

INDUSTRIAL DEVELOPMENT AUTHORITY AGENDA

7:30 a.m., June 10, 2020
County Commissioners' Board Room
Highlands County Government Center Building
600 South Commerce Avenue
Sebring, FL 33870

Janet Barber, Chair, Presiding

- 1. CALL TO ORDER – INDUSTRIAL DEVELOPMENT AUTHORITY**
- 2. PUBLIC COMMENT**
- 3. CONFIRMATION OF QUORUM**
- 4. CONSENT AGENDA**
 - A. IDA March 2020 Meeting Minutes
- 5. NEW BUSINESS**
 - A. Board Member Term Expirations
 - B. Industrial Revenue Bond Update
 - C. Tax Exemption Program
- 6. ADJOURNMENT**

Next meeting:
Wednesday, September 9, 2020 at 7:30 a.m.
Lake Placid Town Hall
1069 US HWY 27 N
Lake Placid, FL 33852

INDUSTRIAL DEVELOPMENT AUTHORITY

June 10, 2020

CONSENT AGENDA – IDA

These action items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. A board member may request an item be moved to the regular agenda for discussion.

Presenter

Janet Barber

Request approval of the IDA Consent Agenda for the March 2020 Board of Directors meeting.

Recommended Action

Move to approve the IDA Consent Agenda for the June 2020 Board of Directors meeting.

Attachments

A. IDA Board Minutes – March 11, 2020

INDUSTRIAL DEVELOPMENT AUTHORITY

DRAFT MEETING MINUTES

MARCH 11, 2020

The Highlands County Industrial Development Authority Board of Directors meeting was held at the County Engineering Training Room – Second Floor, 505 South Commerce Ave. Sebring, FL 33870, on Wednesday, March 11, 2020. Chair, Janet Barber, presided over the meeting; a quorum was present.

I. CALL TO ORDER – HIGHLANDS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (IDA)

The March 11, 2020, Industrial Development Authority Board of Directors meeting was called to order at 7:35 a.m.

2. PUBLIC COMMENT

There were no comments from the public.

3. CONFIRMATION OF QUORUM

Name	Title	Organization	Present
Janet Barber	Chair	IDA/EDC Executive Committee	Yes
Ray Royce	Vice Chair	IDA/EDC Executive Committee	Yes
Carol Howard	Past Chair	IDA/EDC Executive Committee	No
Wade Taveniere	Secretary/Treasurer	IDA/EDC Executive Committee	Yes
Donna Doubleday	Director	IDA/EDC Board of Directors	Yes
Paul Koukos	Director	IDA/EDC Board of Directors	Yes
Thomas Leitzel	Director	IDA/EDC Board of Directors	No
John Shoop	Director	IDA/EDC Board of Directors	Yes
John Varady	Director	IDA/EDC Board of Directors	Yes
Craig Johnson	Director	IDA/EDC Board of Directors	No
Jim Renfro	Director	IDA/EDC Board of Directors	Yes
Jason Kimbrell	Director	IDA/EDC Board of Directors	Yes
Randy Surber	Director	IDA/EDC Board of Directors	No
Will Lenihan	Director	IDA/EDC Board of Directors	Yes
James Brooks	Commissioner, Liaison	Highlands County BOCC	Yes
Benjamin Dunn	Dev. Services Director	Highlands County BOCC	Yes
Meghan DiGiacomo	Exec. Manager of Business & Economic Development	Highlands County BOCC	Yes
Jeff King	Economic Development Manager	Highlands County BOCC	Yes
Dana Riddell	Planner I	Highlands County BOCC	Yes
Sydney Armstrong	Legislative Affairs Grant Coordinator	Highlands County BOCC	Yes
Greg Kennedy	Vice President	Zon Beachside	Yes
Bill Reisner	Managing Director	Oppenheimer & Co, Inc.	Via Phone
Steve Simpson	Executive Director	Oppenheimer & Co., Inc.	Via Phone

Table 1: Meeting Attendance

**INDUSTRIAL DEVELOPMENT AUTHORITY
DRAFT MEETING MINUTES
MARCH 11, 2020**

4. CONSENT AGENDA

The Consent Agenda, which included the December 11, 2019, meeting minutes, was presented for consideration. John Shoop moved to approve the consent agenda; seconded by Wade Taveniere. Motion carried unanimously.

