

District 1 Supervisor
David Yarborough

District 2 Supervisor
Greg Shaw

District 3 Supervisor
President
Blaine LaFontaine



District 4 Supervisor
Vice-President
Scotty Adam

District 5 Supervisor
Darrin "Bo" Ladner

County Tax Assessor
Jimmie Ladner Jr.

Hancock County Commercial Development Incentive Program July 17, 2017

Purpose:

The tax exemption policy and redevelopment zones were established in the Cities of Bay St. Louis, Diamondhead, and Waveland to promote private investment and growth in specific areas throughout Hancock County. If qualified, the exemption will allow for up to 100% abatement of county ad valorem taxes (excluding school taxes, road and bridge taxes, and community college taxes) for businesses including new structures in any of the proposed commercial development zones.

Program Description:

1. The exemption may be granted up to 100% abatement on a graduated scale for county ad valorem taxes on the structure and last up to seven years per state law.
2. The business investment or development is targeted for location within one of the adopted commercial development zones. See Exhibit A which displays the legal descriptions and Exhibit B which shows the target zones.
3. The minimum business investment must be \$500,000 in a new commercial construction project.
4. The tax exemption is transferable to new owners, who covenant to follow the terms of the original exemption.
5. The county elected officials retain complete discretion in issuing exemptions, and projects outside of the proposed zones can be considered using the adopted incentive scale and criteria. Nothing herein shall be interpreted to require the Supervisors to issue or grant any exemption in part or full. This policy shall be limited to authority granted under applicable law, and any exemption granted hereunder shall be construed to be conditioned upon the applicant's strict compliance with any and all terms and conditions of the exemptions as well as all laws applicable to the application, proposal, use and subject property and the development. Applicants shall provide evidence of such written approvals by the local jurisdiction(s), and any exemption shall be deemed void ab initio in the instance Supervisors determine applicant has failed to comply with all applicable laws and regulations.

Commercial Development Zones

Bay St. Louis

- (1) The City of Bay St. Louis will have two commercial development zones, namely "Zone One" and "Zone Two." Zone One will encompass the commercially zoned area located at the junction of Interstate 10 and Highway 603; and

- (2) Zone Two will encompass the commercially zoned area along the Highway 90 corridor starting at Dunbar Avenue and ending at North Beach Boulevard.

Diamondhead

The City of Diamondhead will have one commercial development zone, namely “Zone Three.” Zone Three will encompass: the Purcell Company property located between Interstate 10 and Diamondhead Drive East; the commercially zoned property lying on both sides of Yacht Club Drive; and the commercial property adjacent to the northern side of Interstate 10 in the Diamondhead Water & Sewer District area.

Waveland

The City of Waveland will have one commercial development zone, being “Zone Four.”

Zone Four will encompass the Coleman Avenue commercial districts located in Waveland.

Program Benefits:

For qualified business investment projects, businesses will receive a graduated county property tax abatement for up to a period of seven years. For the three tiers of qualifying projects, see table below, project values do not include the assessed value of the real property but do qualify for all construction costs of the improvements.

Graduated Abatement Schedule			
Project Value			
Year	\$3,000,000	\$1,000,000	\$500,000
1	100%	100%	100%
2	100%	100%	100%
3	100%	100%	100%
4	75%	75%	
5	60%	50%	
6	50%		
7	40%		

Program Requirements:

1. The applicant(s) must acquire all appropriate building and utility permits required by law.
2. All applicant(s) must demonstrate adequate financial strength to undertake the proposed capital improvement.
3. For applicant(s) who are tenants operating under a written lease, all of the following shall apply:
 - a. The term length of the lease must equal or exceed the length of the period of tax abatement;
 - b. Owner and lessee shall each agree to be bound by all conditions of the exemption, and they shall each be bound to those conditions in the lease agreement and any tax incentive proposal; ; and
 - c. A copy of said lease should be submitted within the application.
4. Applicant(s) shall be in good standing with the county and applicable city, i.e., no fines, unpaid taxes, non-compliant property use, etc.

