

Central Business District Tax Exemption Information



2015

Pascagoula Central Business District Tax Exemption:

The Pascagoula Central Business District (CBD) Tax Exemption Policy was established to promote private investment and economic growth within the City of Pascagoula. The Exemption will allow for up to an 80% reduction of municipal ad valorem taxes (excluding School Taxes) for businesses including new structures, and improvements to existing structures located in the CBD. For details, please review the Order Establishing Tax Exemption Policy (Exhibit A)

CBD Tax Exemption Facts:

The tax exemption may be granted for up to 80% and may last up to seven years.

The business must be located within the boundaries of the CBD. See the Order (Exhibit A) for the legal, and the CBD Map (Exhibit B) for the boundaries. City staff will be able to help you make this determination.

The business investment must be at least \$50,000.00. This includes cost of renovations or new construction.

This Exemption can apply to a new business or an existing business. It includes remodeling, or improving an existing structure to begin a new business venture, or constructing a business on vacant land.

The tax exemption is transferrable. If during the exemption period, new ownership of the business occurs, the terms of the original exemption will carry over to the new owner provided the new owner continues to generate a commercial enterprise at that location.

If your business is to be located in a historic district, additional steps may be required. These will be handled on a case by case basis.

How to Apply:

An application for tax exemption in the CBD is enclosed (Exhibit C). Complete this application **PRIOR** to beginning construction or renovation. After submitting a building permit application to the Planning and Building Department, tax exemption applications should be submitted to the Community and Economic Development Department.

The CBD Tax Exemption Policy is structured to provide the City Council complete discretion for approving each application up to 80% for up to seven years. The City strives to leverage this incentive to produce successful projects and businesses. In order to maximize the potential of this opportunity, the City staff will consider the criteria below when recommending the level and term of a tax exemption. The Director of Community and Economic Development as well as the Director of Planning and Building will evaluate applications. Based on these evaluations and discussion with the City's Economic Development Team, the Community and Economic Development Director will make the specific recommendation to City Council.

- Investment and quality of jobs – 10 points
 - Costs of renovation or construction
 - Sales tax projected to be generated
 - Number of jobs created during construction and post-construction
 - Quality (salary and benefits) of the jobs
- Community need for development – 10 points
 - Overall investment or participation in the community or previous community involvement
 - Whether or not the development location is identified as a target for redevelopment by the Urban Renewal Plan (<http://cityofpascagoula.com/publications>)
 - Period of time the building or site has been vacant
- Aesthetics and Landscaping – 10 points
 - Degree of landscaping and aesthetic qualities
 - Exceeds minimum requirements of the Unified Development Ordinance
 - Fulfillment of the intent of the Comprehensive Plan
 - Fulfillment of the intent of the Strategic Plan

Total Possible Score – 30 points

For more information, contact: Jen Dearman
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EXHIBIT A

**ORDER ESTABLISHING TAX EXEMPTION POLICY FOR THE
CENTRAL BUSINESS DISTRICT OF THE CITY OF PASCAGOULA**

WHEREAS, Section 17-21-5 of the Mississippi Code of 1972 authorizes Municipal Governing Authorities, in their discretion, to grant exemptions from ad valorem taxation, except ad valorem taxation for school district purposes, for new structures, or improvements to or renovations of existing structures located in the designated Central Business District of the municipality, for a period of not more than seven years from the date of completion of the new structure or the improvement to or renovation of the existing structure for which the exemption is granted; and

WHEREAS, the City Council wishes to stimulate private investment and promote business by providing for a Tax Exemption Policy by partially exempting from municipal ad valorem taxes, excluding ad valorem taxes for school district purposes, for a period of not more than seven years, new structures, and renovations of and improvements to existing structures lying within the Central Business District as previously designated by the City Council; and

WHEREAS, a certain area of the City of Pascagoula has been designated as the Central Business District by the City Council; and

WHEREAS, it is the policy of the City Council to promote business, commerce and appropriate industry within the Central Business District according the City's Comprehensive Plan:

IT IS NOW, THEREFORE, ORDERED THAT THE FOLLOWING CONSTITUTES THE POLICY OF THE CITY OF PASCAGOULA WITH RESPECT TO THE GRANTING OF SUCH EXEMPTIONS.

