unincorporated municipal service area millages and shall not apply to taxes levied for payment of bonds or to taxes authorized by a vote of the electors pursuant to Section 9(b) or Section 12, Article VII of the State Constitution.

* * *

Section 4. Section 29-86 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:

* * *

Sec 29-86. Enactment of ordinance granting each exemption.

The ordinance granting an exemption shall be enacted in the same manner as any other >>Miami<<-Dade County ordinance and shall include the following:

* * *

Section 5. Section 29-88 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:

* * *

Sec 29-88. First application of article to ~~[[1996]]~~ >>2005<< tax roll.

* * *

Exemptions under this article shall first apply to new businesses and expansion of existing businesses as defined herein for the assessed value of improvements to real property and tangible personal property on the ~~[[1996]]~~ >>2005<< tax assessment rolls of Miami-Dade County. >>All qualified applications that were submitted to the Office of Community and Economic Development (OCED) and pending as of June 30, 2005 shall be eligible under the new program regardless of the year in which the improvements were made or placed on the tax assessment rolls of Miami-Dade County.<<

* * *

Section 6. Section 29-89 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:

* * *

Sec 29-89. Expiration date.

* * *

The authority of the Board of County Commissioners to grant tax exemptions pursuant to this article ~~[[Ordinance number 88-27]]~~, shall expire on June 30, ~~[[2005]]~~ >>2015<< and no business shall be allowed to begin receiving such exemption after that date; however, the expiration of this section shall not affect the operation of any exemption for which a business has qualified under this section prior to June 30, ~~[[2005]]~~ >>2015.<<

* * *

Section 7. 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 8. It is the intention of this Board and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section", article, or other appropriate word.

Section 9. This ordinance shall be effective ten (10) days after the date of its enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

Section 10. This ordinance shall stand repealed ten (10) year(s) from its effective date.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

Prepared by:
Shannon D. Summerset





MEMORANDUM

Agenda Item No. 4(J)

(Public Hearing 5-21-96)

DATE: December 19, 1995

TO: Honorable Chairperson and Members
Board of County Commissioners

SUBJECT: Ordinance Granting Property Tax Exemptions to Businesses Located in areas designated as Enterprise Zones Excluding Community Redevelopment Areas including, but not Limited to Southeast Overtown/ParkWest and the South Beach Community Redevelopment Area

FROM: 
Armando Vidal, P.E.
County Manager

96-74''

Recommendation

It is recommended that the Board of County Commissioners ("the Board") amend Ordinance 88-27 granting economic development ad valorem property tax exemptions on real and tangible personal properties of new or expanded businesses which locate or are located in Dade's Enterprise Zones. The exemption shall apply only to the countywide operating millage (including unincorporated municipal service area). School Board, Water Management, Municipal and other taxing districts would not be affected.

This ordinance does not authorize ad valorem tax exemptions in any community redevelopment area, including that portion of South Miami Beach nor that portion of the Southeast Overtown/ParkWest community redevelopment area that falls within the North Central parcel of the Enterprise Zone.

Background

The three previous State Enterprise Zones, located in North Central Dade, South Dade and Miami Beach created under the authority of the 1980 legislature, ceased to exist on December 31, 1994.

In mid-June of 1995, the Enterprise Zone InterAgency Coordinating Council concluded its review of the applications submitted for consideration under the State of Florida's 1995 Enterprise Zone Program, and officially designated the areas nominated by the Board of County Commissioners as Florida Enterprise Zone EZ-1301. The new zone includes the three (3) Enterprise Zones in existence up to December 31, 1994 and also incorporates the recently designated Dade County Federal Enterprise Community within the boundary of the State Enterprise Zone. The new zone and program became effective July 1, 1995.

The Enterprise Zone Program is designed to stimulate economic growth of distressed areas through the use of tax incentives at both the State and local level. The program has been an integral part of Dade County's economic development activities. Since 1987, Dade County has offered local Enterprise Zone tax incentives to supplement the State tax credits.

