Economic Development
Ad Valorem
Tax Exemption Program

Community Development
900 E. Strawbridge Ave
Melbourne, FL 32901
Telephone: (321) 608-7500
Email: P&Z@melbourneflorida.org
APPLICATION INSTRUCTIONS
ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION PROGRAM

Introduction
The City of Melbourne’s City Council is pleased to provide the enclosed application and instructions for the Economic Development Ad Valorem Tax Exemption Program, which is designed to assist economic development through exempting certain property taxes.

If you have any questions about this program, including eligibility, please contact the Community Development Department at the City of Melbourne, at (321) 608-7500.

To assist the applicant, the attached tax exemption packet includes the following:

Section
I. Program Intent
II. Enactment Authority
III. Qualification for Tax Exemption “Do You Qualify for a Tax Exemption”
IV. Application for Exemption
V. Exemption Application Process
VI. Contact Source for Assistance

Attachment
A. Program guidelines
B. State Application, City Supplemental Application, Annual Report Forms
C. Melbourne City Code, Chapter 54, Article VI.

I. Program Intent
The City Council of the City of Melbourne, Florida believes that local government should support economic growth by providing an incentive for employment opportunities that will lead to improvement to the quality of life of City 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 City offers certain ad valorem tax exemptions to new businesses relocating to the City of Melbourne and to expansions of businesses already situated in the City. Incentives may be provided to businesses of diverse industries, having a positive impact on the City’s economy to the benefit of residents and visitors. 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 Melbourne City Council.

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 percent (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 effective date of the ordinance specifically granting a business an exemption. 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 effective date of the ordinance specifically granting a Business an exemption.

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 Melbourne City Code throughout the entire exemption period. The Applicant will be required to submit a report on an annual basis to the City evidencing satisfaction of this condition. The annual report will be submitted in the form as attached. In addition, any Business granted an exemption will furnish to the City or its designee such information as the City 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.

II. **Enactment Authority**

Article VII, Section 3 of the Constitution of the State of Florida and Section 196.1995 Florida Statutes, empower the City to grant Economic Development Ad Valorem Tax exemptions after the electors of the City, voting on the question in a referendum, authorize such exemptions. By the successful passage of a referendum held on this issue on November 7, 2000, the voters of the City of Melbourne authorized the City to grant economic development ad valorem tax exemptions. A referendum for renewal of the Ad Valorem Tax Exemption Program was passed on November 2, 2010. This exemption program is applicable in all areas of the City of Melbourne where the City is the taxing authority.

The exemption applies only to taxes levied by the City of Melbourne, where the City is the taxing authority. The exemption does not apply to taxes levied by the county, school district, or water management district, or to 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 Florida State Constitution.
The Ordinance that implements the tax abatement program is entitled “Economic Development Ad Valorem Tax Exemption Ordinance of City of Melbourne, Florida”.

III. Qualification for Tax Exemption “Do You Qualify for a Tax Exemption”

Before completing an application, please read the following eligibility requirements to determine whether you qualify for a tax exemption.

A. Ad valorem tax exemptions apply to new businesses relocating to the City of Melbourne and to expansion of businesses already situated in the City of Melbourne.

B. New or expanding businesses must make a positive contribution to the economy of the City of Melbourne in terms of new jobs and improvements to real and personal property.

C. Incentives are applicable to new business or expanding businesses as defined.

D. Any and all exemptions granted must result in an economic benefit to the City, i.e., exemptions would support the City of Melbourne and its existing businesses.

E. The Applicant must be a person, firm, partnership, or corporation that files an application with the City seeking an ad valorem tax exemption.

F. Expansion of an Existing Business.

As defined in Article VI. Section 54-146, Melbourne City Code, (Attachment C). Expansion of an existing business must meet the following criteria:

*Expansion of an existing business, as defined in F.S. § 196.012(15), means:*

1. A business or organization establishing ten or more jobs to employ ten or more full-time employees in this state, 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:

   a. 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

   b. Is a target industry business as defined in F.S. § 288.106(2)(q).

