



Pinellas County

Staff Report

File #: 17-612A, **Version:** 1

Subject:

Authority to advertise a public hearing to be held on June 20, 2017 regarding a proposed ordinance approving an exemption from certain ad valorem taxation for Power Design, Inc. pursuant to the County's economic development ad valorem taxation program.

Recommended Action

Authorize a public hearing to be held on June 20, 2017, regarding a proposed ordinance approving an exemption from certain ad valorem taxation for Power Design, Inc. pursuant to the County's economic development ad valorem taxation program.

Strategic Plan:

Foster continual economic growth and vitality

4.1 Proactively attract and retain businesses with targeted jobs to the County and the region

Summary:

Power Design is an electrical contractor that has expanded its existing corporate headquarters in St. Petersburg. It has expanded its campus by making a capital investment of approximately \$4.2 million which includes both real property improvements as well as tangible property purchases. Power Design has also expanded its employment base by adding 70 high wage jobs. The company has applied for an Economic Development Ad Valorem Tax Exemption (EDAVTE) and requested an exemption for 100% of the assessed value of all qualifying improvements to real property and tangible personal property for ten (10) years. The exemption addressed in this ordinance would only be applied to the levied County Millage. The City of St. Petersburg also plans to grant an exemption to Power Design on the levied City Millage.

Background Information:

The State of Florida has provided for the EDAVTE program pursuant to Section 196.1995, Florida Statutes, upon the successful passage of a referendum. On August 26, 2014 the electors of Pinellas County authorized the granting of ad valorem tax exemptions through such referendum. On December 16, 2014, the Pinellas County Board of County Commissioners (Board) adopted Ordinance 2014-56 codified in Chapter 118, Article VI of the Pinellas County Code authorizing the granting of such exemptions.

On April 12, 2016, the Board approved a Resolution authorizing Power Design to make improvements and/or tangible personal property additions that may be eligible for an exemption as authorized by Section 196.1995(5), Fla. Stat., subject to the Exemption Ordinance specifically granting an Exemption to Power Design.

The company's EDAVTE application was provided to the Pinellas County Property Appraiser, which reported the following information for the Board's consideration:

- (A) The total revenue or estimate of revenue available to the County for the current fiscal year from ad valorem tax sources: \$335,517,793
- (B) The amount of any revenue lost or estimate of revenue lost by virtue of Economic

Development Ad Valorem Tax Exemptions previously granted: \$ 0

(C) An estimate of the amount of revenue which would be lost to the County 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: \$9,627;

(D) A determination that Power Design, Inc. meets the definition of Expansion of an Existing Business, as defined in Florida Statutes, Section 196.012; and

Based on its application and the Property Appraiser's report, the project meets the requirements of the EDAVTE program.

Fiscal Impact:

Based on the Property Appraiser's report, the estimated tax revenue lost to the County is approximately \$9,627 per year for a period of 10 years. This estimate assumes a flat County millage rate over the 10 year exemption period.

Staff Member Responsible:

Michael Meidel, Director, Economic Development Department

Partners:

The City of St. Petersburg

Attachments:

Ordinance

Notice of public hearing

2016 Resolution

Ad Valorem Tax Exemption Ordinance