These incentives included abatements of real and tangible personal property taxes, the refunding of impact fees, the waiver of one-half of the Occupational License fees for eligible Enterprise Zone businesses and the exemption of 50% of the municipal tax on electricity.

The Dade County Enterprise Zone Program, administered until September 30, 1995 by the Economic Development Division of the Department of Business and Economic Development, has resulted in increased investment and new jobs in distressed areas. Since 1989, over \$175 million in private investment has been attracted into Dade's Enterprise Zone areas; Dade County has granted property tax abatements to fifty-two (52) businesses, which generated a total of 3,278 new jobs.

The program is being administered, since October 1st, 1995 by the Office of Community and Economic Development.

Incentives offered by the State of Florida are as follows:

Corporate Income Tax Credits

- Enterprise Zone Property Tax Credit
- Enterprise Zone Jobs Credit
- Community Contribution Tax Credit

Sales Tax Credits

- Sales Tax Credit for Job Creation in an Enterprise Zone
- Sales Tax Exemption for Electrical Energy
- Sales Tax Exemption for Building Materials
- Sales Tax Exemption for Business Machinery and Equipment

As part of its application for designation, pursuant to the Florida Enterprise Zone Act of 1994, the Board of County Commissioners, through Resolutions No. R-492-95 and No. R-616-95 agreed to reinstate the following incentives to businesses locating or expanding in Enterprise Zones:

- A local option Economic Development Property Tax Exemption for up to five (5) years per qualifying business. Under the previous program the maximum term was ten (10) years.
- A 50% exemption of the Occupational License Fee for all businesses in the zone.

- A 50% exemption of the municipal tax on electricity used by a new or expanded business in areas under Dade County's jurisdiction within the zone for up to five (5) years.
- Refund of Impact Fees. The ordinance granting impact fee refunds is still active.

This incentive, in combination with the others at both the State and local levels, will contribute significantly to the creation of new businesses and the expansion of existing businesses in these distressed areas of the County.

The Property Tax Exemption would apply only to the countywide operating (including unincorporated municipal) millage. School Board, Water Management, Municipal and other taxing districts will not be affected. The exemptions may be granted for a maximum of five (5) years.

This abatement is meant to encourage and attract investment to the zone. Dade County will abate the increase, in property or tangible property taxes, attributable to improvements or investments in the zone. This abatement will not reduce or eliminate existing taxes. It encourages business owners and investors to improve real property in the zone by offering reduced County tax liability, for up to five years on the improvements. The increase in property tax assessment and, thus, the eligible yearly abatement, is determined by the Property Appraiser's Office.

To become eligible for this exemption, a business must satisfy several requirements - stipulated in the ordinance - the primary one being the creation of at least five (5) new jobs which must be maintained throughout the duration of the exemption. At a minimum, a business must create at least 5 full-time jobs in order for the business to qualify for 50% of the abatement. However if 20% or more of the business' permanent full-time employees are residents of the Enterprise Zone, the business shall be granted an abatement equal to the full assessed taxable value of improvements made to real property and the assessed taxable value of newly acquired tangible property.

It is estimated that a business with new real and tangible personal property assessed at \$130,000 will get a tax relief of approximately \$1,300 per year. The Board, however, will have ultimate control of the amount of revenues to be foregone, because the exemption is not automatically applied but, rather, is granted at the discretion of the Board.

Ad valorem tax exemptions are not to be granted within community redevelopment areas (otherwise know as "tax increment financing districts") as these economic development tools run counter to one another. In a tax increment financing district, ad valorem taxes are integral to the success of redevelopment efforts because tax increment revenues are captured and used to finance public purpose improvements that are intended to enhance the economic development mission of the district. Tax abatement has an inverse relationship because ad valorem taxes are lowered as an incentive to expand existing businesses or to attract new ones to the area.