5. Applicant(s) without a five year tax payment history in the County shall provide local city and county boards with up to a five year history of tax assessments and payments to other city(ies) and county governments upon request.
6. The project must provide a clear economic benefit for the city and county by, for example, the addition of a new element to the area or the fulfillment of a goal of the local comprehensive or strategic plans (i.e. mixed use retail and living spaces, hotels, dining, recreation etc.).
7. The project capital investment must exceed \$500,000. The value of the land will not be considered in the total investment amount.
8. Applicants seeking abatement must submit an economic impact study for consideration such as jobs created and average annual wages. Approval of this proposal shall be at the discretion of the Supervisors and shall meet the requirements of section 6 supra.
9. Any applicant that receives approval must submit annual report on jobs and wages to Board of Supervisors during abatement period for accountability. If approved applicant fails to uphold operations during abatement period, applicant may be subject to repay full abatement received.
10. The County may only provide exemptions that have been approved by the respective municipality under Mississippi Code Section 17-21-5.
11. Applicant(s) shall submit the application and obtain approvals in advance of June 30 of the year before the first effective taxing year for which the exemption is requested.

Project Timeline

Construction for any project must commence within six months of approval. Applicant(s) may apply for an extension from the city and county boards to start construction of the project. If the project has not commenced for six months after an extension has been granted, the tax abatement exemption will be terminated for the project.

Applicants should submit their completed application forms to the Hancock County Planning and Zoning Office for consideration.

Exhibit A

ORDER ESTABLISHING INCENTIVE POLICY AND ESTABLISHING BUSINESS ZONES IN COORDINATION WITH CITY OF BAY ST. LOUIS, DIAMONDHEAD, WAVELAND AND HANCOCK COUNTY

WHEREAS, Sections 17-21-5 and 17-21-7 of the Mississippi Code of 1972 authorizes Governing authorities, in their discretion, to grant exemptions from ad valorem taxation, except ad valorem for school district purposes, for new structures in the designated business zones of the municipalities or county, for a period of not more than seven years from the date of completion of the new structure for which the exemption is granted; and

WHEREAS, the Cities and County wish to stimulate private investment and promote business by providing for a Tax Exemption Policy by partially exempting from municipal and county ad valorem taxes, excluding ad valorem taxes for school district purposes, for a period of not more than seven years, subject to the conditions of the County's policy, new structures and developments located within the designated business zones as designated by the County Board of Supervisors and City Council; and

WHEREAS, a certain area of Hancock County has been designated as business zones by the Board of Supervisors and City Council; and

WHEREAS, it is the policy of the Board of Supervisors and City Council to promote business, commerce and appropriate industry within the targeted business districts:

**IT IS NOW, THEREFORE, ORDERED THAT THE FOLLOWING CONSTITUTES THE
POLICY OF THE COUNTY BOARD OF SUPERVISORS AND CITY COUNCIL WITH RESPECT
TO THE GRANTING OF SUCH EXEMPTIONS.**

SECTION 1. Title

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

SECTION 2. Purpose

There is hereby established a Tax Exemption Policy within those areas of the City of Bay St. Louis, Waveland, Diamondhead and Hancock County designated by the Board of Supervisors and City Council as the Business Districts, the application of which shall be pursuant to the requirements of this order and attached policy, which shall be incorporated by reference as if restated fully herein. .

SECTION 3. General

The City Council and Board of Supervisors may, in their discretion, exempt up to 100% of municipal and county ad valorem taxes, excluding ad valorem taxes for school purposes, for a period of not more than seven years for new structures within a commercial use or "mixed use" with a commercial component located within the area designated as a Business District or zone, but only in the event that such structure shall have been constructed pursuant to the requirements set forth in this Policy.

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

The areas located within the City of Bay St. Louis, City of Diamondhead, and City of Waveland, depicted in the attached map and described as per the zoning ordinance of said municipality.

