

Levy County Business Incentives Program Guide and Application



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Any questions concerning this guide or application process should be directed to:

Nature Coast Business Development Council, Inc.

(352) 493-6797

director@naturecoast.org

INCENTIVES OVERVIEW

In 2015, the Board of County Commissioners (Board) developed two incentives programs for new and existing businesses: the Economic Development Ad Valorem Tax Exemption (EDATE) program, and the Economic Development Fund (EDF).

These were important steps, as the Board prioritized making Levy County more business-friendly, helping entrepreneurs realize their dreams and ensuring desirable, local jobs for higher numbers of our high school and college graduates.

The EDATE utilizes exemptions to the County portion of real property ad valorem taxes paid by businesses. An application for an exemption must be submitted prior to any improvements being made.

The EDF focuses on smaller business, utilizing refunds associated with the benefits a project creates. For non-agricultural businesses, the base year tax level is compared to the “increment,” or increase to taxes collected after improvements. A business must implement the proposed project and have paid the current taxes and fees. Then, a portion of the increment would be credited back through a grant agreement with the County.

Agricultural businesses that are exempt from ad valorem real property taxes can qualify for a refund based on ad valorem tangible personal property taxes paid for tangible property (equipment, machinery, supplies, etc.) that is assessed at more than \$25,000.

This guide is intended to provide a brief summary of how each of the incentive programs work, how they are administered, and what factors will be considered to determine whether an exemption is awarded. A brief questionnaire will help you determine which incentive program may apply to your business.

For copies of state laws or county ordinances applicable to the programs, please contact the Levy County Attorney at (352) 486-3389.

Applications will be reviewed by the Levy County Property Appraiser, Nature Coast Business Development Council and Levy County staff prior to being presented to the Board of County Commissioners for final determination.

Thank you for doing business with us!

ELIGIBLE BUSINESSES

There are certain eligibility requirements for each incentive offered by Levy County. For the EDATE program, businesses must be:

- New or expanding businesses that establish 10 or more new full-time employees in the county, with above average annual county wages, primarily engaged in manufacturing, processing, compounding, fabricating or producing for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or
- Create 25 or more full-time jobs in the county, with a sales factor less than 50% in the county for each year the exemption is claimed, provided that the 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 10% and/ or an increase in productive output of not less than 10%. *Sales Factor* means a fraction the numerator of which is the total sales of the taxpayer in the county 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. For purposes of this definition, *total sales* means those sales that are processed and shipped through the facility's doors located in the County and *taxpayer* shall have the same meaning as *facility*. Additional definitions and calculations of a sales factor shall be in accordance with section 220.15(5), Florida Statutes;
- An office space in the county owned and used by a business newly domiciled in the county; provided such office space houses 50 or more full-time employees of such business; provided that such business first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business; or
- A Qualified Targeted Industry ("QTI") as identified by the state and/or the county

For more specific information regarding eligible businesses through the EDATE program, please refer to section 196.1995, Florida Statutes, and County Ordinance 2015-01 for specific criteria and further information the state requires for eligible businesses.

For the EDF, an applicant must be:

- A non-agricultural County business that has paid ad valorem real property taxes and has implemented a qualifying project based on criteria and scores set forth in the application process; or
- A County agricultural business that has paid ad valorem tangible personal property taxes on property valued at more than \$25,000 and which meets criteria and scoring set forth in the application process.

EDATE/EDF ELIGIBILITY QUESTIONNAIRE

The County has developed the following short questionnaire to help determine which incentive may apply to your business.

1a) Is the property on which your business is or will be located classified as agricultural by the Levy County Property Appraiser, pursuant to section 193.461, Florida Statutes? Yes _____ No _____

If you answered no to question 1a), continue to question 2. If you answered yes to question 1a), please answer question 1b).

1b) Does your business have tangible personal property that is assessed at more than \$25,000? Yes _____ No _____

If you answered yes to 1a) and no to 1b) and intend to continue with an agricultural business, you do not qualify for the EDATE or EDF incentives. If you answered yes to 1a) and no to 1b) and intend to propose a non-agricultural business on your property, continue to question 2.

2) Will more than 10 jobs be created through this project within the first year?

Yes _____ No _____

3) Will proposed wages for these jobs be at least 10% more than current county annual wages? Yes _____ No _____

4) Will more than \$2-million be spent in capital investment toward this project?

Yes _____ No _____

5) Will more than 50 percent of employees be county residents?

Yes _____ No _____

If you answered yes to questions 1a) and 1b), you may apply for the EDF agricultural program. If you answered no to two or more of questions 2 to 5, you can apply for the EDF non-agricultural program but not the EDATE.

Non-agricultural businesses may be able to apply for either the EDATE or EDF — based on the applicant's preference — by answering yes to more than two of questions 2 to 5. **PLEASE NOTE:** Any final score based on your application will determine final eligibility and any potential grant award amount. This score will be verified by County departments and partner agencies. Also note that regardless of your questionnaire responses, there may be other criteria which you must meet in order to qualify for either the EDATE or EDF programs.