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ORDINANCE NO. 96 - 74

ORDINANCE AMENDING CHAPTER 29 OF THE CODE OF METROPOLITAN DADE COUNTY RELATING TO TAXATION; AUTHORIZING THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA TO GRANT ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS TO NEW AND EXPANDING BUSINESSES IN AREAS DESIGNATED AS ENTERPRISE ZONES; TO EXCLUDE COMMUNITY REDEVELOPMENT AREAS INCLUDING, BUT NOT LIMITED TO THE SOUTHEAST OVERTOWN/PARKWEST COMMUNITY REDEVELOPMENT AREA AND THE SOUTH BEACH COMMUNITY REDEVELOPMENT AREA; PROVIDING SCOPE AND TERMS OF EXEMPTIONS; PROVIDING PROCEDURES FOR APPLICATION AND RENEWAL, REVIEW BY THE OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT AND APPROVAL BY THE BOARD; PROVIDING DEFINITIONS AND PROVIDING SEVERABILITY, INCLUSION IN THE CODE, 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, this Board finds that local residents and the private sector should be assisted to revitalize such areas; 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 and expanding businesses in each such Enterprise Zone; and

WHEREAS, this Board was authorized to grant property tax exemptions to new and expanding businesses located in Enterprise Zones in a referendum held on November 4, 1986; and

WHEREAS, this Board desires to encourage economic growth and development and alleviate the conditions of unemployment, economic disinvestment and property by creating new construction, new jobs, and an enhanced business climate; and

WHEREAS, this Board finds that the establishment of a local property tax exemption would stimulate economic revitalization in these "Enterprise Zones" and ultimately benefit the entire community; and

WHEREAS, this Board finds and determines that ad valorem tax exemption as outlined in Section 196.1995, Florida Statutes, is necessary and proper to eliminate the serious and distressing economic situations in designated "Enterprise Zones" in Dade County; and

WHEREAS, the area within the North Central Dade Enterprise Zone located in Southeast Overtown/ParkWest which is generally bounded by I-395, I-95, NW 5th Street, Metrorail right of way, NW 1st Street, North Miami Avenue, NE 5th Street and Biscayne Boulevard is designated as the Southeast Overtown/ParkWest community redevelopment area; and

WHEREAS, the area of South Miami Beach generally bounded by Sixth Street on the north, Biscayne Bay on the west, the Atlantic Ocean on the east and government cut on the south is designated as the South Beach community redevelopment area; and

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WHEREAS, pursuant to Chapter 163, Part III, Florida Statutes, for purposes of, among others, providing tax increment financing for projects within the community redevelopment area; and

WHEREAS, the granting of economic development ad valorem tax exemptions to new and expanding businesses in a community redevelopment area would negatively affect the ability to undertake tax increment financing in such community redevelopment area; and

WHEREAS, this Board declares it is in the best interest of the County to exclude community redevelopment areas from eligibility for economic development ad valorem tax exemptions to new and expanding businesses;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF 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 Chapter 29 of the Code of Metropolitan Dade County shall be amended to read as follows: ¹

Note: ¹ Words stricken through shall be deleted. Underscored words constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

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Section ____ Authority to grant the exemptions.

Pursuant to the terms of this ordinance, the Board of County Commissioners at its discretion is hereby authorized to grant by ordinance ad valorem tax exemptions to new and expanding businesses located within Enterprise Zones, as defined herein, except in any community redevelopment area including, but not limited to the area located in Southeast Overtown/Park West which is generally bounded by I-395, I-95, NW 5th Street, Metrorail right of way, NW 1st Street, North Miami Avenue, NE 5th Street and Biscayne Boulevard; and the community redevelopment area located in South Miami Beach which is generally bounded by Sixth Street on the north, Biscayne Bay on the west, the Atlantic Ocean on the east and Government Cut on the south. The Board of County Commissioners may also agree commit to grant an exemption based merely on presentation of substantive proposals that indicate serious intent to build a new business or expand an existing business within an Enterprise Zone, provided however, that the improvements to real property are made or the tangible personal property are added or increased on or after the day the ordinance granting the exemption is adopted. The commitment by the Board to grant an exemption based on plans and proposals is contingent on the business completing the indicated improvements in substantially the same form and extent as presented.

