BUSINESS IMPACT ESTIMATE

SUBMITTED BY: Shyanne Harnage, CRA Administrator

SUBJECT: Economic Development Ad Valorem Tax Exemption

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1. Summary of the proposed ordinance, including a statement of the public purpose to be served by the proposed ordinance, such as serving the public health, safety, morals, and welfare of the municipality.

   The proposed economic development ad valorem tax abatement ordinance for the City of Fort Pierce aims to stimulate economic growth and attract new businesses to the area. This ordinance presents a framework for the city to offer tax relief to qualifying businesses that make significant investments in property improvements or relocations to Fort Pierce. The public purpose served by this ordinance is to enhance the local economy by encouraging job creation, increasing the tax base, and fostering community development. By providing tax incentives, the city aims to attract new businesses, particularly those in targeted industries, which can contribute to the overall prosperity of Fort Pierce. Such economic activity is anticipated to lead to an improved quality of life for residents through enhanced public services funded by the increased economic activity.

2. Estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City:

   a. Estimate of direct compliance costs that businesses may reasonably incur if the ordinance is enacted.

      There are no direct compliance costs associated with this ordinance. Indirect costs may potentially include legal and consulting fees, documentation and reporting fees, and costs related to ongoing monitoring and auditing to verify compliance with the terms of the tax abatement. Overall, while there may be indirect costs incurred, this is likely outweighed by the potential benefits and tax savings and increased investment due to the incentive.

   b. Identification of any new charge or fee on businesses subject to the proposed ordinance or for which businesses will be financially responsible.

      N/A

   c. An estimate of the City's regulatory costs, including an estimate of revenues from any new charges or fees that will be imposed on businesses to cover such costs.

      None at this time. The ordinance states that any fees charged to offset the cost of processing the economic development ad valorem tax exemption application or any exemption ordinance shall be adopted by the City Commission by resolution.

3. A good faith estimate of the number of businesses likely to be impacted by the ordinance.

   We are unable to provide a definitive number of all potential businesses impacted, we can assert that at least one business is actively seeking the exemption, which could lead to additional businesses following suit once the ordinance is formally adopted.

4. Any additional information the Commission may find useful.

   This ordinance is a result of the referendum that was held on August 23, 2022, at which election the electors authorized the City Commission to grant, pursuant to Section 3, Article VII, of the State Constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in the City.

As approved as part of SB170 and effective October 1, 2023, pursuant to Section 166.041(4), Florida Statutes, the City is required to prepare a business impact estimate prior to enacting an ordinance, subject to exemptions noted in the Law.

This does not apply to the following types of ordinances:

1. Ordinances required for compliance with federal or state law or regulation;
2. Ordinances relating to the issuance or refinancing of debt;
3. Ordinances relating to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
4. Ordinances required to implement a contract or an agreement, including, but not limited to, any federal, state, local, or private grant, or other financial assistance accepted by a municipal government;
5. Emergency ordinances;
6. Ordinances relating to procurement; or
7. Ordinances enacted to implement the following:
    a. Part II of chapter 163, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements, and development permits;
    b. Sections 190.005 and 190.046; 351
    c. Section 553.73, relating to the Florida Building Code; or
    d. Section 633.202, relating to the Florida Fire Prevention Code.