

Economic Development Ad Valorem Tax Exemption

St. Petersburg City Council passed the Economic Development Ad Valorem Tax Exemption program on October 18, 2012 to grant ad valorem tax exemptions to qualifying new businesses and expansions of existing businesses that create new full-time jobs in the City. The tax exemption for qualifying businesses will apply only to the new increment of the assessed St. Petersburg millage on improvements including tangible property. The annual overall program cap is \$1.5 million of exempted taxes and the individual project cap is \$100,000 of exempted taxes.

A business is required to submit a [notice of intent](#), notifying the City of its location or expansion plans, and desire to apply for the incentive prior to making application for a building permit. A business must file an exemption application with the City by February 1st in the year that the Pinellas County Property Appraiser will first assess ad valorem property taxes on the improvements.

Business Eligibility – Outside of Enterprise Zone/Brownfield Area

Businesses are eligible for this exemption city-wide with the exception of businesses within tax increment finance (TIF) districts. [TIF districts](#) are currently located within the Intown, Intown West and Bayboro Harbor Community Redevelopment Areas.

The Florida Statutes specify the requirements for businesses outside of an Enterprise Zone or Brownfield area. The average wage of the jobs created must be above Pinellas County's average wage (\$41,810), subject to change annually based on data from the Florida Department of Economic Opportunity.

A [new business](#) is required to create the following minimum number of new full time jobs:

- *Manufacturing* - 10 or more new jobs
- *Target industry* - 10 or more new jobs, includes:
Cleantech, Life Sciences, Information Technology, Aviation/Aerospace, Homeland Security/Defense, Financial/Professional Services and Corporate Headquarters
- *Business w/50% sales outside of Florida* - 25 or more new jobs
- *Office* - 50 or more new jobs

An [expanding business](#) is required to create the following minimum number of new full time jobs:

- *Manufacturing* - 10 or more new jobs
- *Target Industry* – 10 or more new jobs
- *Business w/50% sales outside of Florida* - 25 or more new jobs

The overall program cap and the individual project cap may be exceeded by a supermajority vote of City Council for exceptional businesses creating two times the number of required jobs at a salary of 125% above the Pinellas County average annual wage. The duration of the exemption is 5 years with the ability of City Council to approve a maximum of 10 years, allowed by the Florida Statutes, if a business meets the bonus criteria.

Business Eligibility – Enterprise Zone/Brownfield Area

Florida Statutes allow the City to create separate criteria for eligible new businesses or businesses expanding in the Enterprise Zone and Brownfield area. The criteria for these businesses include a minimum capital investment of \$100,000, excluding land, and an average wage 75% of the average wage (\$30,279) in Pinellas County for jobs created and/or retained. The duration of the exemption is 5 years, however, a business will be eligible to be approved for 10 years by providing two times the required capital investment (\$200,000) and providing jobs at 100% of the Pinellas County average wage.

The following businesses are eligible for the incentive in this area:

- *Manufacturing*
- *Target industry business*
- *Office*
- *Business w/50% sales outside of Florida*
- *Arts and Culture business (NAICS):*
 - Dance Companies (711120)
 - Musical Groups and Artists (711130)
 - Other Performing Arts Companies (711190)
 - Museums (712110)
 - Historical Sites (712120)
 - Theater Companies and Dinner Theaters (711110)
 - Independent Artists, Writers, and Performers (711510)
 - Musical Instrument and Supplies Stores (451140)
 - Art Supply Stores (453998)
 - Art Dealers (453920)
 - Fine Arts Schools (611610)
 - Art Schools (611519)
 - Graphic Design Services (541430)

The duration of the exemption is 5 years with the ability of City Council to approve a maximum of 10 years, allowed by the Florida Statutes, if a business meets the bonus criteria.

Other Considerations for All Businesses

Per Florida Statutes, City Council must take into account the following when taking action on an application:

1. Total number of net new jobs to be created by the applicant;
2. The average wage of the new job;
3. The capital investment to be made by the applicant;
4. The type of business or operation and whether it qualifies as a targeted industry as identified from time to time by City Council;
5. The environmental impact of the proposed business or operation;
6. The extent to which the applicant intends to source its supplies and materials within the applicable jurisdiction; and
7. Any other economic development criteria deemed necessary by City Council.

Businesses approved by City Council for the tax exemption will be required to enter into an agreement with the City which will include the requirement of submitting an annual report. The annual report must contain supporting documentation that the business is eligible to continue receiving the economic development ad valorem tax exemption.

Approval Process

The following is the [process](#) for receiving the Economic Development Ad Valorem Tax Exemption:

1. Submit notice of intent
2. Submit application after improvement completion/substantial completion
3. Application forwarded to Pinellas County Property Appraiser
4. City Council public hearing
5. Monitoring phase – submission of annual report

For more information, please contact the Economic Development division at 727-893-7100.

Additional

Informational Resources

- [Ordinance Program](#)

[Ordinance \(program\)](#)

- [Notice of Intent](#)
- [Eligibility Map](#) (TIF Districts)
- [New Business Requirements](#)
- [Business Expansion Requirements](#)
- [Tax Exemption Process Flow Chart](#)

Ordinance

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