Section ____ Definitions.

For the purposes of this ordinance, the following terms are defined as follows:

- (a) "Enterprise Zone" means an area either designated pursuant to Section 290.005 and approved by the Secretary of ~~Community Affairs~~ Commerce pursuant to Section ~~290.006~~ 290.0065 or authorized to be an Enterprise Zone pursuant to Section 290.0055 and approved by the Secretary of ~~Community Affairs~~ Commerce pursuant to Section 290.0065.

- (b) "New Business" means any commercial or industrial business, excluding residential developments, located in an Enterprise Zone that begins operations on a site clearly separate from any other commercial or industrial operation owned by the same business and 20% of its employees are residents of enterprise zones, which creates five or more new jobs to employ five or more additional full-time employees at such location.
- (c) "Expanding business" or "expansion of an existing business" means any commercial or industrial business, excluding residential developments, located in an Enterprise Zone that increases operations on a site co-located with a commercial or industrial operation owned by the same business and 20 percent of all employees are residents of enterprise zones which creates five or more new jobs to employ five or more additional full-time employees at such location.

~~Nothwithstanding (b) and (c) above, a new or expanded business with less than five (5) employees shall not be required to satisfy the 20% Enterprise Zones residence provision.~~

Section ____ . Scope and Terms of Exemptions.

- (a) If a business qualifies as a "new" or "expanding" business such exemption will be 50 percent 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, or 50 percent of the assessed value of all added improvements to real property which improvements are made to facilitate the expansion of an existing business and 50 percent of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business.

If 20% or more of a business' permanent full-time employees are residents of Enterprise Zones, such exemption will be on 100 percent 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, or 100 percent of the assessed value of all added improvements to real property which improvements 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. ~~provided that the improvements to real property are made or the tangible personal property is added or increased on or after the day the ordinance is adopted.~~ Property acquired to replace existing property shall not be considered to facilitate a business expansion.

- (b) The exemption shall apply only to Dade County county-wide operating and unincorporated municipal service area millages and shall not apply to taxes levied for payment of bonds or to taxes authorized by a vote of the electors pursuant to Section 9(b) or Section 12, Article VII of the State Constitution.
- (c) Subject to the renewal provisions contained herein, an exemption granted pursuant to this ordinance may remain in effect for up to ~~ten (10)~~ five (5) years with respect to that particular facility, regardless of any change in the authority of the Board to grant such exemptions. The exemption shall not be prolonged or extended by granting exemption from additional taxes or by virtue of any sale of the business receiving the exemption.
- (d) The granting of this exemption and the length of the period for which the exemption shall be granted shall be at the discretion of the Board who shall make this determination on the basis of the factors outlined in the following section.

Section ____ Eligibility Requirements.

- (a) To be eligible for this exemption, ~~as an expansion of an existing business, the business~~ a new or expanding business must increase its employment roll over the year preceding the initial granting of the exemption by a minimum of ~~one~~ five new full-time jobs. It shall be a condition precedent to the granting of each annual renewal that the additional new jobs created as a result of the new business or expansion be maintained each year that for the duration of the exemption is available.
- (b) To be eligible for this exemption, a new or expanded business shall provide a statement, on a form approved by this Board, that no less than 20% of its employees are residents of an enterprise zone, ~~excluding temporary workers. This requirement shall be waived for businesses with less than five employees.~~ It shall be a condition precedent to the granting of each annual tax exemption that the employment requirements established by this section be fulfilled throughout each year during the period for which the exemption is granted. five new full-time jobs have are created; and if applicable, no less than 20% of its permanent full-time employees are residents of an enterprise zone.
- (c) ~~The Board may waive the eligibility requirements in sections (a) and (b) herein upon recommendation by the Office of Community and Economic Development that the new or expanded business located in an enterprise zone shall make a positive contribution to the economy of the local community, adds to the image of the community, increases the community self esteem, and improves the attractiveness of the community;~~