5. NEW BUSINESS

- A. Greg Kennedy, Vice President of ZON Beachside, presented an update on the industrial revenue bond process that will be used to redevelop Harder Hall. Bill Reisner, Managing Director and Steve Simpson, Executive Director, with Oppenheimer & Co., Inc. were available via phone conference to answer questions. Greg reported a delay in the application process and hopes to have the application complete in approximately 2 weeks. ZON Beachside is waiting for the finalization of the sale agreement, and is proceeding with the architectural and engineered designs. After the application is approved by the IDA, it will proceed to a hearing with the Board of County Commissioners for a final decision.

6. ADJOURNMENT

The March 20, 2020, Industrial Development Authority Board of Directors meeting was adjourned at 7:43 a.m.

Next Meeting:

Wednesday, June 10, 2020 at 7:30 a.m.
South Florida State College
Boardroom – Building F (Room 102)
600 West College Drive
Avon Park, FL 33825

Minutes Submitted By: Dana Riddell, Planner I

Approval Date: draft

INDUSTRIAL DEVELOPMENT AUTHORITY

June 10, 2020

IDA BOARD MEMBER TERM EXPIRATIONS

Presenter

Meghan DiGiacomo, Executive Manager of Business & Economic Development
Jeff King, Economic Development Manager

In September 2020, the following Board Member's terms will expire:

IDA Board Member	Member Since	First or Second Term?	Requires Written Recommendation?
Ray Royce	2016	First	No
Randy Surber	2018	First	No
John Shoop	2012	Second	Yes
John Varady	2016	First	No
Jason Kimbrell	2018	First	No
Paul Koukos	2016	First	No
Will Lenihan	2019	First	No

The Board of County Commissioners adopted a policy change to allow committee and board members to forgo the one year waiting process to reapply between two (2) consecutive terms, with a written recommendation from the IDA for an additional term. This was most recently done with Wade Taveniere's reappointment.

Prior to these term limits expiring, there was one vacant seat on the board, with these additional term expirations the IDA will have 8 vacancies.

Recommended Action

Information Item/ Discussion

Attachments

None.

INDUSTRIAL DEVELOPMENT AUTHORITY

June 10, 2020

INDUSTRIAL REVENUE BOND UPDATE

Presenter

Meghan DiGiacomo, Executive Manager of Business & Economic Development
Jeff King, Economic Development Manager

Have not heard anything from the new bond applicant since our last meeting.

Recommended Action

Information Item / Discussion

Attachments

None.

INDUSTRIAL DEVELOPMENT AUTHORITY

June 10, 2020

TAX EXEMPTION PROGRAM

Presenter

Meghan DiGiacomo, Executive Manager of Business & Economic Development
Jeff King, Economic Development Manager

Due to the state's most-utilized QTI Tax Refund program sunseting in statute on June 30, 2020, HCED staff would like to discuss revising the current Highlands County Economic Development Ad Valorem Tax Exemption Program.

Recommended Action

Information Item / Discussion

Attachments

A. Draft Edits

**HIGHLANDS COUNTY
ECONOMIC DEVELOPMENT AD VALOREM
TAX EXEMPTION PROGRAM**

The Highlands County Board of County Commissioners is pleased to provide the application and instructions for the Economic Development Ad Valorem Tax Exemption Program, which is designed to assist economic development through exempting certain ad valorem property taxes.

If you have any questions about this program, including eligibility, or regarding the application process, please visit www.highlandsedc.com www.HighlandsBusiness.com, or contact ~~the Industrial Development Authority (IDA)~~ Highlands County Economic Development, at ~~(863) 453-2818~~ [\(863\) 402-6906](tel:(863)402-6906).