2. Any business or organization establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by F.S. § 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed;
provided that such business increases operations on a site colocated with a commercial or industrial operation owned by the same business or organization, resulting in a net increase in employment of not less than ten percent or an increase in productive output of not less than ten percent.

(3) Any business or organization located in an enterprise zone or Brownfield Area that increases operations on a site colocated with a commercial or industrial operation owned by the same business or organization.

G. New Business:

As defined in Section VI Section 54-146, Melbourne City Code, (Attachment C), expansion of an existing business must meet the following criteria:

(1) A business or organization establishing ten or more jobs to employ ten or more full-time employees in this state, which 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:

a. 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;

b. Is a target industry business as defined in F.S. § 288.106(2)(q);

c. A business or organization establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by F.S. § 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

d. An office space in this state owned and used by a business or organization newly domiciled in this state, provided such office space houses 50 or more full-time employees of such business or organization; 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 organization.

(2) Any business or organization located in an enterprise zone or Brownfield Area that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business or organization.

(3) A business or organization that is situated on property annexed into a municipality and that, at the time of the annexation, is receiving an economic development ad valorem tax exemption from the county under F.S. § 196.1995.
H. The exemptions shall not accrue 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 effective date of the ordinance specifically granting a business an exemption.

I. Property acquired to replace existing property shall not be considered to facilitate a business expansion.

J. No exemption shall be granted for the land upon which new or expanding businesses are to be located.

K. 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 throughout the entire period, as defined in FS.196.012 and Melbourne City Code, Chapter 30, Article V.

L. Any existing business in violation of any federal, State, or local law or regulation governing environmental matters is not eligible for an exemption.

M. The project qualifies under the program guidelines approved by City Council (Attachment “A”) City Council reserves the right to change or update the program guidelines at any time through passage of a resolution.

IV. Application for Exemption

A. Any eligible person, firm, partnership, or corporation, which desires an exemption, will file with the Community Development Office, an application prescribed by the State Department (Form DR-418), and City Supplemental application, copies of which are included as Attachment B.

B. The application requests that the City adopt an ordinance granting the applicant the exemption and includes, at a minimum, the following:

1. The name and location of the new business or the expansion of an existing business;

2. A description of the improvements to the real property for which an exemption is requested and the date of commencement of construction of such improvement;

3. A description of the tangible personal property for which an exemption is requested and the dates when such property was or is to be purchased;
4. Proof, to the satisfaction of the City, that the applicant meets the criteria for a new business or for an expansion of an existing business as defined in Section III;

5. The following information:

   (a) Anticipated number of employees and new employees;
   (b) Expected number of employees who will reside in Brevard County;
   (c) Average wage of employees;
   (d) Type of industry or Business;
   (e) Environmental impact of Business;
   (f) Anticipated volume of business or production;
   (g) Whether relocation or expansion would occur without the exemption;
   (h) Cost and demand for services;
   (i) Source and supplies (local or otherwise);
   (j) Whether Business will be/is located in a community redevelopment area; and

6. Other information deemed necessary by the City of Melbourne.

C. Information within the application may also be reviewed by the CRA and MEED Advisory Committees. The advisory committee recommendations will be included with the City staff memorandum to Council.

V. Exemption Application Process

The “fully completed” Economic Development Ad Valorem Tax Exemption Application will be filed with the City Manager or his designees, i.e. the Director of Community Development. The threshold for eligibility is whether the business meets the definition of a new business or of an expansion of an existing business.

The application must 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.
Step 1: Pre-Application Submittal: It is recommended that anyone contemplating whether to file an exemption application first contact the Community Development Department 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 of the following: the State application, the City supplemental application, a one-page narrative describing the business, and appropriate attachments. The Applicant should also submit a map identifying the location and configuration of the subject property with legal description.

Step 3: Preliminary Eligibility: The Community Development Office will accept and review the application for preliminary eligibility. Economic Development Staff will review and notify the Applicant of eligibility and/or any application deficiencies within ten (10) business days of submission. Acceptance of a complete application will mark the beginning of the 60-day review period.

Upon determination of preliminary eligibility, the Community Development 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 return it back to the City. 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 Community Development Office.

Step 5: Preparation of the Exemption Ordinance: The Community Development staff, through 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 will be included in information provided for Council consideration.