- (d) ~~Factors that shall be considered in making the determination of eligibility for the exemption will include but will not be limited to the following:~~
- ~~(i) number of jobs~~
 - ~~(ii) types of jobs~~
 - ~~(iii) being small or minority-owned business~~
 - ~~(iv) community ownership or employee stock-ownership plan~~
 - ~~(v) use of local and/or minority subcontractors or contractors~~
 - ~~(vi) amount of funds leveraged~~
 - ~~(vii) amount of capital investment~~
 - ~~(viii) hourly wages paid~~
 - ~~(ix) purchases to be made from, or linkages to, other business in the area~~
 - ~~(x) import of significant new technology~~
 - ~~(xi) attraction of other new businesses~~
 - ~~(xii) whether business will lend national or international prestige to the area~~
 - ~~(xiii) a determination of whether the business would have located in an enterprise zone, regardless of the incentives~~

Section __. Application Procedures.

Any person, firm, or corporation which desires an economic ad valorem tax exemption pursuant to this ordinance shall file a written application on a form prescribed by the Department of Revenue Office of Community and Economic Development (OCED) for said exemption either on or before February 1 of the year in which new or additional real or tangible personal property is first subject to ad valorem assessment. Such application shall be filed with OCED.

The application shall request the adoption of an ordinance granting the applicant an exemption pursuant to this ordinance and shall include the following information:

- (a) The name and location of the new or expanding business.
- (b) A description of the improvements to real property for which an exemption is being requested, the cost of such improvements, and the date of commencement and completion of construction of such improvements.
- (c) A description of the tangible personal property for which an exemption is requested, the cost of such property, and the date when such property was or is to be purchased.
- (d) A copy of the building plans
- (e) A copy of the building permit, if available.
- (f) Proof, to the satisfaction of this Board, that the application is for a new business or an expansion of an existing business, as defined in this ordinance.
- (g) Other information deemed necessary by this Board. The applicant shall pay a reasonable non-refundable fee for the time and work involved in processing the application.

Should a proposal to build a new business or expand an existing one be modified after the Board has agreed to grant it an exemption, the decision to grant said exemption may continue to apply to the modified proposal, only if the Board determines, that there were extenuating circumstances that justified the modification to the original proposal.

In the event the reasons for the modification are deemed to be unsatisfactory the exemption shall be withdrawn and the business duly informed. The business upon notification of the withdrawal of the exemption shall have the right to appeal to the Board for the reinstatement of the exemption.

(h) Proof that property taxes are current.

The Property Appraiser shall report the following information to the Board:

- (i) The total revenue available to the County for the current fiscal year from ad valorem tax sources.
- (ii) Any revenue lost to the County for the current fiscal year by virtue of exemptions previously granted under this ordinance.
- (iii) An estimate of the revenue which would be lost to the County during the current fiscal year if the exemption applied for were granted had the property for which the exemption is requested otherwise been subject to taxation.
- (iv) A determination as to whether the property for which an exemption is requested satisfies the eligibility requirements of a new business or an expansion of an existing business, as defined herein, which determination shall also be affixed to the face of the application.

Section ____ Enactment of ordinance granting each exemption.

After receipt of the report from the County Manager, the Board, at its discretion may grant a tax exemption by ordinance as authorized herein. ~~Such ordinance shall be enacted on or before June 1, of the year for which the exemption is sought.~~

The ordinance granting an exemption shall be enacted in the same manner as any other Dade County ordinance and shall include the following:

- (a) The name and address of the new or expanding business to which the exemption is granted.