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Attachments

- A. Highlands County Economic Development Ad Valorem Tax Exemption Application**
- B. Newly Created Jobs Form (Appendix A of Highlands County Economic Development Ad Valorem Tax Exemption Application)**
- C. State Application Form DR-418 (Appendix B of Highlands County Economic Development Ad Valorem Tax Exemption Application)**
- D. Highlands County Scoring Guidelines (Appendix C of Highlands County Economic Development Ad Valorem Tax Exemption Application)**
- E. Annual Report Form**
- F. Application Checklist**

PROGRAM INTENT

The Highlands County Board of County Commissioners (the "Board") believes that local government should support economic growth by providing an incentive for County employment opportunities that will lead to the improvement in the quality of life for County residents, positive expansion of the economy in terms of new jobs and improvements to real and personal property, and creating jobs in such a way so as not to disadvantage existing businesses while recognizing that productive competition fosters economic growth.

The Economic Development Ad Valorem Tax Exemption is a local option tax incentive for new or expanding businesses, which may be granted at the sole discretion of the Board. Incentives may be provided to identified targeted industries that have a positive impact on the County's economy to the benefit of residents and visitors.

Pursuant to Section 196.1995(5), Florida Statutes, any exemption granted may apply up to one hundred percent (100%) of the assessed value of all improvements to real property made by or for the use of a new business and of all tangible personal property of such new business, or up to one hundred (100%) of the assessed value of all added improvements to real property 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 after the date of the application or one year prior to the filing of the final application. Property acquired to replace existing property may not be considered to facilitate a business expansion. The exemptions may not apply to improvements to real property made by or for the use of new or expanding businesses when such improvements have been included on the tax rolls prior to the preliminary application or one year prior to the filing of the final application.

The ability to receive an exemption for the period granted is conditioned upon the applicant's ability to maintain the new business or the expansion of an existing business as defined in Section 196.012(15) and (16), Florida Statutes, throughout the entire exemption period. The applicant will be required to submit a report on an annual basis to the Board evidencing satisfaction of this condition. The annual report shall be submitted on the attached State form, DR-418, and County Annual Report Form.

In addition, any business granted an exemption shall furnish to the Board or its designee such information as the Board or its designee may reasonably require for the purpose of determining continued performance by the business of the conditions stated in the exemption ordinance and the representations made in the application.

ENACTMENT AUTHORITY

Article VII, Section 3 of the Constitution of the State of Florida and Section 196.1995 Florida Statutes, empower the Board to grant Economic Development Ad Valorem Tax Exemptions after the electors of the County, voting on the question in a referendum, authorize such exemptions. In a referendum held on this issue on August 24, 2010, the voters of Highlands County authorized the Board to grant Economic Development Ad Valorem Tax Exemptions.

This exemption program is applicable in all areas of Highlands County where the Board is the taxing authority. The exemption applies only to taxes levied by Highlands County, where the Board is the taxing authority. The exemption does not apply to taxes levied by the school district or water management district or to taxes levied by the voters for the payment of bonds or other special taxes authorized by a vote of the electors.

The exemption applies only to improvements to real property and to tangible personal property. The exemption does not apply to land on which the new or expanding business is to be located.

FINDINGS OF FACT

- (a) It is a recognized function of local government to promote economic development within its jurisdiction by providing financial incentives that will encourage new businesses to relocate within its jurisdiction and existing businesses to expand creating employment opportunities that will benefit the entire community.
- (b) The current economic climate has resulted in a high unemployment rate in Highlands County, impacting the quality of life for the County's citizens and the sustainability of local businesses.
- (c) The Board desires to offer Economic Development Ad Valorem Tax Exemptions to new businesses relocating to Highlands County and to businesses already situated in Highlands County that are expanding in order to foster economic growth and increased employment.
- (d) In order to ensure that applications for an Economic Development Ad Valorem Tax Exemption are considered in a non-arbitrary and non-discriminatory manner, it is necessary to establish guidelines that further the Board's economic development policy to assist the Board in making its determinations.
- (e) Applications for an Economic Development Ad Valorem Tax Exemption shall be considered by the Board in its legislative capacity on a case-by case basis, after considering the Property Appraiser's report and the review criteria.
- (f) No precedent shall be implied or inferred by the granting of an exemption to a new or expanding business.
- (g) On April 13, 2010, the Board authorized a referendum be placed before the voters during a regular election held on August 24, 2010, seeking authorization to grant Economic Development Ad Valorem Tax Exemptions to qualifying businesses.
- (h) In a referendum held on this issue on August 24, 2010, the voters of Highlands County authorized the Board to grant Economic Development Ad Valorem Tax Exemptions.