A map of the 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 an amount up to but not exceeding the value of the new construction under the percentages of the Policy. 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 nor any existing improvements thereon. The minimum amount of the capital investment shall be \$500,000 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 planning and zoning department for the purpose of design and exemption review. After such review, a determination will be made by the planning and zoning department if the applicant meets the minimum requirements of Sections 17-21-5 and 17-21-7 and of the policies set forth herein, the application for the tax exemption shall be submitted to the Board of Supervisors and City Council for pre-construction approval or disapproval.

SECTION 5. Final Approval of Tax Exemption

The governing municipality's code enforcement division shall monitor the project for compliance with all appropriate 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 City shall so notify the Council, Board of Supervisors and Tax Assessor. The Tax Assessor will oversee the project evaluation process and submit a recommendation on the level and length of tax exemption to the County and City in writing. Final approval of the tax exemption shall be by the City Council and Board of Supervisors. The minutes 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 Hancock County Tax Assessor. The Supervisors may only consider the exemption under this Policy in the event the City first awards the exemption under Mississippi Code Section 17-21-5, and has certified that the applicant has complied with all local ordinances applicable to the development, property and use.

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 Hancock County Tax Assessor prior to construction. The purpose here is to determine the valuation attributable to the new building which will be subject to the exemption allowed by this Policy. The amount of the municipal and county ad valorem tax exemption for any single property may not exceed the sum of \$500,000 (tax due and payable).

SECTION 7. Cessation of Exemption

As set forth herein, the purpose of this Policy is to encourage investment into construction of new buildings in the targeted 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 Council or Board of Supervisors.

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 Board and Council

Nothing in this policy shall be construed as requiring the City Council or Board of Supervisors to grant an exemption. The City Council or Board of Supervisors reserves the right, at all times, to grant or deny an exemption, to grant a shorter time for the exemption as they deem 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 Bay St. Louis, City of Diamondhead, City of Waveland and the Hancock County Board of Supervisors. 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 all participating governments for distribution to prospective applicants.