Completed applications must be submitted using the instructions contained in the following pages. For applications sent via mail, a response will be given within seven days of the application's arrival.

You will be notified accordingly if it is determined your application is valid and entitled to the requested incentive amount.

EDATE/EDF PROGRAM APPLICATION

BUSINESS INFORMATION:

Business Name: _____ Tr-County Saw Shop _____

Contact person: _____ Steve Crews _____

Phone: (352) 493-4904

Email: _steven@tricountysawshop.com_____

Web site ___stihldealer.net_____

OFFICIAL USE ONLY

Date received:

_____9/21/2018__

Application #: _____

Received by:

_____NCBDC_____

Incentive sought: EDF (non-agriculture)

Type of project: Expansion

Business type: LLC

BUSINESS PROFILE:

Business address: _____7551 NW 150th Street _____

Levy County Property Appraiser Parcel ID #:

_____1820100000_____

Primary business activity (manufacturing, fabrication, agricultural, etc.): _____awn and garden repair and service _____

NAICS Code: __811411_____

Anticipated date operations will start/expansion will be complete:

_____May 1, 2020

IMPROVEMENTS SUMMARY:

Total existing full time equivalent jobs: _____3_____

Total existing part-time/seasonal jobs: _____

Full time equivalent jobs to be created and/or retained in first year: _____3_____

Part time/seasonal jobs to be created and/or retained in first year: _____

Annual average wages of new jobs (excluding benefits):
_____ \$31,200 _____

Proposed construction/expansion costs first year:
_____ \$700,000 _____

On pages 7-9, formulas for the respective programs are provided for self-scoring your application. Page 10 contains the incentives amount breakdown. Using the formula for the specific incentive program you are seeking, record it below. County staff and related agencies will then review the applications for verification, and the County will make a final decision on an incentive award. Make sure you score the correct category (ag/non-ag).

NON-AGRICULTURAL SELF SCORE: _____

— OR —

AGRICULTURAL SELF SCORE — CREATED JOBS: _____

TPP ASSESSED VALUE: _____ REFUND AMOUNT: _____

TO BE COMPLETED BY COUNTY DEPARTMENT(S) AND AGENCIES

County review score/refund amount: _____

Economic development score/refund amount: _____

Recommended for Board review: Yes No

NOTES/CONDITIONS:

EDATE EXEMPTION PROGRAM FORMULA

<p><u>CREATED JOBS</u></p> <p>10-24 jobs = 1 point</p> <p>25-49 = 3 points</p> <p>50-99 = 5 points</p> <p>100 or more = 7 points</p>	<p>SELF-SCORE JOBS:</p>	<p>JOBS COUNTY SCORE (COMPLETED BY DEPARTMENTS/ AGENCIES):</p>
<p><u>WAGES</u></p> <p><i>(current county annual average wages = \$31,550</i></p> <p>110% of annual average wages = 8 points</p> <p>115% of annual average wages = 9 points</p> <p>120% or more annual average wages = 10 points</p>	<p>WAGES SELF-SCORE:</p>	<p>WAGES COUNTY SCORE:</p>
<p><u>CAPITAL INVESTMENT</u></p> <p>1-\$2-million = 3 points</p> <p>2-\$5-million = 6 points</p> <p>More than \$5-million = 9 points</p>	<p>CAPITAL INVESTMENT SELF-SCORE:</p>	<p>CAPITAL INVESTMENT COUNTY SCORE:</p>
<p><u>SPECIAL CONSIDERATIONS</u></p> <p>50% or more new employees are county residents = 1 point</p> <p>51% of project awarded to local contractors/subcontractors Local = contractors/subcontractors who have physical address within Levy County = 1 point</p> <p>Business located in Municipal Services District, commercial node or other community development area = 1 point</p> <p>Business is a Qualified Targeted Industry = 1 point</p>	<p>SPECIAL CONSIDERATIONS SELF-SCORE:</p>	<p>SPECIAL CONSIDERATIONS COUNTY SCORE:</p>

EDF NON-AGRICULTURAL PROGRAM FORMULA

There are three categories for the non-agricultural incentive: new construction, existing business and speculative construction. PLEASE COMPLETE THE SCORING FOR THE APPROPRIATE CATEGORY THAT APPLIES TO YOUR PROJECT .