DEFINITIONS OF TERMS

The following words, phrases, and terms are defined as follows:

- (a) Applicant - Any person, firm, partnership, or corporation who files an application with the IDA seeking an Economic Development Ad Valorem Tax Exemption.
- (b) Average Annual Wage - The average annual wage figure shall be updated annually based upon the figure provided by Enterprise Florida or the Florida Department of Economic Opportunity for Highlands County.
- (c) Board - The Board of County Commissioners of Highlands County, Florida.
- (d) Business - Any for-profit activity engaged in by any person, firm, partnership, corporation, or other business organization or entity.
- (e) County - Highlands County, Florida
- (f) Department - The Florida Department of Revenue.
- (g) Economic Development Ad Valorem Tax Exemption – An ad valorem tax exemption granted by the Board in its discretion to a qualifying New Business and/or an Expansion of an Existing Business for up to (100%) of the assessed value of all improvements to the qualifying property of said Business for a period up to ten (10) years; provided, however, the exemption shall not apply to taxes levied by the school district or water management district or for taxes levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Section 9 and Section 12, Article VII of the State Constitution.

~~(h) Enterprise Zone - An area designated as an Enterprise Zone pursuant to Section 290.0065, Florida Statutes. (Enterprise Zones sunset back in 2014).~~

~~(h)~~ Expansion of an Existing Business -

- (1) A business establishing ten (10) or more jobs to employ ten (10) or more full-time employees in the County which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or
- (2) A business establishing twenty-five (25) or more jobs to employ twenty five (25) or more full-time employees in the County, the sales factor for the facility with respect to which it requests an ad valorem tax exemption is less than fifty (50%) percent inside the state for each year the exemption is claimed; provided that such business increases operations on a site co-located with a commercial or industrial operation owned by the same business, resulting in a net increase in employment of not less than ten (10%) percent or an increase in productive output of not less than ten (10%) percent.

~~(h)~~ (i) Facility - The business located in Highlands County that is requesting an ad valorem tax exemption.

~~(h)~~ (i) Goods - All personal property when purchased primarily for personal, family, or household use, but not including personal property sold for commercial or industrial use.

~~(h)~~ (k) Improvements - Physical changes made to land or to structures placed on or under the land surface.

~~(m)~~(l) Industrial Development Authority (IDA) - Highlands County Industrial Development Authority.

~~(n)~~(m) New Business -

- (1) A business establishing ten (10) or more new jobs to employ ten (10) or more full-time employees in the County, paying an average wage for such new jobs that is above the average wage in the area, which principally engages in any one or more of the following operations: Manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or is a target industry business as defined in s. 288.106(2)(g);
- ~~(1) — which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or~~
- (2) A business establishing twenty-five (25) or more jobs to employ twenty-five (25) or more full-time employees in the County, the sales factor for the Facility with respect to which it requests an economic ad valorem tax exemption is less than fifty (50%) percent inside the state for each year the exemption is claimed; or
- (3) An office space in the County leased or owned and used by a corporation newly domiciled in the County; provided such office space houses fifty (50) or more full-time employees of such corporation; provided that such business or office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business; or
- (4) Any business located in a brownfield area ~~an enterprise zone (pursuant to Section 290.0065, Florida Statutes)~~ and creating new full-time jobs in accordance with the business disciplines identified above.

~~(o)~~(n) Real Property – Pursuant to Section 192.001(12), Florida Statutes, means land, buildings, fixtures, and all other improvements to land. The terms “land,” “real estate,” “realty,” and “real property” may be used interchangeably.

~~(p)~~(o) Sales Factor – Pursuant to Section 220.15(5), Florida Statutes, means:

- (1) The sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.
 - (a) As used in this definition, the term “sales” means all gross receipts of the taxpayer except interest, dividends, rents, royalties, and gross receipts from the sale, exchange, maturity, redemption, or other disposition of securities. However:
 1. Rental income is included in the term if a significant portion of the taxpayer’s business consists of leasing or renting real or tangible personal property; and
 2. Royalty income is included in the term if a significant portion of the taxpayer’s business consists of dealing in or with the production, exploration, or development of minerals.