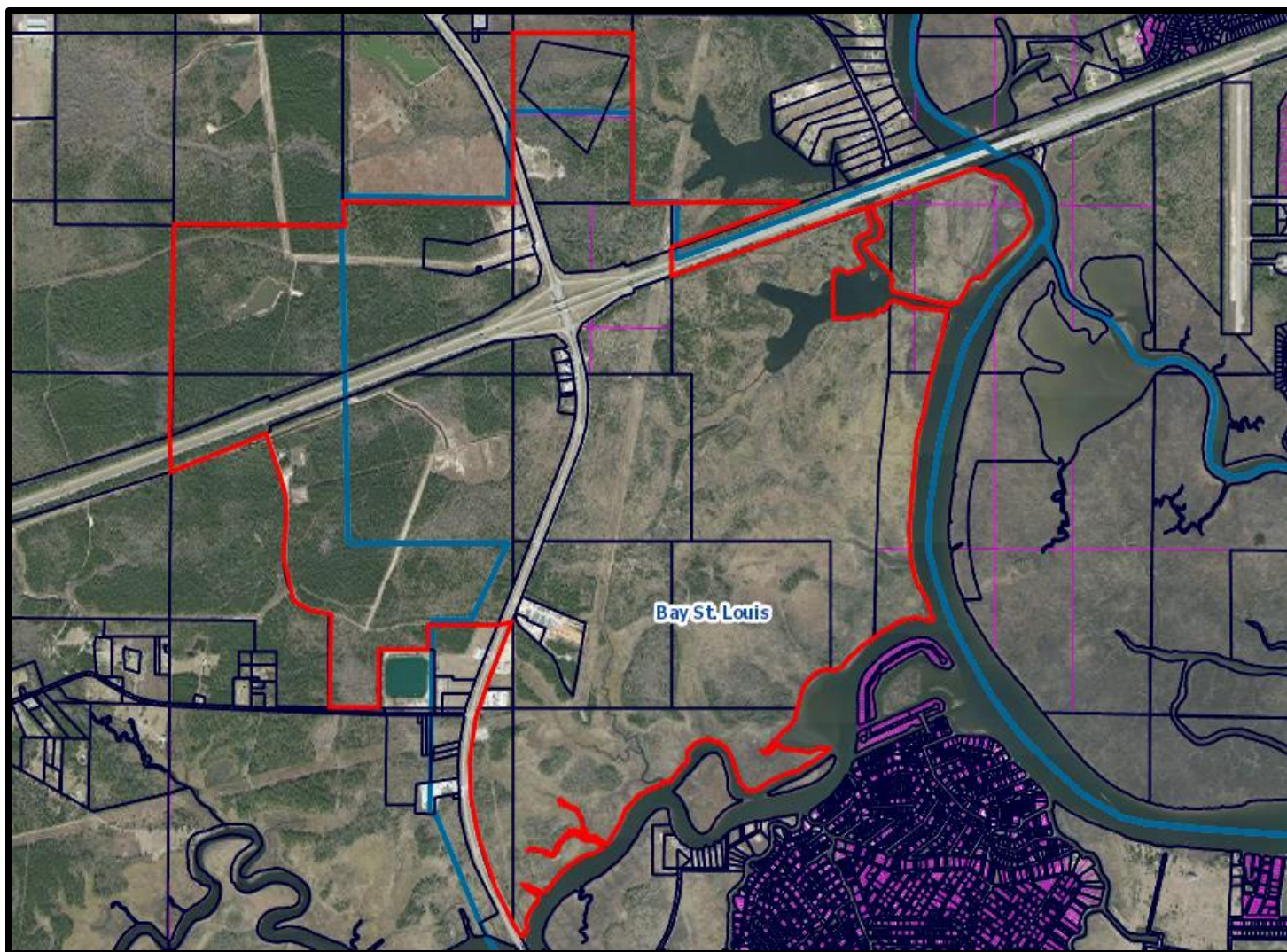
Exhibit B

Business Zones & Maps

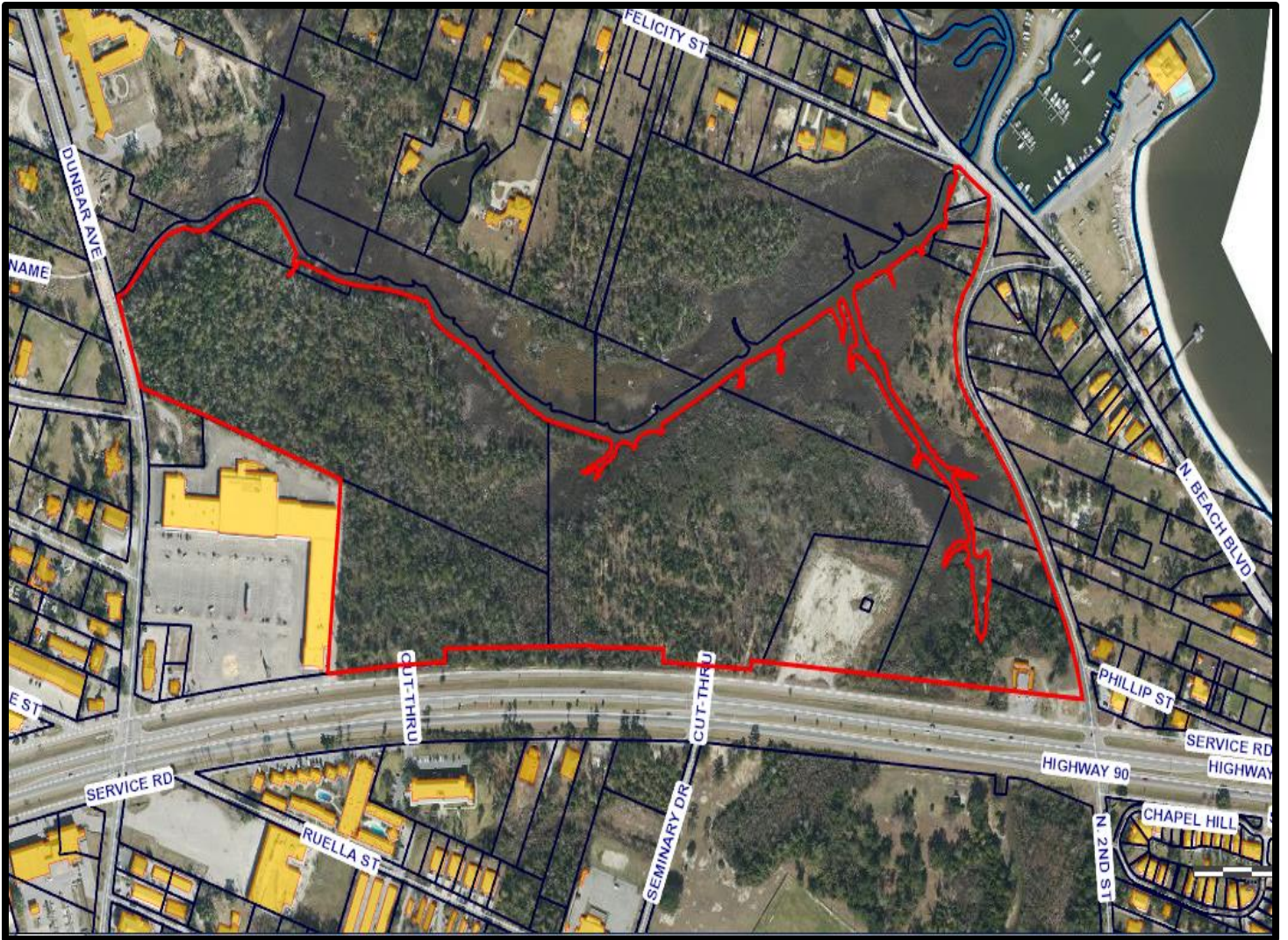
Zone 1 (City of Waveland-Coleman Avenue)