After consideration of 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 ten (10) 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.

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 Community Development 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 Community Development Office evidencing the satisfaction of application conditions. The annual report will be submitted on or before the expiration of the fifteenth (15th) day of January for each year that the exemption is in effect following the adoption of the ordinance. The Community Development 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 authorize revocation of the ad valorem tax exemption. Further, the City Council may take action to recover any taxes waived.

VI. Contact Sources for Assistance

1. City Manager’s Office
   City of Melbourne
   900 E. Strawbridge Ave.
   Melbourne, Florida 32901

   Michael McNees, City Manager

2. Community Development Office
   City of Melbourne
   900 E. Strawbridge Ave.
   Melbourne, Florida 32901

   Cindy Dittmer, Community Development Director
   Doug Dombroski, Economic Development Manager

3. Economic Development Commission
   597 Haverty Court, Suite 40
   Rockledge, Florida 32955

   Greg Weiner, Senior Business Development Director
ATTACHMENT A

Program Guidelines
CITY OF MELBOURNE AD VALOREM TAX EXEMPTION
PROGRAM GUIDELINES

CRITERIA:

1. **Number of Employees**
   - 10 - 20: 3 points
   - 21 - 60: 6 points
   - 61 - 99: 9 points
   - 100 and up: 10 points

   **Existing Business Expansion Option**
   - 25% increase in employees
   - 50% increase in employees
   - 75% increase in employees
   - 100% increase in employees

2. **Payroll**
   - 80% of Average ($38,236): 2 points
   - Average ($47,795): 4 points
   - 25% Above Average ($59,744): 6 points
   - 50% Above Average ($71,692): 10 points
   - 100% Above Average ($95,590): 12 points

3. **Capital Investment**
   - $300,000 - $1,000,000: 3 points
   - $1,000,001 - $2,500,000: 6 points
   - $2,500,001 - $5,000,000: 9 points
   - $5,000,001 and up: 12 points

4. **High Economic Impact Projects**
   - 15 points

   **Additional Criteria:**
   - Number of employees: no less than 150 new employees to Brevard County.
   - Payroll: Must meet State of Florida Qualified Target Industry standard of 15% above the area average annual wage.
   - Capital Investment: At least $15 million of new capital investment based upon the Property Appraiser’s evaluation and adjustment.
   - Business must be deemed as a target industry of the State under FS 288.106 or FS 288.1045, or an industry contributing to an existing industry cluster within the City of Melbourne or surrounding area.
   - Business must create a significant number of indirect jobs.

*The average annual wage figure shall be updated annually based upon the figure provided by Enterprise Florida*
**SCORING:**

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<tr>
<th>Total Points</th>
<th>Percentage of Exemption</th>
<th>Length of Exemption</th>
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<td>10 - 12 Points</td>
<td>100% exemption</td>
<td>1 year</td>
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<td>13 - 15 Points</td>
<td>100% exemption</td>
<td>2 years</td>
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<td>16 - 19 Points</td>
<td>100% exemption</td>
<td>3 years</td>
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<td>20 - 22 Points</td>
<td>100% exemption</td>
<td>4 years</td>
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<td>23 - 34 Points</td>
<td>100% exemption</td>
<td>5 years</td>
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<tr>
<td>41– 49 Points</td>
<td>100% exemption</td>
<td>10 Years</td>
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**Attraction of Critical Industries:** If a business is deemed to be critical to attracting other key businesses of that industry cluster; in those incidences, program guidelines may be adjusted by assigning five (5) additional points under the program criteria evaluation, resulting in a higher total score.

**Subjective Consideration #1:** The City Council of the City of Melbourne may consider, on a case by case basis, qualifying a business for the program at a minimum criteria level, when a company does not meet one of the three qualifying criteria thresholds, provided that the business exceeds the maximum criteria level in at least one other qualifying criteria category, and the business is locating or expanding within the Melbourne Economic Enhancement District (MEED) or an enterprise zone.