- (b)
 - 1. Sales of tangible personal property occur in this state if the property is delivered or shipped to a purchaser within this state, regardless of the f.o.b. point, other conditions of the sale, or ultimate destination of the property, unless shipment is made via a common or contract carrier. However, for industries in NAICS National Number 311411, if the ultimate destination of the product is to a location outside this state, regardless of the method of shipment or f.o.b. point, the sale shall not be deemed to occur in this state. As used in this definition, "NAICS" means those classifications contained in the North American Industry Classification System, as published in 2007 by the Office of Management and Budget, Executive Office of the President.
 - 2. When citrus fruit is delivered by a cooperative for a grower-member, by a grower-member to a cooperative, or by a grower-participant to a Florida processor, the sales factor for the growers for such citrus fruit delivered to such processor shall be the same as the sales factor for the most recent taxable year of that processor. That sales factor, expressed only as a percentage and not in terms of the dollar volume of sales, so as to protect the confidentiality of the sales of the processor, shall be furnished on the request of such a grower promptly after it has been determined for that taxable year.
 - 3. Reimbursement of expenses under an agency contract between a cooperative, a grower-member of a cooperative, or a grower and a processor is not a sale within this state.
- (c) Sales of a financial organization, including, but not limited to, banking and savings institutions, investment companies, real estate investment trusts, and brokerage companies, occur in this state if derived from:
 - 1. Fees, commissions, or other compensation for financial services rendered within this state;
 - 2. Gross profits from trading in stocks, bonds, or other securities managed within this state;
 - 3. Interest received within this state, other than interest from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located without this state, and dividends received within this state;
 - 4. Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts;
 - 5. Interest, fees, commissions, or other charges or gains from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in this state or from installment sale agreements originally executed by a taxpayer or the taxpayer's agent to sell real or tangible personal property located in this state;

6. Rents from real or tangible personal property located in this state;
or
7. Any other gross income, including other interest, resulting from the operation as a financial organization within this state.

In computing the amounts under this paragraph, any amount received by a member of an affiliated group (determined under s. 1504(a) of the Internal Revenue Code, but without reference to whether any such corporation is an "includable corporation" under s. 1504(b) of the Internal Revenue Code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

Calculation

Total sales of the taxpayer in Florida from the facility location during the taxable year or period.
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Total sales of the taxpayer everywhere from the facility location during the taxable year or period.

To qualify for a tax exemption as a sales factor business, the result of the sales factor calculation must be less than 0.50 for each year the tax exemption is claimed.

- (q) Tangible Personal Property – Pursuant to Section 192.001(11)(d), Florida Statutes, means all goods, chattels, and other articles of value (but does not include the vehicular items enumerated in s. 1(b), Art. VII of the State Constitution) capable of manual possession and whose chief value is intrinsic to the article itself. "Construction work in progress" consists of those items of tangible personal property commonly known as fixtures, machinery, and equipment when in the process of being installed in new or expanded improvements to real property and whose value is materially enhanced upon connection or use with a preexisting, taxable, operational system. Construction work in progress shall be deemed substantially completed when connected with the preexisting, taxable, operational system. Inventory and household goods are expressly excluded from this definition.
- (r) Targeted Business and Industries List - include the following:
- | | |
|----------------------------------|---|
| (1) Science/Technology/Cleantech | (7) Business/Financial/Professional Services |
| (2) Logistics & Distribution | (8) Life Sciences/Medical/Pharmaceutical/Healthcare |
| (3) Research | (9) Communications/Info Tech/Emerging Technology |
| (4) Aerospace/Aerospace | (10) Homeland Security/Defense |
| (5) Agribusiness | (11) Other business or industry as the Board may |
| (6) Manufacturing | deem desirable |

These particular industries are growing and typically create the highest wage base among Florida Industries. Supporting their growth helps to create industry cluster and stronger economic stability.

Note: The intent of the Board is to promote the economy by creating jobs in the County in such a way so as not to disadvantage existing business while recognizing that productive competition assists in economic growth.

