

**ORDINANCE NO 369**

**AN ORDINANCE TO ESTABLISH A TAX EXEMPTION POLICY FOR THE CENTRAL BUSINESS DISTRICT, IN ACCORDANCE WITH MISS. CODE ANN. SEC 17-21-5, AS AMENDED, EXCLUDING SCHOOL DISTRICT TAXES, AND URGING THE HANCOCK COUNTY BOARD OF SUPERVISORS TO PROVIDE FOR EXEMPTIONS QUALIFIED BY THE CITY OF WAVELAND**

**WHEREAS**, the Legislature of the State of Mississippi, in Miss. Code Ann. Sec. 17-21-5, as amended, 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 redevelopment, urban renewal business, and commerce; and

**WHEREAS**, more specifically, Miss. Code Ann. Sec. 17-21-5 (1), as amended, provides authority for the Mayor and Board of Aldermen, as follows:

“in their discretion, exempt from any or all municipal ad valorem taxes, excluding ad valorem taxes for school district purposes, for a period of not more than seven (7) years, any privately owned new structures and any new renovations of and improvements to existing structures lying within a designated central business district or historic preservation district or on a historic landmark site, as determined by the municipality but only in the event such structure shall have been constructed, renovated or improved pursuant to the requirements of an approved project of the municipality for the development of the central business and/or the preservation and revitalization of historic landmark sites or historic preservation districts. The tax exemption authorized herein may be granted only after written application has been made to the governing authorities of the municipality by any person, firm or corporation claiming the exemption, and an order passed by the governing authorities of such municipality finding that the construction, renovation or improvement of said property is for the promotion of business, commerce or industry in the designated central business district or for the promotion of historic preservation”; and

**WHEREAS**, Miss. Code Ann, Sec. 17-21-7, as amended, grants the Hancock County Board of Supervisors the same authority to exempt ad valorem taxes upon receipt of the exemption Order by the Municipality; and

**WHEREAS**, the Special Charter for the City of Waveland gives authority to the Board of Mayor and Aldermen of the City of Waveland to grant exemptions from the municipal ad valorem taxes for a period not to exceed ten years and as provided by law; and

**WHEREAS**, certain areas within the City of Waveland, including, but not limited to the properties located on portions Coleman Avenue, are in continued need of redevelopment and face economic hurdles stemming from the economic after-effects of Hurricane Katrina, the direct physical damage and effects of that Hurricane, and the current national, regional and local economic conditions, including but not limited to the increased cost of insurance; and

**WHEREAS**, successful competition with other localities requires tax incentives to promote capital and economic investment and development, and the Board of Mayor and Aldermen for the City of Waveland believes that many areas could benefit from the implementation of an incentive program through ad valorem tax exemptions for redevelopment of structures within those areas, which the City would in turn hope to provide another wave of recovery in the City and also assist the City in recovering from the continuing effects of the Hurricane Katrina and the present economic conditions; and

**WHEREAS**, the Governing Authority finds that ad valorem tax exemption plans of other coastal cities have encouraged economic revitalization and renewal and finds it in the best interest of the City of Waveland to encourage the economic revitalization of certain geographic areas by establishing a Central Business District for the purposes of tax abatement; and

**WHEREAS**, in order to have the authority to grant ad valorem tax exemptions as contemplated by Miss. Code Ann. Sec. 17-21-5, as amended, the City of Waveland must designate the geographic boundaries of a “Central Business District” which it intends to include in this

program; and

**WHEREAS**, in order to implement these contemplated tax abatement policies for buildings the City should establish certain criteria to designate "approved projects" to utilize in evaluating applications for exemption to determine whether they should be granted or denied, what amounts of the taxes to exempt, 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 Hancock County Board of Supervisors with respect to county ad valorem taxes.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF WAVELAND, MISSISSIPPI AS FOLLOWS:**

**SECTION ONE:** That the matters, facts and things recited in the above and foregoing Preamble to this Ordinance be, and they are hereby adopted as the official findings of the Governing Authority of the City of Waveland.

**SECTION TWO:** That the Board of Mayor and Aldermen of the City of Waveland, Mississippi, do hereby provide a new incentive program for applicant property owners in the herein designated Central Business District to apply for ad valorem tax exemptions as a tool to aid in the promotion of business, commerce and industry as follows:

**TAX INCENTIVE PROGRAM FOR CENTRAL BUSINESS DISTRICT TO PROMOTE BUSINESS, COMMERCE AND NEW ECONOMIC OPPORTUNITIES**

**ARTICLE I**

**Purpose and goals of the tax exemption program**

1.1 The Purpose of the ad valorem tax exemption program is to promote business, commerce, and new economic opportunities in the designated district and throughout the City. The goals of the tax exemption program are; to facilitate the reconstruction and redevelopment of areas of the City of Waveland that were affected directly or indirectly by Hurricane Katrina; to help increase quality retail businesses, restaurants, other businesses, to include multi-use concepts, 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**

**Establishment of Redevelopment Central Business District Boundaries**

2.1 For the limited purpose of promoting business, commerce or industry, as contemplated in Miss. Code Ann. Sec. 17-21-5, as amended, this Program may apply in the area designated as a "Central Business District" containing the following areas:

- From the midline of St. Joseph street eastward to the midline of Terrace Street, bound by Railroad south to Beach Boulevard

-A map of the Central Business District is incorporated herein and attached hereto as Exhibit "A".