- (b) The total amount of revenue available to the County from ad valorem tax sources for the current fiscal year, the total amount of revenue ~~lost to~~ foregone by the County for the current fiscal year by virtue of economic development ad valorem tax exemptions currently in effect, and the estimated revenue ~~lost to~~ foregone by the County for the current fiscal year attributable to the exemption of the business named in the ordinance as a new business or expansion of an existing business as defined herein.
- (c) The period of time for which the exemption will remain in effect and the expiration date of the exemption; and
- (d) A finding that the business named in the ordinance meets the requirements of Section 196.012(14) (15) or (15) (16), Florida Statutes.
- (e) A finding that the business property tax bills are current.

Section ____ Renewal Provisions.

Exemptions granted pursuant to this ordinance shall be renewable each year for a total of ten five years upon application by the taxpayer on or before March 1, of the year for which renewal is sought. Failure to file a renewal application with the County Property Appraiser by March 1, of any year shall constitute a waiver of the exemption for the year. Businesses found to be not in compliance with the eligibility requirements shall be required to make payment of the taxes exempted in addition to interest accrued.

Section ____ First Application of Ordinance to ~~1989~~ 1996 tax roll.

Exemptions under this ordinance shall first apply to new businesses and expansions of existing businesses as defined herein for the assessed value of improvements to real property and tangible personal property on the ~~1989~~ 1996 tax assessment rolls of Dade County.

Section ____ . Expiration Date.

The authority of the Board to grant tax exemptions pursuant to this ordinance shall expire on ~~December 31, 1994~~ June 30, 2005 and no business shall be allowed to begin receiving such exemption after that date; however, the expiration of this section shall not affect the operation of any exemption for which a business has qualified under this section prior to ~~December 31, 1994~~ June 30, 2005.

Section 3 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 4 It is the intention of this Board and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Code of Metropolitan Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section", article, or other appropriate word.

Section 5 This ordinance shall become effective ten (10) days after the date of its enactment.

PASSED AND ADOPTED: MAY 21 1996

Approved by County Attorney as

to form and legal sufficiency.

Prepared by:

BAK
jt

ARTICLE X. PROPERTY TAX EXEMPTIONS IN ENTERPRISE ZONES*

***Editor's note:** Ord. No. 88-27, § 3, adopted April 14, 1988, amended Ch. 29 by the addition of provisions which have been designated at the discretion of the editor as Art. X, §§ 29-81--29-89.

State law references: Enterprise zones, F.S. § 290.001 et seq.

Sec. 29-81. Authority to grant the exemptions.

Pursuant to the terms of this article (Ordinance Number 88-27), the Board of County Commissioners at its discretion is hereby authorized to grant by ordinance ad valorem tax exemptions to new and expanding businesses located within enterprise zones, as defined herein, except in any community redevelopment area including, but not limited to the area located in the Southeast Overtown/Park West which is generally bounded by I-395, I-95, N.W. 5th Street, Metrorail right-of-way, N.W. 1st Street, North Miami Avenue, N.E. 5th Street and Biscayne Boulevard; and the community redevelopment area located in South Miami Beach which is generally bounded by Sixth Street on the north, Biscayne Bay on the west, the Atlantic Ocean on the east and Government Cut on the south. The Board of County Commissioners may also commit to grant an exemption based on presentation of substantive proposals that indicate serious intent to build a new business or expand an existing business within an enterprise zone, provided however, that the improvements to real property are made or the tangible personal property are added or increased on or after the day of the ordinance granting the exemption is adopted. The commitment by the Board to grant an exemption based on plans and proposals is contingent on the business completing the indicated improvements in substantially the same form and extent as presented.

(Ord. No. 88-27, § 3, 4-19-88; Ord. No. 89-119, § 2, 11-21-89; Ord. No. 91-75, § 2, 7-9-91; Ord. No. 93-139, § 1, 12-14-93; Ord. No. 96-74, § 2, 5-21-96)

Sec. 29-82. Definitions.