- (s) Threshold Wage - The Threshold Wage is ~~125%~~115% of the Average Annual Wage for Highlands County as reported by Enterprise Florida or the Florida Department of Economic Opportunity annually. The wage threshold requirement may be waived for a project located in a brownfield area designated under s. 376.80, in a rural community, or for a manufacturing project if the jobs proposed to be created pay an estimated annual average wage equaling at least 100% of the average private sector wage in the area in Highlands County, only if the merits of the individual project or the specific circumstances in the community in relationship to the project warrant such action. If such a recommendation is made, it must be transmitted in writing, and the specific justification for the waiver recommendation must be explained, as authorized by s 288.106(4) 1.b Florida Statutes.

APPLICATION FOR EXEMPTION – NEED TO VERIFY NEW PROCESS BETWEEN HCED, IDA, AND BOARD NOW THAT ORGANIZATION STRUCTURE HAS CHANGED

Any eligible person, firm, partnership, or corporation, which desires an exemption, must file with the IDA c/o Highlands County Economic Development (HCED), at the address set forth below, two originals of the Highlands County Economic Development Ad Valorem Tax Exemption Application (The "Application"), together with a copy of the application prescribed by the Department of Revenue (Form DR-418), a one page narrative describing the nature of the business, and appropriate attachments. The original Form DR-418 must be filed with the Board.

Highlands County Industrial Development Authority c/o Highlands County Economic Development (HCED)
~~One East Main Street~~501 South Commerce Avenue
~~Avon Park, FL 33825~~Sebring, FL 33870
Phone # (863) ~~453-2818~~402-6906
~~Facsimile (863) 385-1379~~
~~www.highlandsede.com~~ www.HighlandsBusiness.com

To impact the November tax bill, the Form DR-418 must be filed with the Board by March 1st of the same year. The following steps are intended to provide the applicant a reasonable understanding of Highlands County Economic Development Ad Valorem Tax Exemption process and requirements.

Pre-Application Meeting: It is recommended that anyone contemplating filing an Application first contact ~~the IDA~~HCED, and request a meeting to assess the feasibility of filing an Application and acquire assistance in completing the application.

Step 1: Submission of Application and Completeness Review: The applicant shall submit to the IDA c/o HCED two originals of the Highlands County Economic Development Ad Valorem Tax Exemption Application, a copy of the Department of Revenue application (Form DR-418), a one page narrative describing the business, and appropriate attachments. The applicant shall also submit to the IDA, with the Application, a map identifying the location and

configuration of the subject property with legal description. The IDA will accept and review the application for completeness. ~~The IDA~~HCED will review and notify the applicant of completeness or any application deficiencies within ten (10) business days of submission. The original Form DR-418 must be filed with the Board, and the applicant must, thereafter, provide to the Board any additional documentation and information reasonably requested by the Board. Review process/timing

Step 2: Review, Analysis and Recommendation of the Property Appraiser: Upon filing of the Form DR-418 with the Board, the Board will deliver a copy of the Form DR-418 to the Highlands County Property Appraiser, who shall, thereafter, report to the Board, on the Form DR-418, signed and dated by the Property Appraiser, the information required by Section 196.1995(9), Florida Statutes.

Upon receipt by the Board of the Form DR-418 completed by the Property Appraiser with the information required by Section 196.1995(9), Florida Statutes, the Board will deliver a copy of that completed Form DR-418 to the IDA.

Upon receipt of that copy of the completed Form DR-418 from the Board, the IDA will: (1) evaluate eligibility; and (2) conduct an economic impact analysis.

Within thirty (30) days after receiving a complete Application and all other requested documentation and information from the applicant or the copy of the Form DR-418 completed by the applicant and the Highlands County Property Appraiser, whichever is last to occur, the IDA shall complete its economic impact analysis and forward its economic impact analysis and comments to the Board.

Step 3: Preparation of the Exemption Ordinance: After receiving the economic impact analysis and comments of the IDA, the Board may hold a public hearing to consider adoption of an ordinance granting an exemption pursuant to Section 196.1995, Florida Statutes. At the public hearing, the Board shall consider the information provided by the applicant on Form DR-418, any other information and documents provided by the applicant to the Board, the information provided to the Board by the Property Appraiser on that Form DR-418, and any other information, documents, and comment pertinent to consideration of the Application and shall make a determination that the requirements of Section 196.1995, Florida Statutes, have been satisfied, and after that consideration and determination, the Board may, but is not required to, adopt an ordinance granting an exemption pursuant to Section 196.1995, Florida Statutes. That ordinance must include the information and findings required by Section 196.1995(10), Florida Statutes.