SECTION 1. Title

The contents of this order shall be referred to as the "Central Business District Tax Exemption Policy".

SECTION 2. Purpose

There is hereby established a Tax Exemption Policy within those areas of the City of Pascagoula designated by the City Council as the Central Business District, the application of which shall be pursuant to the requirements of this order.

SECTION 3. General

The City Council may, in its discretion, exempt up to 80% of municipal ad valorem taxes, excluding ad valorem taxes for school purposes, for a period of not more than seven years for new structures, or any renovations of and improvements to, existing structures within a commercial use or “mixed use” with a commercial component lying within the area designated as the Central Business District, but only in the event that such structure shall have been constructed, renovated, or improved pursuant to the requirements set forth in this Policy. The residential component of a “mixed use” development may be abated up to one unit per 500 square feet of commercial space.

For the purpose of this Policy, the Central Business District is defined as follows:

Beginning at the South margin of Denny Avenue (HWY 90) at the water’s edge of the East Pascagoula River, for a POINT OF BEGINNING; thence, Southerly along the East Bank of the Pascagoula River to a point 200’ South of Ingalls Avenue; thence, East to a point 165’ West of Market Street; thence, South to Parsley Street; thence, East to a point 165’ East of Market Street; thence, North to the North Margin of CSX Railroad ROW; thence, Easterly along the North margin of CSX Railroad ROW to the Easternmost Boundary of the City; thence, North to a point 200’ North of Denny Avenue (HWY 90); thence, West to a point 165’ East of Market Street; thence, North to a point 165’ North of Telephone Road (Highway 613); thence, Southwesterly and parallel to Telephone Road to a Point 150’ North of Denny Avenue (HWY 90); thence, West to the Easterly edge of the East Pascagoula River; thence, Southerly along the Easterly edge of the East Pascagoula River to the POINT OF BEGINNING. AND ALSO: All of those parcels located within 150’ North or South of Ingalls Avenue from a point 165’ East of Market Street, East to a point 150’ East of Chicot Street; and, those parcels located within 150’ East or West of Chicot from a point 150’ South of Ingalls Avenue, North to a point 150’ North of Old Mobile Highway; and, those parcels located within 150’ North or South of Old Mobile Highway from a point 150’ North of Chicot Street, West to a point 165’ East of Market Street.

A map of the Central Business District is attached hereto and incorporated herein as an exhibit.

SECTION 4. Pre-Construction Application Procedures

Any person seeking a tax exemption pursuant to the provisions of this Policy shall submit an application for tax exemption after submitting their commercial building permit. The

exemption applies to the value of the new construction of, or improvements to, a commercial building. This exemption shall not apply to multi-family structures with no commercial component, nor shall it apply to residential buildings having a home office and functioning primarily as a residence. The exemption shall not apply to the value of the land or any existing improvements thereon. The minimum amount of the investment (construction cost) must be at least \$50,000 in order for an individual to qualify for an exemption pursuant to this Policy. The applicant shall meet the requirements of Section 17-21-5 of the Mississippi Code of 1972.

Copies of the tax exemption application and building permit shall be received by the Director of Community and Economic Development and the Director of Planning and Building for the purpose of design review. After such review, a determination will be made by the Director of Community and Economic Development if the applicant meets the minimum requirements of Section 17-21-5 and of the policies set forth herein, the application for the tax exemption shall be submitted to the City Council for pre-construction approval or disapproval.

If the structure or land is located in a Historic District within the Central Business District, the Historic Preservation Commission shall review the project to ensure its compliance with the applicable ordinance. Renovation and restoration of residential properties within a Historic District within the Central Business District may be eligible for an exemption pursuant to this Policy. After approval by the Historic Preservation Commission, the application shall then be submitted to the City Council for pre-construction approval or disapproval.