**ARTICLE III**

**Tax Exemptions Qualifying for the Program**

3.1 Authority: Only applications for municipal ad valorem tax exemptions within the above identified District authorized by Miss. Code Ann. Sec. 17-5- 21, as amended, qualifying according to the terms of this Ordinance and meeting the requirements of Miss. Code Ann, Sec. 17-5-21, shall be considered by the Waveland Mayor and Board of Aldermen for approval. Nothing in this Ordinance shall be construed as requiring the Waveland Mayor and Board of Aldermen to grant an exemption. The Board shall have sole discretion to approve or deny each and every qualifying and conforming application for tax exemption. The Board of Mayor and Aldermen for the City of Waveland may, in its discretion, exempt up to 100% of

municipal ad valorem taxes, excluding ad valorem taxes for school purposes, for a period of not more than seven years for new structures, or any renovations of and improvements to, existing structures within a commercial use or “mixed use”, with a substantial commercial component, lying within the area designated as the Central Business District.

3.2 General Criteria for Tax Exemptions: Tax exemptions shall not apply for school district taxes. Tax exemptions under this Ordinance are applicable for ad valorem taxes assessed for the City of Waveland on the increased value of a structure located in the District, renovated or improved, or new structure, eligible under this Ordinance, and shall be calculated as determined by the Board of Mayor and Aldermen for the City of Waveland. Failure to comply with any existing requirements for preservation of historical buildings, structures or sites, or any architectural standards regulated by the City of Waveland, or any municipal ordinance in effect, to include but not limited to, flood, building, zoning, or subdivision ordinances, shall disqualify the application.

3.3 Calculation of Increased Value: The increase in assessed value qualifying for tax exemption shall be calculated by taking the assessed value of the improvements (if any) on the parcel for the year prior to the renovations, restoration, or new construction being completed and assessed, and subtracting that from the assessed value of the improvements completed and assessed on the parcel for the then current year (after completion and re-assessment). The purpose here is to determine the valuation attributable to the new building, renovation or improvement which will be subject to the exemption allowed by this Ordinance. The Tax Rate applicable to the land and the assessed value of the land for any individual year shall not be affected by the exemption of the increased value of improvements. No separately assessed personal properties or mobile units shall be included for exemption under this Ordinance.

3.4 Investment Value Required: The exemption from municipal ad valorem taxes, excluding ad valorem taxes for school purposes, for a period of not more than seven years for new structures or any renovations of and improvements to existing structures lying within the area designated as the Central Business District, requires a minimum investment amount of at least \$350,000 in order to qualify.

3.5 Limitations on Exemptions: No exemption shall be granted except upon written application addressed to the City of Waveland Building Official, and then upon his written recommendation for such exemption to the Board of Mayor and Aldermen for the City of Waveland that the construction, renovation, or improvement of the subject property meets the requirements set forth in this Ordinance and State law and is in compliance with all City Ordinances. The City of Waveland Mayor and Board of Aldermen shall have the sole and final authority to determine the status of any exemption and to define the amount, if any, and period of the exemption.

The exemption applies to the value of the new construction of, or improvements to, a commercial building. This exemption shall not apply to single-family residential buildings. The exemption shall not apply to the value of the land or any existing improvements thereon.

Any approval of exemption on a structure is limited to the required findings in this Ordinance and shall not constitute as approval of any proposed use, site plan, or other municipal permission, permit, or action needed in furtherance of the application. The decision of the Governing Authority shall be final in this matter and no appeal by the applicant will be allowed.

3.6 Fees for application: Applications shall first be submitted to the City of Waveland Building Official for review. Payment of Two Hundred Fifty Dollars (\$250.00) shall be charged by the City of Waveland to the property Owner to cover the expenses incurred in review and processing of the application.

3.7 Pre-Construction Application: Any person seeking a tax exemption pursuant to the provisions of this Ordinance shall submit an application for tax exemption along with their commercial building permit to the Building Official. This application shall be completed and submitted to the Building Official prior to beginning construction or renovation. The exemption applies to the value of the new construction of, or improvements to, a commercial building. This exemption shall not apply to single-family residential buildings. The exemption shall not apply to the value of the land or any existing improvements thereon. The applicant must meet the minimum investment value required, the requirements of 17-21-5 and the requirements of this Ordinance.