BOARD CONSIDERATION OF APPLICATIONS

- (a) Eligibility Threshold - The threshold for eligibility is whether the Business meets the definition of a New Business or of an Expansion of an Existing Business as provided in Section 196.012(15) and (16), Florida Statutes.
- (b) Economic Development Scoring Guidelines - In making its determination as to whether to grant the Exemption, and, if granted, the duration and percentage of the Exemption,

the Board shall apply Highlands County Economic Development Scoring Guidelines adopted by Board resolution, which include the following factors:

- Qualifying Criteria

1. Applicant meets the requirements of Section 196.012(15) or (16) Florida Statutes.
2. Applicant creates and maintains at the required number of jobs at a facility domiciled within Highlands County at or above the Threshold Wage during the Exemption Year
3.
 - a.) Total number of jobs at or above the Threshold Wage (County Resident)
 - b.) Total number of jobs at or above the Threshold Wage (Non-County Resident)
 - c.) Median Wage of all qualifying jobs
 - d.) Threshold Wage for Application or Reporting Year
4. Application is for a business that is on the Target Business and Industry List
5. Applicant adheres to County Employment Verification Policy

- Quantifying Criteria

1. Median Wage of jobs at or above the Threshold Wage occupied by persons domiciled within Highlands County
2. Median Wage of jobs at or above the Threshold Wage occupied by persons not domiciled within Highlands County
3. Dollar amount of in-County Procurement
4. Assessed Value of Improvements to Real Property & Tangible Personal Property

(c) Agreement - A Business will be required to enter into an agreement with the County requiring the Business to satisfy the Business Maintenance and Continued Performance Conditions set forth in the Application. The applicant must show proof enrollment in E-Verify at time of Application, and the Business shall comply with the Board adopted employment eligibility verification requirements.

(d) Employment Eligibility Verification – The applicant must be enrolled in the E-Verify program operated by the U.S. Citizenship and Immigration Services and the Social Security Administration at the time the applicant files Form DR-418 with the Board, and must use the E-Verify program to verify the employment eligibility of all new hires during the term of the exemption, if any, granted by the Board pursuant to Section 196.1995, Florida Statutes, as follows:

(1) *Definitions.* As used in this paragraph

Contract means any contract entered into by a contractor to furnish supplies or services to the taxpayer or a subcontract under that contract. It includes but is not limited to purchase orders, and changes and modifications to purchase orders.

Subcontractor means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a contractor or another subcontractor.

Taxpayer means the person or entity that has applied for or been granted an exemption from taxation pursuant to Section 196.1995, Florida Statutes.

United States, as defined in 8 U.S.C. 1101(a)(38), means the 50 States, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands.

(2) *Enrollment and verification requirements.*

(a) The taxpayer must be enrolled in E-Verify at time it files a Form DR-418 with the Board, and the taxpayer shall use E-Verify to initiate verification of employment eligibility of all new hires of the taxpayer, who are working in the State of Florida within 3 business days after the date of hire.

(b) For the period an exemption granted by the Board to the taxpayer pursuant to Section 196.1995, Florida Statutes, is in effect, the taxpayer shall comply with the requirements of the E-Verify program MOU. Termination of the taxpayer's MOU and denial of access to the E-Verify system by the Department of Homeland Security or the Social Security Administration or the U.S. Citizenship and Immigration Service may result in revocation of that tax exemption.

(3) *Web site.* Information on registration for and use of the E-Verify program can be obtained via the Internet at the U.S. Citizenship and Immigration Service's Web site: <http://www.uscis.gov>.

(4) *Individuals previously verified.* The taxpayer is not required by this paragraph to perform additional employment verification using E-Verify for any employee whose employment eligibility was previously verified by the taxpayer through the E-Verify program.

(5) *Contracts.* The taxpayer shall contractually require enrollment in and use of the E-Verify program by all its contractors and their subcontractors to verify the employment eligibility of all new hires of the contractor or subcontractor working in the State of Florida and shall include, and shall require the inclusion of, the requirements of this paragraph, (5) (appropriately modified for identification of the parties), in each contract and subcontract that includes work performed in the State of Florida.

