

ORDINANCE NO. 582

ORDINANCE ESTABLISHING DISTRICTS TO ENABLE UTILIZATION OF TAX EXEMPT PROVISIONS OF SECTION 17-21-5(1), MCA; ESTABLISHING CRITERIA FOR UNIFORM PROCESSING OF QUALIFIED APPLICATIONS FOR SUCH TAX EXEMPTIONS EXCLUDING SCHOOL DISTRICT TAXES; AND URGING THE HARRISON COUNTY BOARD OF SUPERVISORS TO PROVIDE SIMILAR EXEMPTIONS TO QUALIFIED APPLICANTS;

**WHEREAS**, the Legislature of the State of Mississippi has provided a mechanism to encourage the economic revitalization of certain areas of municipalities through the granting of ad valorem tax exemptions for the promotion of business and commerce; and,

**WHEREAS**, there exists certain areas within the City of Long Beach which historically were the commerce area and which are in need of redevelopment following damage of destruction of most structures therein due to Hurricane Katrina, and which areas are facing economic hurdles to such redevelopment stemming from the economic after effects of that storm; and,

**WHEREAS**, the current national economic climate has further impeded the economic growth and recovery of the City of Long Beach and resulting in additional areas that are in need of this incentive program; and,

**WHEREAS**, all of the City could benefit from the implementation of this incentive program through ad valorem tax exemptions for the buildings with commercial uses within the designated geographic areas, which would in turn provide another wave of redevelopment and recovery in the city and assist the City in recovering from the national recession; and,

**WHEREAS**, it would be in the best interest of the City of Long Beach as a whole to encourage the economic revitalization of certain geographic areas; and,

**WHEREAS**, in order to have the authority to grant ad valorem tax exemptions as contemplated by Section 17-21-5, MCA, the City of Long Beach must designate the geographic boundaries of any "Central Business District" which it intends to include in

this program; and

**WHEREAS**, in order to fairly and equitably implement these contemplated tax abatement policies for buildings with commercial uses the City should establish certain criteria to utilize in evaluation applications for exemption to determine whether they should be granted or denied, and to determine the appropriate duration of any exemption granted; and,

**WHEREAS**, in order to maximize the redevelopment incentive intended by this ordinance a similar exemption policy should be adopted by the Harrison County Board of Supervisors with respect to county ad valorem taxes;

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF LONG BEACH, MISSISSIPPI, AS FOLLOWS:**

**SECTION ONE:** The City of Long Beach's Economic Recovery and Redevelopment Plan, a copy which is attached as an Exhibit hereto and incorporated herein as if set out word for word, is hereby adopted by the City of Long Beach as a business improvement plan as contemplated by Section 17-21-5(1), Mississippi Code of 1792, as amended. By adopting this Plan the City of Long Beach has thereby created the Economic Recovery and Redevelopment District as defined in said plan.

**SECTION TWO:** The City of Long Beach hereby adopts an incentive program for applicant property owners in the Economic Recovery and Redevelopment District to apply for ad valorem tax exemptions as a tool to aid in economic recovery and redevelopment as follows:

ARTICLE I

Purpose and goals of the tax exemption program

1.1 The purpose of the ad valorem tax exemptions which are authorized in this ordinance is to promote business and commerce in the designated districts. The goals of the tax exemption program are: to facilitate the reconstruction and redevelopment of the once commercial areas of the City of Long Beach that were

affected directly and indirectly by Hurricane Katrina; to help offset current economic disincentives to the reconstruction and redevelopment of those areas; to attract quality retail businesses, restaurants, and other businesses that increase the local tax base and/or create jobs within the City; and to create synergy of related development that is essential to the success of neighboring businesses.

ARTICLE II  
District Boundaries

2.1 For the limited purpose of implementing Section 17-21-5(1), Mississippi Code of 1972, as amended, the area described on the map attached hereto as Exhibit "B", is hereby designated as the Economic Recovery and Redevelopment District, a "Central Business District" in the City of Long Beach as contemplated by said statute.

ARTICLE III  
Qualifications for Exemption

3.1 As required by statute, only new structures with over a minimum of \$500,000 in qualifying improvements found to be aiding and implementing the promotion of business or commerce in the designated district may qualify for an exemption under this ordinance.

3.2 No structures used for residential purposes shall qualify for an exemption under the terms of this ordinance. Structures which are within the boundaries of the district described by this ordinance and which are also within a zoning district which permits mixed use (meaning a commercial use and a residential use within a single structure), may qualify for an exemption under this ordinance, provided such exemption is limited to the commercial construction or renovations costs only, and over 51% of such investment otherwise qualifies hereunder and consists of square footage devoted to strictly commercial use. To qualify, all construction and usage be in conformity with the Economic Recovery and Redevelopment Plan.

3.3 No exemption shall be granted except upon written application to the City

Clerk, and upon the adoption of a resolution by the Board of Aldermen finding that the construction, renovation, or improvement of the subject property is for the promotion of business and commerce and/or historic preservation in the Economic Recovery and Redevelopment Districts. The Board of Aldermen shall have sole discretion to approve each and every qualifying and conforming application for tax exemption.