**Subjective Consideration #2:** The City Council of the City of Melbourne may consider individual or company documentation indicating relocation options outside of the City that would result in job losses to the City, and in those incidences, City Council may consider adjustments to the program guidelines on a case-by-case basis.
ATTACHMENT B

State Application

City Supplemental Application

Annual Report Forms
CITY OF MELBOURNE
ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION
Chapter 196, Florida Statutes

To be filed with the Melbourne City Council, no later than March 1 of the year the exemption is desired to take effect.

1. Business Name: ____________________________________________________________
   Mailing address: __________________________________________________________________

2. Name of person in charge of Business: ____________________________________________
   Telephone No.: ( ) _______________ FAX No.: ( ) __________________________

3. Location of Business (legal description and street address) of property for which this report is filed:
   _____________________________________________________________________________

4. Date Business opened or is proposed to open at this facility: ____________________________

5. a. Description of the Improvements to real property for which this exemption is requested:
   _____________________________________________________________________________
   b. Date of commencement of construction of Improvements: ____________________________

6. a. Description of the tangible personal property for which this exemption is requested and date when property was purchased or is proposed to be purchased:
   _____________________________________________________________________________

<table>
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<tr>
<th>Class or Item</th>
<th>Age</th>
<th>Date Of Purchase</th>
<th>Original Cost</th>
<th>Taxpayer’s Estimate Of Condition</th>
<th>Taxpayer’s Estimate Of Fair Market Value</th>
<th>APPRAISER’S USE ONLY</th>
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   b. Average value of inventory on hand: _____________________________________________

   c. Any additional personal property not listed above which an exemption is claimed must be returned on Form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.

7. Do you desire exemption as a “New Business” [ ] or an “Expansion of an Existing Business” [ ]

8. Describe the type or nature of your Business: __________________________________________

9. Trade level (check as many as apply): _____________________________________________
   Wholesale [ ] Manufacturing [ ] Professional [ ] Service [ ] Office [ ] Other [ ]

10. a. Number of full time employees employed in Florida: ____________________________________________________________________
b. If an Expansion of an Existing Business:
   (1) Net increase in employment
   (2) Increase in productive output resulting from this expansion

11. Sales Factor for the facility requesting exemption:
    Total sales in Florida from this facility - one (1) location only divided by total sales everywhere from this facility - one (1) location only = [in accordance with Florida Statutes 220.15 (5)]

12. For office space owned and used by a corporation newly domiciled in Florida:
   a. Date of incorporation in Florida
   b. Number of full-time employees at this location

13. If requesting an exemption due to location in a slum or blighted area, please furnish such additional information as required by the City Council, or Property Appraiser.

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the City Council, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

DATE: ________________________________ Signed: ____________________ (Preparer)

SIGNED: ________________________________ (Preparer’s Address)

TITLE: ________________________________ (Preparer’s Telephone Number)

PROPERTY APPRAISER’S USE ONLY

I. Total revenue available to the County or municipality for the current fiscal year from ad valorem tax sources:

II. Revenue lost to the County or municipality for the current fiscal year by virtue of exemptions previously granted under this section:

III. Estimate of the revenue which will be lost to the City 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. Estimate of the taxable value lost to the City if the exemption applied for were granted:
   Improvements to real property
   Personal Property

V. I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a New Business [ ], an Expansion of an Existing Business [ ], or Neither [ ]

VI. Last year for which exemption may be applied:

DATE: ________________________________ SIGNED: ____________________ (Property Appraiser)
SUPPLEMENTAL APPLICATION
CITY OF MELBOURNE ECONOMIC DEVELOPMENT
AD VALOREM TAX EXEMPTION PROGRAM

APPLICANT NAME:

NOTICE: This supplement is to be used by the Applicant to provide additional information required by Economic Development Ad Valorem Tax Exemption Ordinance, Chapter 30, Article V, City of Melbourne Code; and to provide other information requested by the City Council and the entities that will review the application. Please provide a one-page narrative describing the company and the relocation/expansion plans.

1. Length of exemption requested is total of ________ Years [length of exemption approved is sole discretion of City Council and commences on the adoption date of the ordinance granting the exemption].