CONTINUING PERFORMANCE - ANNUAL REPORT

(a) Annual Filings – The applicant shall be required to submit an Annual Report to the IDA, the Board, and Property Appraiser on or before March 1st of each year for which the Exemption was granted. The applicant shall also timely comply with all filings required pursuant to Section 196.011, Florida Statutes.

(1) The Annual Report shall provide a report on the status of the Business, evidencing satisfaction of the Business Maintenance and Continued Performance conditions set forth in the Application. The report shall be prepared substantially in a form to be adopted by Resolution of the Board.

BOARD REVOCATION

Should any Business granted an Exemption fail to file the Annual Renewal Statement and/or Annual Report with the Board on or before March 1st of each year following the year for which an Exemption has been granted, fail to continue to meet the definition of a New Business or an

Expansion of an Existing Business, fail to file a new Application upon any other change in the information provided in the original Application, failure to use the E-Verify program or termination of the E-Verify program MOU, and/or fail to fulfill any other representation made to the Board during the Application process, including the creation and maintenance of the total number of new jobs identified by a business in the Application, the Board, may, upon 30 days written notice to the Business, adopt an ordinance revoking the ad valorem tax exemption or take such other action with respect to the Exemption it deems appropriate.

- (a) Notification - Upon Revocation, the Board shall immediately notify the Property Appraiser.
- (b) Recover Taxes - If it is determined that for any year within the Exemption period the owner was not entitled to receive such Exemption, the owner of the property shall be subject to the taxes exempted as a result of such failure plus annual interest at the maximum rate allowed by law.
- (c) Reapply - Nothing herein shall prohibit a business from reapplying for an ad valorem tax exemption pursuant to Florida law.

TAX ROLL CALENDAR

<u>Calendar</u>	<u>Tax Roll Status</u>
January 1	Date of lien; statutory date of assessment
March 1	Last day to file for any exemptions for current tax roll
June 1 (May 31)	Delivery of estimates of taxable value to taxing authorities for preliminary budget planning purposes
July 1	Delivery of certifications of taxable value (DR-420); values upon which taxing authorities must budget
August 4	Taxing authorities return DR-420 with their proposed millages for "Notice of Proposed Taxes" (Trim Notices)
August 24	Trim Notices mailed to all property owners
October 8	Final millages due from taxing authorities for tax bill production
November 1 (approx.)	Tax Collector mails tax bills.
April 1	Taxes are considered to be delinquent for preceding year Tax Roll.

TIMING OF ASSESSMENTS FOR TAX ROLL

The Property Appraiser's Office learns of new construction through permits issued, then conducts inspections, and eventually receives copies of Certificates of Occupancy (CO). An improvement must be substantially complete or receive a CO prior to January 1 in order to be

included on that years certified tax roll. Tax bills issued in November are for January 1 through December 31 of the current year.

RENOVATION OF AN EXISTING BUSINESS

As to whether a "renovation" of an existing structure could qualify for an ad valorem tax exemption, Section 196.1995, Florida Statutes, which authorizes the exemption, specifically mentions "improvements". Improvements means physical changes made to land or structures placed on or under the land surface. A renovation of an existing structure could be an improvement. The improvement must be done to allow creation of the number of jobs required to meet the definition of an "expansion of an existing business" and must actually create those new jobs.

If a business occupied an existing structure and renovates it to meet expansion needs, and at the same time at least 10 or 25 new jobs were created (depending on the nature of the business) it could be viewed as an expansion of an existing business and qualify for an exemption, provided other factors demonstrate an economic benefit to the County and the Board approves the exemption.

CONTACT SOURCE FOR ASSISTANCE

Exemption applications are available ~~at the IDA~~Highlands County Economic Development (HCED) at One East Main Street, Avon Park, FL 33825501 South Commerce Avenue, Sebring, FL 33870, or online at www.highlandsedc.com by email request to economicdevelopment@highlandsfl.gov. Inquiries on the tax exemption program will be handled by ~~the HCED IDA~~. However, the Property Appraiser's Office will handle inquiries that pertain to Property Appraiser information only. An applicant/agent who is trying to determine the viability of filing an application should contact the ~~IDA~~HCED at economicdevelopment@highlandsfl.gov or (863) 402-6906.-

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