ARTICLE IV  
Terms of Tax Exemption

4.1 The increase in assessed value qualifying for the tax exemption shall be calculated by taking the assessed value of the improvements (if any) on the parcel for the year prior to the renovation, reconstruction, or new construction, and subtracting it from the assessed value of the completed improvements as they appear on the Harrison County Land Roll (after completion and reassessment). Also to be excluded is the proportion of the new assessed valuation attributable, in the judgment of the Board of Alderman, to non qualifying improvements, if any. The tax rate applicable to the land and the assessed value of the land shall not be affected by this program, nor shall the land be exempt from municipal taxation. As provided by the statute, the qualifying improvements shall not be exempt from school district taxes.

4.2 Tax exemptions granted by the Board of Alderman pursuant to this program shall be up for a period of up to seven (7) years, and for up to one hundred (100%) percent of the amount of the potential exemption. To qualify for this exemption an applicant must have obtained a building permit after January 1, 2010, and must receive a Certificate of Occupancy within two years of pulling a building permit. All applicants are required to file their applications for exemption within one year of the date of completion of the proposed improvements or renovations, but not later than January 1, 2018. The tax abatement program will terminate on January 1, 2018.

ARTICLE V  
Taxes included in Exemption

5.1 Exemptions granted by the Board of Aldermen pursuant to this ordinance shall be from the municipal ad valorem taxes designated in Section 17-21-5(1), Mississippi Code 1972, as amended, which specifically prohibits exemption from ad valorem taxes for school purposes. Exemption may not be granted for taxes previously pledged pursuant to any Tax Increment Finance Plan and associated TIF Bonds.

## ARTICLE VI

### Reservation of authority to suspend or terminate the economic incentive plan

6.1 The City of Long Beach hereby reserves the right to suspend or terminate this economic development program at any time, without cause.

6.2 Suspension or termination of this economic development program shall not invalidate or revoke exemption previously granted, which will survive the suspension or termination of the program and shall continue for the remainder of their designated terms. However, no new ad valorem tax exemptions shall be granted during any such period of suspension or after termination regardless of the project or the fact that without suspension or termination the applicant would have been granted the exemption. This ordinance shall not be construed as a guarantee of an exemption or the grant to any person or entity of a property right in an exemption. The City reserves the right to revoke the remainder of any terms of an exemption upon a proper showing that the applicant did not meet or no longer meets the eligibility requirements under this program.

**SECTION THREE:** The Harrison County Board of Supervisors is hereby requested to enact tax exemption policies, to the fullest extent authorized by law, similar to those adopted by this ordinance in order to maximize the effect of the economic redevelopment incentives intended by this ordinance.

**SECTION FOUR:** All ordinances or parts thereof presently existing which are inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

**SECTION FIVE:** The sections of this Ordinance and the provisions hereunder are deemed separate and independent of each other, and if any section, sub-section, clause, phrase or portion of this Ordinance, or the application thereof, be held invalid or unconstitutional by any Court of competent jurisdiction, such holding shall not affect the remaining portions of this Ordinance.

**SECTION SIX:** This Ordinance shall be in full force and effect within one month after its passage and shall be enrolled and published in the manner required by law.

The above and foregoing Ordinance having been introduced in writing, was first read and considered section by section and then as a whole. This question being put to a roll call vote by the Mayor, the result was as follows:

Alderman Bernie Parker	voted	Aye
Alderman Gary J. Ponthieux	voted	Aye
Alderman Kaye H. Couvillon	voted	Aye
Alderman Carolyn J. Anderson	voted	Aye
Alderman Leonard G. Carrubba, Sr.	voted	Aye
Alderman Mark E. Lishen	voted	Absent, Not Voting
Alderman Ronnie Hammons, Jr.	voted	Aye

The question having received the affirmative vote of all the Aldermen present and voting, the Mayor declared the Motion carried and this Ordinance adopted and approved on this the 7<sup>th</sup> day of December, 2010.

CITY OF LONG BEACH, MISSISSIPPI

BY: \_\_\_\_\_  
WILLIAM SKELLIE, JR., MAYOR

ATTEST:

\_\_\_\_\_  
REBECCA E. SCHRUFF, CITY CLERK

C E R T I F I C A T E

STATE OF MISSISSIPPI  
COUNTY OF HARRISON  
CITY OF LONG BEACH

I, the undersigned, Rebecca E. Schruff, City Clerk within and for the City of Long Beach, Mississippi, do hereby certify that the above and foregoing is a true and correct copy of that certain Ordinance Number 582 of the City of Long Beach, Mississippi, adopted by the Mayor and Board of Aldermen at a regular meeting duly held and convened on the 7<sup>th</sup> day of December, 2010, as the same appears of record in Ordinance Book #7, pages 531-539 inclusive, in my office at the City Hall in said City.

Given under my hand and the official seal of my office this the 7<sup>th</sup> day of December, 2010.

(SEAL)

Rebecca E. Schruff, City Clerk