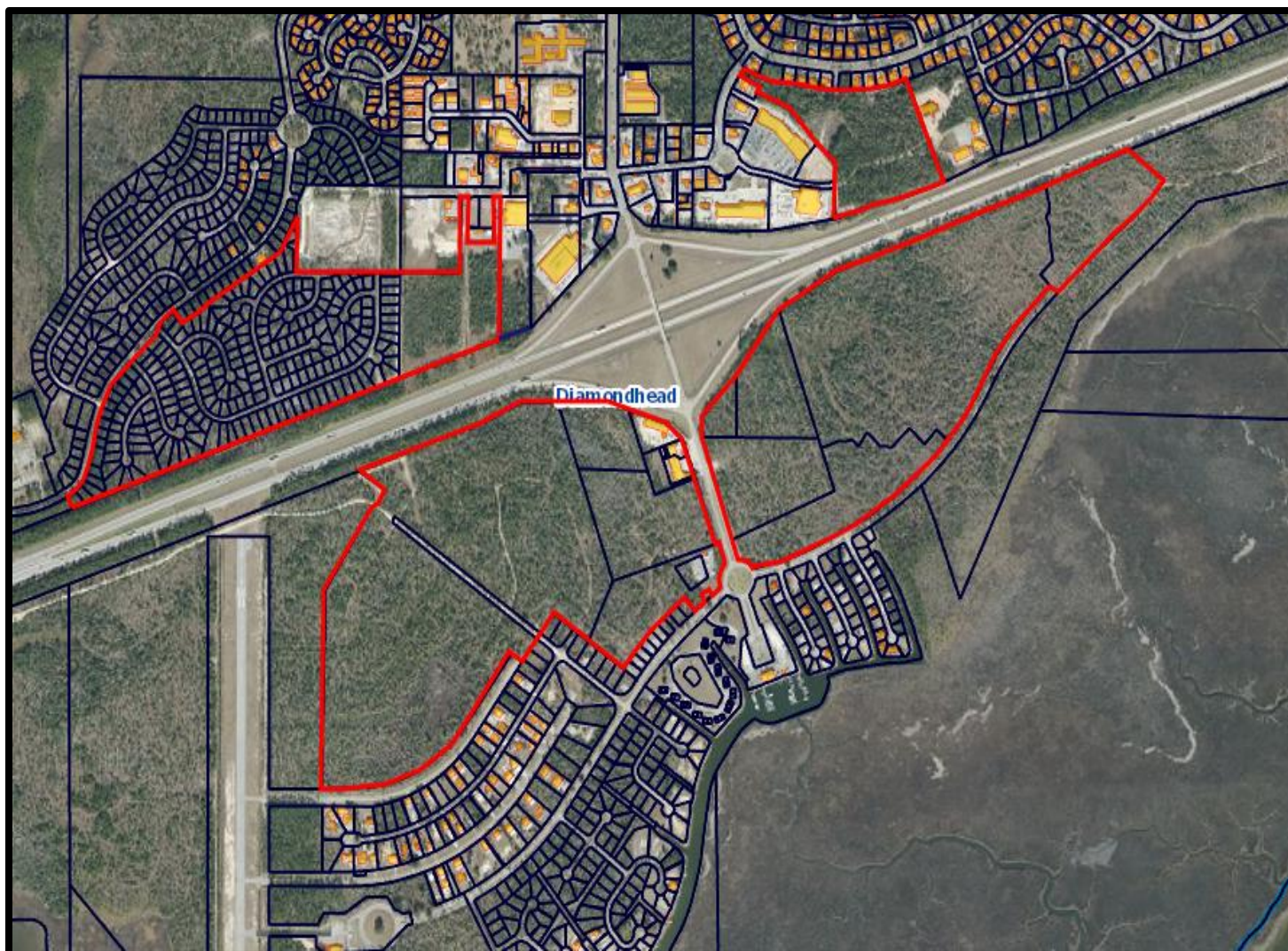
Zone 2 (City of Bay St. Louis- I-10/603 Interchange)