2. Property Owner: Name: ________________________________
   Address: ____________________________________________________________________________
   Telephone No.: ( ) __________________ Fax No.: ( ) __________________

3. Authorized Agent: ________________________________
   Address: ____________________________________________________________________________
   Telephone No.: ( ) __________________ Fax No.: ( ) __________________

4. Type of industry or Business: ________________________________

5. Brief description of product and relocation/expansion plans: ____________________________________________________________

6. Anticipated number of new employees: (New Business or Expansion) __________________

7. Percentage of employees that are already employed by the business and will relocate: __________________

8. Percent increase in overall employment: (Expansion of Existing Business) __________________

9. Expected number of new employees who will reside in Brevard County: __________________

10. Percentage of existing employees who have resided in the County for more than two years: __________________

11. Anticipated average wage and median wage of new employees for new business or expansion: __________________

12. Anticipated average annual payroll for new employees: __________________

13. Anticipated new capital investment as a result of expansion or relocation of Business:
   New construction value: __________________
   New personal property value: __________________
14. Environmental impact of Business. (Identify the number and type of environmental permits required as a result of this project: e.g. air, soil and water pollution, water and sewer, dredge and fill, stormwater, industrial wastewater):

15. Anticipated volume of Business of production: ________________________________________________

16. The relocation or expansion would occur at the proposed location without the exemption: Yes [     ] No [     ]

17. Source of supplies (local or otherwise):

% source of supplies County: _______________________________________________________________

% source of supplies Florida: _______________________________________________________________

% source of supplies out-of-State: ___________________________________________________________

18. Business is/will be located in a community redevelopment area: Yes [     ] No [     ]

Name of area: ________________________________________________________________

SIGNATURES:

I hereby confirm the information provided by ______________________________ to the Economic Development Commission of Florida’s Space Coast and the City Council of the City of Melbourne for the purpose of calculating the economic impact and benefit of the proposed tax abatement is true, accurate and complete. I further confirm that ______________________________ is not in violation of any federal, State or local law, or regulation governing environmental matters:

DATE: _________________________________ SIGNED: _______________________________

SIGNED: _______________________________ (Applicant)

TITLE: ________________________________

SIGNED: _______________________________ (Preparer’s Address)

DATE: _________________________________ SIGNED: _______________________________

SIGNED: _______________________________ (Preparer)

TITLE: ________________________________

(Preparer’s Telephone Number)
### ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION

City of Melbourne Annual Report Form

Chapter 196.1995, Florida Statutes

<table>
<thead>
<tr>
<th>Class or Item</th>
<th>Age</th>
<th>Date of Purchase</th>
<th>Original Cost</th>
<th>Cond*</th>
<th>Taxpayer’s Estimate of</th>
<th>Cond*</th>
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</table>

*Condition: good, avg (average), or poor

Any additional personal property not listed above for which an exemption is claimed must be returned on form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.

7 Do you desire exemption as a [ ] new business or [ ] expansion of an existing business

8 Describe type or nature of your business

- Retail
- Wholesale
- Manufacturing
- Professional
- Service
- Office
- Other, specify:

9 Trade levels (check as many as apply)

10 Number of full-time employees to be employed in Florida

If an expansion of an existing business: Net increase in employment % Increase in productive output resulting from this expansion %

11 Sales factor for the facility requesting exemption:

\[
\text{Sales factor} = \frac{\text{Total sales in Florida from this facility-one (1) location only}}{\text{Total sales everywhere from this facility-one (1) location only}} \times 100
\]

12 For office space owned and used by a corporation newly domiciled in Florida

Date of incorporation in Florida Number of full-time employees at this location

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

Date

Signature, preparer

Preparer’s address

Signature, taxpayer

Preparer’s telephone number
### Required supplementary information regarding the Economic Development Project within the City of Melbourne receiving this exemption:

