

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

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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, awarding grants based on 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 before any grant is awarded . Then, a portion of the increment would be provided as a monetary award through a grant agreement with the County.

Agricultural businesses that are exempt from ad valorem real property taxes can qualify for an award based on jobs created when the assessed value of the applicant’s tangible personal property (equipment, machinery, supplies, etc.) is assessed at more than \$25,000 and the tangible personal property taxes are paid.

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

Eligibility requirements for the EDATE program are as follows:

- 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 comprise 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; or
- 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 sections 86-31 through 86-43, Levy County Code.

For the EDF program, an applicant must be:

- A non-agricultural County business that has paid ad valorem real property taxes, or all taxes, assessments or other fees due, 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, or all taxes, assessments or other fees due, 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. This will help determine the next application steps.

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 through 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 through 5. **PLEASE NOTE:** Any final score based on your application will determine final eligibility and any potential grant award amount. Scores will be verified by County departments and partner agencies. Also note that regardless of questionnaire responses, there may be other criteria which must be met 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

CONTACT INFORMATION:

Business Name: _____

Contact person: _____

Phone: _____

Email: _____

Web site: _____

Incentive sought: EDATE ☐ EDF (non-agriculture) ☐ EDF (agriculture) ☐

Type of project: New ☐ Expansion ☐ Spec construction ☐

Business type: Corporation ☐ Partnership ☐ Proprietorship ☐ LLC ☐

Other ☐

If "other" is checked, please describe: _____

BUSINESS PROFILE:

Business address: _____

Levy County Property Appraiser Parcel ID #:

Primary business activity (manufacturing, fabrication, agricultural, etc.):

NAICS Code: _____

Federal Tax ID # _____

Anticipated date operations will start/expansion will be complete:

Describe the construction/improvements to be performed: _____

IMPROVEMENTS SUMMARY:

Total existing full time equivalent jobs: _____

Total existing part-time/seasonal jobs: _____

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

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

Annual average wages of new jobs (excluding benefits): _____

Proposed construction/expansion costs first year: _____

Proposed equipment/machinery costs first year: _____

SELF-SCORING

On the following pages, formulas for the three respective programs are provided for self-scoring your application. Page 10 contains a summary of minimum scoring thresholds and possible incentive amounts you could receive.

Based on how you answered the questionnaire on page 4, review the page containing the appropriate formula for the incentive you seek. Self-score your application in the appropriate column; for example, if you are applying for the EDF incentive and are expanding an existing non-agricultural business, your scores will be marked in the second column on page 8 — EXISTING (EXPANSION) — completing each row of questions for that category.

The Nature Coast Business Development Council and Levy County staff will then score the applications, comparing your self-assessment to our scores, before making a recommendation to the Board of County Commissioners.

As stated before, a score that meets at least the minimum threshold for an incentive amount will be considered for submission to the Board of County Commissioners for final review and the possibility of awarding the incentive. The determination of the Board that an application will be awarded is contingent on several factors, including whether the project is considered a targeted industry, if the applicant has provided all requested support documentation and completed all required tasks, the availability of funds and the impact of the project on the County and the quality of life.

EDATE EXEMPTION PROGRAM FORMULA

<u>CREATED JOBS</u> 10-24 jobs = 1 point 25-49 = 3 points 50-99 = 5 points 100 or more = 7 points	SELF-SCORE JOBS:
<u>WAGES</u> <i>(current county annual average wages = \$28,878)</i> 110% of annual average wages = 8 points 115% of annual average wages = 9 points 120% or more annual average wages = 10 points	WAGES SELF-SCORE:
<u>CAPITAL INVESTMENT</u> 1-\$2-million = 3 points 2-\$5-million = 6 points More than \$5-million = 9 points	CAPITAL INVESTMENT SELF-SCORE:
<u>SPECIAL CONSIDERATIONS</u> 50% or more new employees are county residents = 1 point Significant steps will be taken to prevent pollution, reduce waste, protect springs/water quality and promote related Best Management Practices = 1 point Business located in Municipal Services District, commercial node or other community development area = 1 point Business is a Qualified Targeted Industry = 1 point Sourcing of supplies/materials within county/area = 1 point	SPECIAL CONSIDERATIONS SELF-SCORE:

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: _____	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: _____
COMMUNITY: 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.) = 6.5 points Your score: _____	TECHNOLOGY: New product line produced, or eco-friendly features (alternative energy, irrigation rain sensors, reclaimed water, etc.) will be utilized in construction. 25 points Your score: _____	TECHNOLOGY: Eco-friendly features/ materials to be used in construction (alternative energy, irrigation rain sensors, reclaimed water, etc.) = 25 points Your score: _____
ENVIRONMENTAL IMPACT: Significant steps will be taken to prevent pollution, reduce waste, protect springs/water quality and promote related Best Management Practices. 6 points Your score: _____	ENVIRONMENTAL IMPACT: Significant steps will be taken to prevent pollution, reduce waste, protect springs/water quality and promote related Best Management Practices. 25 points Your score: _____	ENVIRONMENTAL IMPACT: Significant steps will be taken to prevent pollution, reduce waste, protect springs/water quality and promote related Best Management Practices. 12.5 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 grant award based on the following formula:

<u>Created jobs and —></u>	<u>TPP Assessed Value —></u>	<u>= Jobs grant award</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: _____

Again, this score will be reviewed by the Nature Coast Business Development Council and County staff before consideration of Board of County Commissioners final review.

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 submit your application (pages 5-6), and the table containing the self-assessment score for the incentive you are applying for. You can email them to director@naturecoast.org or mail them to the Nature Coast Business Development Council, 109 NW 3rd Avenue, Chiefland, FL 32626.

If you haven't already filed a site plan with the County Building Department, please also 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. In cases where the EDF agricultural incentive is sought, the Property Appraiser's Office will review the accuracy of your self-assessment.

Once you have submitted all necessary documents, you will be contacted within seven business days acknowledging its receipt; you will then subsequently be informed of the status of the application within 30 days.

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