Zone 3 (City of Bay St. Louis- Hwy 90)



Zone 4 (City of Diamondhead- I-10 Area)



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Application Commercial Development Incentive Program

APPLICANT INFORMATION

Property Owner

Company Name: _____

Street Address: _____ City: _____ State: _____ ZIP: _____

Phone: _____ Email: _____

PROPERTY INFORMATION:

Street Address: _____ Parcel ID #: _____

City: _____ State: _____ ZIP: _____

Brief Description of the Property:

NEW BUILDING INFORMATION:

Yes No

- | | | |
|--|--------------------------|--------------------------|
| 1. Is the lot(s) located within the Commercial development zone? | ☐ | ☐ |
| 2. Does the project investment meet the \$500,000 minimum requirement? | ☐ | ☐ |
| 3. Can a healthy financial history or position to complete the project be adequately demonstrated? | ☐ | ☐ |
| 4. Is the property owner(s) in good standing with the city and county (i.e. no fines, unpaid taxes, etc.)? | ☐ | ☐ |
| 5. Does the project provide an economic benefit to the community or bring something new to the area? | ☐ | ☐ |

Please attach the following documents to this application:

1. A site plan or survey that accurately reflects the property as it is today.
2. One architectural rendering copy of the proposed project.
3. Financial documentation of secured lines of credit and investments to support the project.
4. Applicants relocating to the area should provide up to a five year history of tax assessments and payments to the local city and county governments.
5. If applicable, applicants operating under a written lease should submit a copy of the lease document.

Any applications submitted without all necessary documents will not be considered for waiver approval.

This application should be submitted to the Hancock County Planning and Zoning office for consideration.

I hereby submit this form and all required documents to the Hancock County Board of Supervisors to be considered for the Commercial Development Incentive Program. I understand the municipality and county have, at its sole discretion, the right to final determination for all aspects of the Commercial Development Incentive Program. This final determination may include, but is not limited to, waiving part or all applicable property taxes for the applicant.

Applicant's Signature

Date