SECTION 5. Final Approval of Tax Exemption

The Director of Planning and Building shall monitor the project for compliance with all appropriate City codes and ordinances. Upon final approval of the project and the issuance of a certificate of occupancy indicating that the project is in compliance with all codes and ordinances of the City, the Director of Planning and Building shall so notify the Director of Community and Economic Development. The Director of Community and Economic Development will oversee the project evaluation process and submit a recommendation on the level and length of tax exemption to the City Clerk and City Council in writing. Final approval of the tax exemption shall be by the City Council. The City Clerk shall record the application and the order approving the same in a book kept in his office for that purpose, and shall file one copy of the application and the order with the Chairman of the Department of Revenue, one copy with the State Auditor of Public Accounts, and one copy with the Jackson County Tax Assessor. Copies of the

approved application shall also be kept in the Community and Economic Development and Planning and Building Departments.

SECTION 6. Formula for Determination of Tax Exemption

The term “building value” in this formula shall represent the appraised (true) value of a commercial building, minus the value of the building as shown on the records of the Jackson County Tax Assessor prior to construction, renovation or repair. The purpose here is to determine the valuation attributable to the new building, renovation or improvement which will be subject to the exemption allowed by this Policy. The amount of the municipal ad valorem tax exemption for any single property may not exceed the sum of \$250,000 (tax due and payable).

SECTION 7. Cessation of Exemption

As set forth herein, the purpose of this Policy is to encourage the renovation and restoration of existing buildings in the Central Business District and to encourage the erection of new buildings for businesses to be located therein. Should an applicant be successful in receiving an exemption pursuant to this policy, and should the applicant subsequently terminate the use of the building or structure subject to the exemption, or abandon same with no intent to carry on the business for which the exemption was granted, then in such event, the exemption allowed hereunder shall be terminated and the property in question shall be subject to full taxation the same as if no exemption were ever in fact granted, from and after the termination of such use as determined by the Director of Planning and Building.

SECTION 8. Transferability

The exemption granted hereunder shall be transferrable to a subsequent owner of the property for which the exemption was granted provided the subsequent owner continues to make a commercial use of the property for which the exemption was originally granted.

SECTION 9. Discretion of the Council

Nothing in this policy shall be construed as requiring the City Council to grant an exemption. The City Council reserves the right, at all times, to grant or deny an exemption, to grant a shorter time for the exemption as the Council deems appropriate and to reduce the amount of the exemption to be granted depending upon the nature and type of commercial use contemplated by the applicant. Preference shall be given to businesses with a strong sales tax component and to businesses with enhanced employment opportunities.

SECTION 10. Miscellaneous

In the event that any portion of these policies shall be held to be invalid or unconstitutional, the remainder of these policies shall not thereby be invalid but shall remain in full force and effect. It is hereby provided that the provisions of this Policy shall not be construed as being in conflict with the provision of any other regulations of the City of Pascagoula. In any case where the provision of this Policy and the provisions of other regulations both apply, the provisions of this Policy shall govern for the purpose of tax exemptions. Copies of this Policy shall be printed and kept in the offices of the Community and Economic Development Department, Planning and Building Department, and the City Clerk for distribution to prospective applicants.

EXHIBIT B
Central Business District Map
(Larger Copies Available)



EXHIBIT C



Central Business District Tax Exemption Application

Name of Applicant: _____

Applicant's Address: _____

City, State, Zip Code: _____

Phone: _____ Fax: _____

Email: _____ Is this an existing business? YES NO

Business Name: _____

Business Address: _____

Business Scope: _____

Value of Renovation Costs: \$_____ Projected sales tax to be generated: \$_____

Number of jobs created during: Construction: _____ Operations: _____

Average salary of operations jobs created: \$_____ Do the jobs include benefits? YES NO

How long has the building/site been vacant? _____ Is the development in the CBD? YES NO

Is the development in the URA? YES NO Is it a targeted URA property? YES NO

Can you describe your community service and involvement? (i.e. sponsoring events, sports teams, school activities, Chamber programs, etc.)

Building and landscaping plans are required to evaluate a tax exemption application. Please submit these to the Director of Planning and Building once developed.

By signing below, I hereby confirm that I am an authorized representative of the applicant and that the information provided is truthful to the best of my knowledge. Furthermore, I understand that this tax exemption will be approved or denied, or the exemption term or amounts reduced at the sole discretion of the City Council of the City of Pascagoula as per the Order by which the tax exemption policy was established.

Signature of Applicant: _____ Date: _____