<table>
<thead>
<tr>
<th>Information</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of existing jobs in the City of Melbourne upon application, if this exemption was for an expansion of an existing business</td>
<td></td>
</tr>
<tr>
<td>Number of new jobs committed in the City of Melbourne upon application</td>
<td></td>
</tr>
<tr>
<td>Average wage for new employees hired in the City of Melbourne committed upon application</td>
<td></td>
</tr>
<tr>
<td>Total capital investment estimated upon application</td>
<td></td>
</tr>
<tr>
<td>Total employees hired in the City of Melbourne over the entire exemption period, hired by the end of December 31st</td>
<td></td>
</tr>
<tr>
<td>Average wage of the new employees hired in the City of Melbourne as part of this economic development project, by the end of December 31st. This includes all employees hired during the entire exemption period.</td>
<td>$</td>
</tr>
<tr>
<td>Total value of the new capital investment completed by the end of December 31st, as part of this economic development project for which you are requesting the exemption. Capital investment reported cumulative over the entire exemption period.</td>
<td>$</td>
</tr>
<tr>
<td>(real property $_________________ &amp; tangible personal $________________)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature, preparer</th>
<th>Date</th>
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<table>
<thead>
<tr>
<th>Title</th>
<th>e-mail</th>
<th>Phone</th>
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</table>

### Property Appraiser's Use Only

| I | Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources | $ |
| II | Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section | $ |
| III | Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation | $ |
| IV | Estimate of the taxable value lost to the county or municipality if the exemption applied for was granted Improvements to real property $_________________ Personal property $_________________ | |
| V | I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a new business expansion of an existing business neither | |
| VI | Last year for which exemption may be applied |        |

<table>
<thead>
<tr>
<th>Date</th>
<th>Signature, Property Appraiser</th>
</tr>
</thead>
<tbody>
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<td></td>
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</tbody>
</table>
ATTACHMENT C

Melbourne City Code
Chapter 54, Article VI
ARTICLE VI. - ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION

Footnotes:
--- (6) ---
Editor’s note—The referendum as required in F.S. § 196.1995 was held on Nov. 2, 2010.

Sec. 54-146. - Definitions.
The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Applicant means any person, firm, partnership, or corporation that files an application with the city seeking an economic development ad valorem tax exemption.

Brownfield Area means an area designated as a Brownfield Area pursuant to F.S. § 376.79.

Business means any activity engaged in by any person, firm, partnership, corporation, or other business organization or entity, with the object of private or public gain, benefit, or advantage, either direct or indirect.

Department means the Florida Department of Revenue.

EDC means the Economic Development Commission of Florida’s Space Coast, a not-for-profit company under contract with the county board of county commissioners to promote economic development.

Enterprise zone means an area designated as an enterprise zone pursuant to F.S. § 290.0065.

Expansion of an existing business, as defined in F.S. § 196.012(15), means:

(1) A business or organization establishing ten or more jobs to employ ten or more full-time employees in this state, 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:
   a. 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
   b. Is a target industry business as defined in F.S. § 288.106(2)(q).

(2) Any business or organization establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by F.S. § 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; provided that such business increases operations on a site colocated with a commercial or industrial operation owned by the same business or organization, resulting in a net increase in employment of not less than ten percent or an increase in productive output of not less than ten percent.

(3) Any business or organization located in an enterprise zone or Brownfield Area that increases operations on a site colocated with a commercial or industrial operation owned by the same business or organization.

Extraordinary means as determined by the city council.

Improvements means physical changes made to raw land, and structures placed on or under the land surface.

New business, as defined in F.S. § 196.012(14), means:

(1) A business or organization establishing ten or more jobs to employ ten or more full-time employees in this state, which 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:
   a. 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;
   b. Is a target industry business as defined in F.S. § 288.106(2)(q);
   c. A business or organization establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by F.S. § 220.15(5), for the facility with respect to which it
requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

d. An office space in this state owned and used by a business or organization newly domiciled in this state, provided such office space houses 50 or more full-time employees of such business or organization; 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 organization.

(2) Any business or organization located in an enterprise zone or Brownfield Area that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business or organization.

(3) A business or organization that is situated on property annexed into a municipality and that, at the time of the annexation, is receiving an economic development ad valorem tax exemption from the county under F.S. § 196.1995.

Sales factor, as defined in F.S. § 220.15(5), means 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.


State Law reference— Similar definitions, F.S. § 196.012(15), (16).

Sec. 54-147. - Tax exemption established.