For the purposes of this article, the following terms are defined as follows:

(a) *Enterprise zone* means an area either designated pursuant to Section 290.005 [Florida Statutes] and approved by the Secretary of Commerce pursuant to Section 290.0065, Florida Statutes, or authorized to be an enterprise zone pursuant to Section 290.0055, Florida Statutes, and approved by the Secretary of Commerce pursuant to Section 290.0065, Florida Statutes.

(b) *New business* means any commercial or industrial business, excluding residential developments, located in an enterprise zone that begins operations on a site clearly separate from any other commercial or industrial operation owned by the same business and which creates five (5) or more new jobs to employ five (5) or more additional full-time employees at such location.

(c) *Expanding business or expansion of an existing business* means any commercial or industrial business, excluding residential developments, located in an enterprise zone that increases operations on a site co-located with a commercial or industrial operation owned by the same business and which creates five (5) or more new jobs to employ five (5) or more additional full-time employees at such location.

(Ord. No. 88-27, § 3, 4-19-88; Ord. No. 96-74, § 2, 5-21-96)

Sec. 29-83. Scope and terms of exemptions.

(a) If a business qualifies as a "new" or "expanding" business such exemption will be fifty (50) percent 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, or fifty (50) percent of the assessed value of all added improvements to real property which improvements are made to facilitate the expansion of an existing business and fifty (50) percent of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business.

If twenty (20) percent or more of a business' permanent full-time employees are residents of enterprise zones, such exemption will be one hundred (100) percent 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, or one hundred (100) percent of the assessed value of all added improvements to real property which improvements 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. Property acquired to replace existing property shall not be considered to facilitate a business expansion.

(b) The exemption shall apply only to Dade County Countywide operating and unincorporated municipal service area millages and shall not apply to taxes levied for payment of bonds or to taxes authorized by a vote of the electors pursuant to Section 9(b) or Section 12, Article VII of the State Constitution.

(c) Subject to the renewal provisions contained herein, an exemption granted pursuant to this article may remain in effect for up to five (5) years with respect to that particular facility, regardless of any change in the authority of the Board of County Commissioners to grant such exemptions. 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.

(d) The granting of this exemption and the length of the period for which the exemption shall be granted shall be at the discretion of the Board of County Commissioners, who shall make this determination on the basis of the factors outlined in the following section.

(Ord. No. 88-27, § 3, 4-19-88; Ord. No. 96-74, § 2, 5-21-96)

Sec. 29-84. Eligibility requirements.

(a) To be eligible for this exemption, a new or expanding business must increase its employment roll over the year preceding the initial granting of the exemption by a minimum of five (5) new full-time jobs. It shall be a condition precedent to the granting of each annual renewal that the additional new jobs created as a result of the new business or expansion be maintained for the duration of the exemption.

(b) To be eligible for this exemption, a new or expanded business shall provide a statement, on a form approved by the Board of County Commissioners, that no less than five (5) new full-time jobs have are created; and if applicable, no less than twenty (20) percent of its permanent full-time employees are residents of an enterprise zone.

(Ord. No. 88-27, § 3, 4-19-88; Ord. No. 96-74, § 2, 5-21-96)

Sec. 29-85. Application procedures.

Any person, firm, or corporation which desires an economic ad valorem tax exemption pursuant to this article shall file a written application on a form prescribed by the Office of Community and Economic Development (OCED) for said exemption either on or before February first of the year in which new or additional real or tangible personal property is first subject to ad valorem assessment. Such application shall be filed with the Board of County Commissioners.

The application shall request the adoption of an ordinance granting the applicant an exemption pursuant to this article and shall include the following information:

- (a) The name and location of the new or expanding business.
- (b) The description of the improvements to real property for which an exemption is being requested, the cost of such improvements, and the date of commencement and completion of construction of such improvements.
- (c) A description of the tangible personal property for which an exemption is requested, the cost of such property, and the date when such property was or is to be purchased.
- (d) A copy of the building plans.
- (e) A copy of the building permit, if available.
- (f) Proof, to the satisfaction of the Board of County Commissioners, that the application is a new business or an expansion of an existing business, as defined in this article.
- (g) Other information deemed necessary by the Board of County Commissioners. The applicant shall pay a reasonable nonrefundable fee for the time and work involved in processing the application.