Copies of the tax exemption application and building permit shall be received by the

Building Official for the purpose of design and Ordinance review. After such review, and determination that the applicant meets the minimum requirements, the application for tax exemption shall be submitted to the Mayor and Board of Aldermen for the City of Waveland pre-construction review, approval or disapproval.

3.8 Final Approval of Tax Exemption: The Building Official shall monitor the project for compliance with all appropriate City 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 City Codes and Ordinances, the applicant shall request final approval of the tax exemption in writing by request for placement on a Board of Mayor and Aldermen for the City of Waveland meeting agenda. Final approval of the tax exemption shall be by Order of the Board of Mayor and Aldermen.

If an Order is adopted approving, the City Clerk shall record the application and the Order with the chairman of the State Tax Commission and one copy with the State Auditor of Public Accounts and one copy with the Hancock County Tax Collector. Copies of the approved application shall also be kept on the Building and Planning Office.

3.9 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.

3.10 Discretion of Board of Mayor and Aldermen: Nothing in Ordinance shall be construed as requiring the Board of Mayor and Aldermen to grant an exemption. The intent of the structure of this Ordinance is to give the Board complete discretion for approving or denying each application and the amount and length of the tax exemption. The Board reserves the right, at all times, to grant or deny an exemption, to grant a shorter time for the exemption as the Board deems 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, to businesses with enhanced employment opportunities, and community need for the development. The Board of Mayor and Aldermen for the City of Waveland are authorized to grant the amount of the tax exemption in increments of five percent based of the weight of the preference given to a business.

## ARTICLE IV

### Terms of Tax Exemption

4.1 Term of Exemption. (a) Tax exemptions granted by the Governing Authority under this Ordinance shall specify the time period of the exemption, not to exceed a period of seven (7) consecutive years. In the discretion of the Governing Authority, and based on the recommendation of the Building Official, the period of abatement may be less than the seven years allowed by law. (b) This Ordinance shall automatically expire as repealed on and after December 31, 2021. No applications shall be received for tax exemption for structures not completed and certified by the City as ready for occupancy and full service by December 31, 2021.

4.2 Qualification. All applicants are required to file their application for exemption within sixty (60) days of the issuance of certificate of occupancy for the proposed improvements or renovations.

4.3 Government Codes and Regulations. For structures to be approved for tax exemption under this Ordinance, they shall be in compliance with all applicable local ordinances, building and zoning codes, and any and all applicable federal, state or local environmental or use regulations.

## ARTICLE V

### Taxes included in Exemption

5.1 Exemptions granted pursuant to this Ordinance shall be from the municipal ad valorem taxes designated in Miss. Code Ann. Sec.17-21-5(1), as amended, which specifically prohibits exemption from ad valorem taxes for school purposes.

## ARTICLE VI

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

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

6.2 Suspension or termination of this economic development program shall not invalidate or revoke exemptions previously granted by Board Order after approval of Final Application, which will survive the suspension or termination of the program. However, no new applications shall be considered and 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.

6.3 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 or the property did not meet or no longer meets the eligibility requirements under this program. Should an applicant subsequently terminate the use of the building or structure subject to the exemption, or abandon the same with no intent to carry on the business for which the exemption was granted, then in such event, that 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 such use as determined by the Building Official.

**SECTION THREE:** That the Governing Authority, pursuant to Miss. Code Ann. Sec. 17-21-7, as amended, requests the Hancock County Board of Supervisors 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 incentives intended by this Ordinance.

**SECTION FOUR:** 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. If the Ordinance can be properly amended by removal of the unenforceable part, it shall be severed from the Ordinance and the remaining provisions shall continue in full force and effect.

**SECTION FIVE:** This Ordinance shall be in full force and effect upon the earliest time allowed by law and shall be enrolled and published in the manner required by law.

The foregoing Ordinance having been first reduced to writing, and no request being made by any member of the Board of Mayor and Aldermen that the Ordinance be read before any vote was taken, it was submitted to the Board of Mayor and Aldermen for the passage or rejection on roll call vote upon the vote being as follows, to-wit:

Alderman Jeremy Burke                      voted: Yea

Alderman Bobby Richardson              voted: Yea

Alderman Shane Lafontaine              voted: Yea

Alderman Charles Piazza                 voted: Yea

The motion having received the affirmative vote of the majority of the members present, the Mayor declared the motion carried and the Ordinance adopted on this the 13 day of October 2016 to be enforced one month after passage.

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Mike Smith, Mayor

Attest:

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Lisa Planchard, City Clerk