(a) There is herein established an economic development ad valorem tax exemption (herein the "exemption"). The exemption is a local option tax incentive for new or expanding businesses which may be granted or refused at the discretion of the city.

(b) The exemptions shall not accrue 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 April 24, 2001 (the initial effective date of the ordinance from which this article is derived) specifically granting a business an exemption as provided in this article.

(c) Any exemption granted may apply up to 100 percent 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 100 percent 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 on or after April 24, 2001 (the initial effective date of the ordinance from which this article is derived) specifically granting a business an exemption as provided in this article. Property acquired to replace existing property shall not be considered to facilitate a business expansion.

(d) The exemption shall be granted by ordinance for every eligible project, as determined by the city council at its discretion. The exemption will become effective on the date of adoption of the ordinance, and may be granted for a period up to ten years commencing with the first year the new real property improvements or personal property are added to the assessment roll.

(e) No exemption shall be granted for the land upon which new or expanded businesses are to be located.

(f) The exemption shall apply only to taxes levied by the city. The exemption shall not apply to taxes levied by the county, school district or water management district, or to 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.

(g) The ability to receive an exemption for the period granted shall be conditioned upon the applicant's ability to maintain the new business or the expansion of an existing business as defined by the conditions of this application throughout the entire exemption period. The applicant shall be required to submit a report on an annual basis to the city evidencing satisfaction of this condition. In addition, any business granted an exemption shall furnish to the city, or its designee, such information/report as the city or its designee may reasonably deem
necessary for the purpose of determining continuing performance by the business of the conditions stated in this article, the ordinance granting the exemption, and the representations made in the application process.

(Code 1984, § 30-64; Ord. No. 2001-18, § 1, 4-24-2001; Ord. No. 2011-06, § 3, 2-8-2011; Ord. No. 2013-66, § 2(30-64), 1-14-2014)

Sec. 54-148. - Application for exemption.
(a) Any eligible person, firm, partnership or corporation which desires an exemption shall file with the city manager or his designee a good faith written application prescribed by the department (DR-418). The city manager shall perform initial screening of applicants with regard to eligibility for an economic development ad valorem tax exemption.

(b) The application shall 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. If the city manager determines that the application is eligible, the public hearing on the adopting ordinance will be held within 60 days from the date a completed application has been submitted to the city manager or his designee.

(c) If the city manager determines that the applicant is eligible and has an interest in allowing the application to proceed, the following requests will be made:

1. Referring the application to the EDC to complete an economic impact analysis.
2. Referring the application to the property appraiser for evaluation and a report which shall include the following:
   a. 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;
   b. 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;
   c. 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
   d. A determination as to whether the property for which an exemption is requested is to be incorporated into a 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.

(d) The application shall request that the city council adopt an ordinance granting the applicant the exemption and shall include, at a minimum, the following:

1. The name and location of the new business or the expansion of an existing business.
2. A legal description of the real property, a description of the improvements to the real property for which an exemption is required, and the date of intended or actual commencement of construction of such improvements.
3. A description of the tangible personal property for which an exemption is requested and the dates when such property was or is to be purchased.
4. Proof, to the satisfaction of the city council, that the applicant meets the criteria for a new business or for an expansion of an existing business as defined in this article.
5. The following information:
   a. The anticipated number of existing and new employees.
   b. The expected number of employees that will reside in the county.
   c. The percentage of employees who have resided in the county for a period of more than two years.
   d. The average wage of the employees.
e. The type of industry or business.
f. The environmental impact of the business.
g. The anticipated volume of business or production.
h. Whether relocation or expansion would occur without the exemption.
i. The cost and demand for services.
j. The source of supplies (local or otherwise).
k. Whether the business is or will be located in a community redevelopment area.

(6) Other information deemed necessary by the city manager or his designee.

(e) If a new business is locating to, or an expansion of an existing business is occurring in, a community redevelopment area, the community redevelopment agency advisory committee overseeing such area shall be provided a copy of the application for review and comment.

(f) Upon submittal of the application, the city manager or his designee shall review same and immediately notify the applicant of any facial deficiencies.