Should a proposal to build a new business or expand an existing one be modified after the Board of County Commissioners has agreed to grant it an exemption, the decision to grant said exemption may continue to apply to the modified proposal, only if the Board of County Commissioners determines that there were extenuating circumstances that justified the modification to the original proposal.

In the event the reasons for the modification are deemed to be unsatisfactory the exemption shall be withdrawn and the business duly informed. The business, upon notification of the withdrawal of the exemption, shall have the right to appeal to the Board of County Commissioners for the reinstatement of the exemption.

- (h) Proof that property taxes are current.

The property appraiser shall report the following information to the Board:

- (i) The total revenue available to the County for the current fiscal year from ad valorem tax sources;
- (ii) Any revenue lost to the County for the current fiscal year by virtue of exemptions previously granted under this article;
- (iii) An estimate of the revenue which would be lost to the County during the current fiscal year if the exemption applied for were granted had the property for which the exemption is requested otherwise been subject to taxation;
- (iv) A determination as to whether the property for which an exemption is requested satisfies the eligibility requirements of a new business or an expansion of an existing business, as defined herein, which determination shall also be affixed to the face of the application.

(Ord. No. 88-27, § 3, 4-19-88; Ord. No. 96-74, § 2, 5-21-96)

Sec. 29-86. Enactment of ordinance granting each exemption.

After receipt of the report from the County Manager, the Board of County Commissioners, at its discretion may grant a tax exemption by ordinance as authorized herein.

The ordinance granting an exemption shall be enacted in the same manner as any other Dade County ordinance and shall include the following:

- (a) The name and address of the new or expanding business to which the exemption is granted;
- (b) The total amount of revenue available to the County from ad valorem tax sources for the current fiscal year, the total amount of revenue foregone by the County for the current fiscal year by virtue of economic development ad valorem tax exemptions currently in effect, and the estimated revenue foregone by the County for the current fiscal year attributable to the exemption of the business named in the ordinance as a new business or expansion of an existing business as defined herein;
- (c) The period of time for which the exemption will remain in effect and the expiration date of the exemption; and
- (d) A finding that the business named in the ordinance meets the requirements of Section 196.012(15) or (16), Florida Statutes.
- (e) A finding that the business property tax bills are current.

(Ord. No. 88-27, § 3, 4-19-88; Ord. No. 96-74, § 2, 5-21-96)

Sec. 29-87. Renewal provisions.

Exemptions granted pursuant to this article shall be renewable each year a total of five (5) years upon application by the taxpayer on or before March 1, of the year for which renewal is sought. Failure to file a renewal application with the County Property Appraiser by March 1, of any year shall constitute a waiver of the exemption for the year. Businesses found to be not in compliance with the eligibility requirements shall be required to make payment of the taxes exempted in addition to interest accrued.

(Ord. No. 88-27, § 3, 4-19-88; Ord. No. 96-74, § 2, 5-21-96)

Sec. 29-88. First application of article to 1996 tax roll.

Exemptions under this article shall first apply to new businesses and expansion of existing businesses as defined herein for the assessed value of improvements to real property and tangible personal property on the 1996 tax assessment rolls of Dade County.

(Ord. No. 88-27, § 3, 4-19-88; Ord. No. 96-74, § 2, 5-21-96)

Sec. 29-89. Expiration date.

The authority of the Board of County Commissioners to grant tax exemptions pursuant to this article [Ordinance number 88-27], shall expire on June 30, 2005 and no business shall be allowed to begin receiving such exemption after that date; however, the expiration of this section shall not affect the operation of any exemption for which a business has qualified under this section prior to June 30, 2005.

(Ord. No. 88-27, § 3, 4-19-88; Ord. No. 96-74, § 2, 5-21-96)