<u>NEW/RELOCATING BUSINESS</u>	<u>EXISTING (EXPANSION)</u>	<u>SPECULATIVE CONSTRUCTION</u>
Qualified Targeted Industry (QTI) = 25 points Your score: _____	QTI = 25 points Your score: _____	QTI POSSIBLE= 25 points Your score: _____
CREATED JOBS(FULL TIME EQUIVALENT) first year: 3-5 jobs = 3 points; 6-10 jobs = 5 points; 11-15 jobs = 7 points; 16-20 jobs = 10 points; more than 20 jobs = 25 points Your score: _____	JOBS: 25% of current jobs retained and/ or 3-5 new full time equivalent jobs created = 2 points; 50% current job retention/6-10 new jobs = 5 points; 75% current job retention/11-15 new jobs = 7 points; 100% current job retention/16-20 new jobs = 10 points; 100% current jobs retention/more than 20 new jobs = 25 points Your score: _____ 7 _____	VERSATILITY: The building can be expanded to accommodate future growth: Additional 9,999 sq-ft = 7.5 points 10,000–14,999 sq-ft = 10.5 points 15,000—19,999 sq-ft = 15.5 points 20,000-24,999 sq-ft = 20.5 points 25,0000 or more sq-ft = 25 points Your score: _____
EMPLOYMENT: 60% or more of created jobs will be County residents = 25 points Your score: _____		
WAGES: Wages for new jobs will be at least 10% higher than current annual average county wages (\$28,878) = 12.5 points Your score: _____		OWNERSHIP: Land on which building to be located has been owned by applicant for 3-5 years = 6.5 points; 6-9 years = 9.5 points; 10 or more years = 12.5 points Your score: _____
TECHNOLOGY: Business provides product/service currently unavailable in county, and/or will utilize eco-friendly features (alternative energy, irrigation rain sensors, reclaimed water, etc.) = 12.5 points Your score: _____	TECHNOLOGY: New product offered or eco-friendly features (alternative energy, irrigation rain sensors, reclaimed water, etc.) will be utilized in construction improvements or produced by business = 25 points Your score: _____ 25 _____	TECHNOLOGY: Eco-friendly features/ materials to be used in construction (alternative energy, irrigation rain sensors, reclaimed water, etc.) = 12.5 points Your score: _____
CONSTRUCTION: 51% of project awarded to local contractor/subs. Local = contractor/subs with physical Levy County address. 12.5 points Your score: _____	IMPROVEMENTS: 51% project cost awarded to local contractor/subs. Local = contractor/subs with physical county address. 25 points Your score _____ 25 _____	CONSTRUCTION: 51% project cost awarded to local contractor/subs. Local = contractor/subs with physical county address. 25 points Your score: _____
CATEGORY TOTAL: _____	CATEGORY TOTAL: _____	CATEGORY TOTAL: _____

EDF AGRICULTURAL PROGRAM FORMULA

For businesses that are classified agriculture and exempt from ad valorem real property taxes, there is the possibility of receiving a created jobs refund based on the following formula:

<u>Created jobs and —></u>	<u>TPP Assessed Value —></u>	<u>= Jobs refund</u>
Less than 5 fulltime jobs or 4 seasonal jobs retained annually	25,001-\$35,999 assessed value of TPP	\$5,000
5-10 fulltime jobs or 15-20 seasonal jobs retained annually	36,000-\$39,999 assessed value of TPP	\$10,000
11-15 fulltime jobs or 21-29 seasonal jobs retained annually	40,000-\$44,999 assessed value of TPP	\$15,000
16-20 fulltime jobs or 30-39 seasonal jobs retained annually	45,000-\$49,999 assessed value of TPP	\$20,000
More than 20 fulltime jobs or 40 or more seasonal jobs retained annually	\$50,000 or more assessed value	\$25,000

In situations where both category criteria are not met, the refund reverts to the next lowest tier.

For example, 5-10 fulltime jobs/15-20 seasonal jobs but less than \$36,000 assessed TPP would result in a \$5,000 refund; \$45,000 assessed TPP but 10 created jobs would receive a \$15,000 refund.

If you are an eligible agriculture business and wish to apply for this incentive, use the formula to determine your refund amount; insert it here: _____ and on page 6 of this application where there is a blank for your self score.

EDATE AND EDF NON-AGRICULTURE SCORES AND INCENTIVE DETERMINATION

Based on your self score for your respective incentive request, the following table explains how the scoring will determine eligibility and incentive amount. As a reminder, the County will conduct a final review of the request to verify eligibility and the awarding of a request.

<u>EDATE</u>	<u>EDF NON-AGRICULTURE</u>
12—18 points = 3 years exemptions at 25%	20 –24 points = 25% of tax increment
19—23 points = 5 years exemptions at 50%	25—49 points = 45% of tax increment
24—27 points = 7 years exemptions at 75%	50—74 points = 65% of tax increment
More than 27 points = 10 years exemptions at 100%	75—100 points = 85% of tax increment

FILING INSTRUCTIONS:

You are ready to file this application. Please bring or mail two copies of the application (pages 5-6), whichever is applicable to your application, to the Levy County Coordinator's Office, 355 S. Court Street, Bronson, FL, 32621. If you haven't already filed a site plan with the County Building Department, please also bring or include a site plan detailing the location, boundaries, proposed improvements and related information.

If you are applying for the EDF non-agriculture or agricultural incentive, you must also provide verification that all necessary taxes and fees having been paid for the current tax year.

Thank you for your desire to do business in Levy County, and we look forward to continuing to work with you.