


PROPOSED NEW ADMIN REGULATION

2/21/12

 <p style="font-weight: bold; margin: 0;">ORANGE COUNTY ADMINISTRATIVE REGULATIONS</p>	No.: NEW
	Date:
	Approved By:
Title: ECONOMIC DEVELOPMENT TAX EXEMPTIONS	Page 1 of 3

I. POLICY

Article VII, Section 3, of the Constitution of the State of Florida and Section 196.1995, Florida Statutes, enable the County to grant economic development ad valorem tax exemptions to certain new businesses and expansions of existing businesses expected to create new jobs after the electors of the County, voting on the question in a referendum, authorize such exemptions. In a referendum held on January 31, 2012, the electors of Orange County authorized the Board to grant economic development ad valorem tax exemptions. On February 21, 2012, the Board of County commissioners adopted Ordinance No. 2012-05, the Orange County Economic Development Ad Valorem Tax Exemption Ordinance, codified in Chapter 25 of the Orange County Code (“Ordinance”). Pursuant to the Ordinance, it is the policy of the County to provide incentives to businesses of diverse industries having a positive impact on the local economy through the creation of greater employment opportunities in Orange County. Exemptions are granted for the purpose of creating new jobs in and economic benefit to the County. To this end, prior to any grant of an exemption, the Board will consider the factors set forth in the Ordinance and the policy and guidelines in this Administrative Regulation. The County does not consider retail, hotel or restaurant operations to be consistent with the goal of economic diversification and will therefore not consider applications for such operations. Applications for exemptions will be considered on a case-by-case basis in determining whether sufficient economic benefits are presented. No entitlement to an exemption is created by the Ordinance or the prior grant of an exemption under the Ordinance to any other business. The decision to grant or deny an exemption application is in the sole and absolute discretion of the Board.

A. **Definitions.** The following words, phrases, and terms shall have the meanings set forth below or if not defined herein, as set forth in the Ordinance.

“*Average Wage in the County*” means the Florida statewide private sector average annual wage or the average of all private sector wages and salaries in the County or in the Orlando metropolitan statistical area.



REGULATIONS

ORANGE COUNTY ADMINISTRATIVE

No.: **NEW**

Page 2 of 3

“*Board*” means the Board of County Commissioners of Orange County, Florida.

“*Brownfield Area*” means an area designated as a Brownfield area pursuant to Section 376.80, Florida Statutes.

“*Capital Investment*” means any expenditure for an Expansion of an Existing Business or a New Business to be located in Orange County which can be capitalized under generally accepted accounting principles.

“*County*” means Orange County, Florida.

“*Enterprise Zone*” means an area designated as an enterprise zone pursuant to Section 290.0065, Florida Statutes.

“*Expansion of an Existing Business*” means:

A. 1. A business or organization establishing ten (10) or more new jobs to employ ten (10) or more full-time employees in Orange County, paying an average wage for such new jobs that is above the average wage in the County which:

a. principally 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.

2. A business or organization establishing 25 or more jobs to employ 25 or more full-time employees in this County, the sales factor of which for the facility with respect to which it requests an Exemption is less than 0.50 for each year the Exemption is claimed; provided that such business increases operations on a site collocated with a commercial or industrial operation owned by the same business, or organization under common control with the same business or organization, resulting in a net increase in employment of not less than 10 percent or an increase in productive output of not less than 10 percent.

“*Goods*” means all personal property when purchased primarily for personal, family, or household use, but not including personal property sold for commercial or industrial use.



REGULATIONS

ORANGE COUNTY ADMINISTRATIVE

No.: **NEW**

Page 3 of 3

“Improvements” means physical changes made to raw land, and structures placed on or under the land surface, including all Tangible Personal Property acquired to facilitate an Expansion of an Existing Business provided that the Tangible Personal Property is added or increased on or after the day an ordinance specifically granting a Business an Exemption is adopted. Tangible Personal Property acquired to replace existing property shall not be considered to facilitate a business expansion.

“New Business” means:

- A. A business or organization establishing ten (10) or more new jobs to employ ten (10) or more full-time employees in Orange County, paying an average wage for such new jobs that is above the average wage in the County which principally engages in any one or more of the following operations:
 - i. 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
 - ii. is a Target Industry Business.
- B. A business or organization establishing twenty-five (25) or more new jobs to employ twenty-five (25) or more full-time employees in Orange County, the sales factor of which for the facility with respect to which it requests an Exemption is less than 0.50 for each year the Exemption is claimed; or
- C. An office space in Orange County owned and used by a business or organization newly domiciled in Orange County; provided that such office space houses fifty (50) or more full-time employees of such business or corporation; provided that such business or organization office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business or organization.

“Qualified Business” means either a New Business or an Expansion of an Existing Business, as those terms are defined in this Administrative Regulation.

“Target Industry Business” shall have the meaning set forth in the Ordinance.

PROCEDURE: EXEMPTION GUIDELINES. In making its determination as to whether to grant an Exemption, and in determining the extent of any such Exemption, the Board will consider the exemption guidelines provided below. The Board, in its sole and absolute discretion, may deviate from such guidelines when considering Applications from Qualified Businesses if the Board determines that such deviation is in the best interest of the County. The recommended level of an Exemption under the Ordinance will be determined by the lowest factor (i.e. estimated jobs created, capital investment or average wage) under which a Qualified Business falls. Qualified Businesses locating in an Enterprise Zone or Brownfield Area may meet the percentage of average wage requirements listed in the last column of the guidelines below.



REGULATIONS

**ORANGE COUNTY
ADMINISTRATIVE**

No.: **NEW**

Page 4 of 3

Level	Years	Abatement %	Jobs (New or Existing Manufacturing Business or QTI)*	Jobs (New or Existing Business that sells more than 50% of goods outside of State)*	Jobs (New Business leasing or owning new office space)*	Capital Investment	Avg. Wage**	Wage Requirement in Brownfield or Enterprise Zone
1	5	50%	10	25	50	\$200,000	115%	100%
2	7	50%	40	100	200	\$500,000	150%	100%
3	7	75%	80	200	400	\$1,000,000	150%	100%
4	10	75%	300	800	1600	\$10,000,000	200%	100%
5	7	100%	500	1000	1800	\$25,000,000	200%	100%
6	10	100%	1000	1500	2000	\$50,000,000	200%	100%

Examples:

- **Company is approved for level 4 and receives a 10 year exemption at 75%**
 $\$10,000,000$ (capital investment) x 4.4347 (millage rate) x .75 (exemption level) = \$33,260 per year (\$332,600 over 10 years). Assuming 300 jobs are created, this equals to approximately \$1110 per job over ten years.
- **Company is approved for level 6 and receives a 10 year exemption at 100%**
 $\$50,000,000$ x 4.4347 = \$217,350 per year (\$2,173,500 over 10 years). Assuming 1000 jobs are created, this equals approximately \$2,107 per job over ten years.

*Company would fall within one of these categories

**Refer to definition of “Average Wage in the County” herein

FOR MORE INFORMATION CONTACT:

Orange County Office of Economic Development

REFERENCE:

Chapter 25 Article ____, Orange County Code.