



## V. Exemption Application Process

The “fully completed” Economic Development Ad Valorem Tax Exemption Application will be filed with the City of Melbourne, City Manager’s Office by a representative of the company. The threshold for eligibility is whether the Business meets the definition of a new Business or of an Expansion of an Existing Business as defined in Section VI, and one which is not an ineligible Business or industry.

The application should be filed before a business has made the decision to locate a new business in the City or before a business has made the decision to expand an existing business in the City.

The City will take action on the application, including the enactment of the required ordinance should the City decide to grant the exemption, within sixty (60) days from the date that a fully completed application is accepted. During this 60-day period, interested agencies and parties will have an opportunity to review and comment on the application. Time is of the essence in consideration of the application. The following steps provide the Applicant a reasonable understanding of the City of Melbourne Economic Development Ad Valorem Tax Exemption process and requirements. A flow chart of the process has been included as Attachment A.

Step 1: Pre-Application Submittal: It is recommended that anyone contemplating whether to file an exemption application first contact the City Manager’s Office of the City of Melbourne and request a meeting to assess the feasibility of filing an exemption application and acquire assistance in completing the application.

Step 2: Submission of Application to the City: On behalf of the Applicant, the representative of the company will submit one original and two copies of the State application, the City supplemental application, a one-page narrative describing the Business, and appropriate attachments. The Applicant will also submit a map identifying the location and configuration of the subject property with legal description.

Step 3: Preliminary Eligibility: The City Manager’s Office will accept and review the application for preliminary eligibility. The Economic Development Administrator will review and notify the Applicant of eligibility and/or any application deficiencies within five (5) days of submission. Acceptance of a complete application will mark the beginning of the 60-day review period.

Upon determination of preliminary eligibility, the City Manager’s Office will: (1) determine eligibility; (2) request the Property Appraiser to conduct its analysis; (3) request the EDC to provide an economic impact analysis; and (4) advertise for a public hearing to consider adopting an exemption ordinance on behalf of the Business.

Step 4: Review, Analysis and Recommendation of the Property Appraiser and EDC: Within a 30-day period, copies of the application are to be reviewed by the Brevard

County Property Appraiser's Office and the City of Melbourne staff. Any legal issue will be referred to the City Attorney's Office for review and comment.

Property Appraiser will review the application and provide in writing the fiscal impact of granting the exemption, sign the State application, and forward to the City Manager's Office. After careful consideration, the Property Appraiser will report to the City the fiscal impact of granting the exemption. As required by Florida Statute the Property Appraiser's report will include the following:

1. The total revenue available to the City for the current fiscal year from ad valorem tax sources, or an estimate of such revenue if the actual total available revenue cannot be determined;
2. The amount of revenue lost to the City for the current fiscal year by virtue of exemptions previously granted, or an estimate of such revenue if the actual revenue lost cannot be determined;
3. An estimate of the amount of revenue which would be lost to the City for the current fiscal year if the exemption applied for was granted had the property for which the exemption is requested otherwise been subject to taxation; and
4. A determination as to whether the property for which an exemption requested is to be incorporated into the new Business or the Expansion of an Existing Business, or into neither, which determination the Property Appraiser shall also affix to the face of the application. Upon request, the Department will provide the Property Appraiser such information as it may have available to assist in making this determination.

City of Melbourne staff will review a copy of the application. The EDC staff will conduct an economic impact analysis and forward its comments to the City Manager's Office.

Step 5: Preparation of the Exemption Ordinance: The City Manager's Office will schedule the exemption application and ordinance, including the report from the Property Appraiser, the economic impact analysis from the Economic Development Commission, and the City staff recommendation to be considered by the City Council of the City of Melbourne.

After consideration of the application and the report of the Property Appraiser on the application, the City may choose to adopt an ordinance granting the exemption to a new or expanding Business. If granted, the ordinance shall include the following information:

1. The name and address of the New Business or Expansion of an Existing Business;

2. The total amount of revenue available to the City from ad valorem tax sources for the current fiscal year, the total amount of the revenue lost to the City for the current fiscal year by virtue of exemptions currently in effect, and the estimated amount of revenue attributable to the exemption granted to the new or expanding Business;
3. The expiration date of the exemption, which is five (5) years or less (depending on the duration of the exemption granted) from the date the City enacts the ordinance granting the exemption; and
4. A finding that the Business meets the definition of a New Business or of an Expansion of an Existing Business as set forth in Section VI.

Step 6: City Council Consideration of Exemption Ordinance: The City Council will consider the exemption ordinance during a first reading which will include an advertised public hearing. A second reading of the ordinance will then be held. The exemption agenda packet for City Council review will include the comments of the Property Appraiser, the economic impact analysis from the Economic Development Commission staff, and the City Manager's Office. No precedent shall be implied or inferred by the granting of an exemption to a new or expanding Business. Applications for exemptions shall be considered by the City Council on a case-by-case basis for each application.

Step 7: Annual Report: The Business will be required to submit an annual report to the City Manager's Office evidencing the satisfaction of application conditions. The annual report will be submitted on or before the expiration of the fifteenth (15<sup>th</sup>) day of January for each year that the exemption is in effect following the adoption of the ordinance. The City Manager's Office will report to the City Council annually, providing the status of the company receiving the tax exemption.

Should any New Business or Expansion of an Existing Business fail to file the Annual Report or any other report required, or fail to continue to meet the definition of a New Business or an Expansion of an Existing Business, or fail to fulfill any other representation made to the City Council during the application process, the City Council may adopt an ordinance revoking the ad valorem tax exemption effective the end of the current year said ordinance is adopted. Further, the City Council may take action to recover any taxes waived.