(g) The city manager or his designee shall review the application based upon the criteria set forth in this article. The review shall include an economic impact analysis provided by the EDC, applying acceptable multipliers as defined by the state department of commerce, bureau of economic analysis. Impact analysis shall include number of jobs generated, wage rates and capital investments.

(h) Prior to the public hearing on the ordinance required under this article, the city manager will provide a recommendation to the city council as to approval or denial, and degree and length of the exemption.

(i) All degrees and length of exemption recommendations should be based on guidelines adopted by resolution of the city council.


Sec. 54-149. - City council consideration of application.

(a) Within 30 days after receipt of the property appraiser's report and the EDC economic analysis, the city council shall hold public hearings on the enactment of an ordinance granting the exemption. During the 60-day period, interested agencies and parties shall have an opportunity to review and comment on the application.

(b) The threshold for consideration of approval shall be a determination as to whether the business meets the definition of a new business or of an expansion of an existing business as provided in this article, and whether the business is a business which is not ineligible as defined in subsection (d) of this section.

(c) The next levels for consideration of approval shall be:

(1) To determine whether the economic benefit test is met;
(2) To determine that the improvements or tangible personal property are not currently on the tax roll; and
(3) To determine that the improvements or tangible personal property are not already substantially complete and usable for their intended purpose.

(d) Any existing business in violation of any federal, state or local law or regulation governing environmental matters may not be eligible for an exemption.

(e) The city council recognizes that a community redevelopment area's funding may be impacted should an exemption be granted in such an area. Therefore, should the city council receive an objection to the exemption from a community redevelopment agency advisory committee, the city council may consider the objection in their deliberations.

(f) After consideration of the EDC economic analysis, the city manager's recommendation, the application and the report of the property appraiser on the application, the city council 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 to the new or expanding business;

(3) The expiration date of the exemption, which shall be ten years or less (depending upon the duration of the exemption granted) from the first year the new real property improvements or personal property are added to the assessment roll; and

(4) A finding that the business meets the definition of a new business or an expansion of an existing business as set forth in this article.

(g) 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, after consideration of the application, the property appraiser's report on the application, and, where appropriate, objections from a community redevelopment agency advisory committee.


SEC. 54-150. - Revocation of exemption/recovery of funds.

Should any new business or expansion of an existing business fail to file the annual report or any other report required in this article, or fail to continue to meet the definition of a new business or an expansion of an existing business, and/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. An ordinance revoking the ad valorem tax exemption may provide that the city recover any taxes waived during the exemption period. Nothing herein shall prohibit a business from reapplying for an ad valorem tax exemption pursuant to state law.

(CODE 1984, § 30-67; ORD. NO. 2001-18, § 1, 4-24-2001)

SEC. 54-151. - Appeals.

A decision of the city manager or his designee to declare an applicant ineligible for an economic development ad valorem tax exemption may be appealed to the city council. Such appeal shall be filed, if at all, no later than 30 days following the date of rendition of the decision of ineligibility by the city manager. The term “rendition” is defined as meaning the issuance of a written determination by the city manager or his designee effective upon the date of signing as set forth in such final letter of determination. An appeal is initiated by filing with the community development director, and with the city manager, a notice of appeal specifying the decision appealed from and a description of the reasons why the decision is in error. The city manager shall promptly fix a time for hearing of the appeal, forward to the city council the record relating to his determination, and give notice to the appellant/applicant of the time and date of the hearing before the city council with regard to the determination. At the hearing, any party may appear in person or by agent or attorney.

(CODE 1984, § 30-68; ORD. NO. 2001-18, § 1, 4-24-2001)

SEC. 54-152. - Sunset repealer.

Pursuant to F.S. § 196.1995(7), this article shall stand repealed effective November 1, 2020, unless renewed by a referendum at a general or special election held upon, prior to, or in the same month as, that date, as is authorized under the provisions of F.S. § 196.1995, or any successor or amended version of that statute.

(CODE 1984, § 30-69; ORD. NO. 2001-18, § 1, 4-24-2001; ORD. NO. 2011-06, § 4, 2-8-2011)

STATE LAW REFERENCE— Renewal by referendum every ten years, F.S. § 196.1995(7).
Secs. 54-153—54-172. - Reserved.