Downtown Development Authority of the City of Thomasville Incentive Guidelines

Property Tax Incentives

BACKGROUND AND GENERAL CONSIDERATIONS:

The DDA was created pursuant to the Downtown Development Authorities Law (1981 Ga. Laws, P. 1774) by a resolution of the Mayor and Board of Commissioners of the City of Thomasville, dated July 13, 1981, for the purpose of revitalizing and redeveloping the Downtown Development District of the City of Thomasville and promoting for the public good and general welfare trade, commerce, industry and employment opportunities and promoting the general welfare of the State of Georgia.

The granting of assistance through property tax abatement is not an "entitlement." Tax abatements will be considered for businesses that are new to the Downtown Development District, as well as businesses already located in Downtown Development District that are making new capital investment in real property and/or equipment. Expanding existing businesses and new businesses should receive equivalent levels of tax abatement assistance under these Guidelines for equivalent levels of benefit to the community.

Each project will be analyzed to determine whether the benefits to be received by the community will be greater than the costs associated with the tax abatement offered. Factors considered in generally assessing the desirability of a project and whether to grant tax abatement, or not, include, but are not limited to:

- the planned capital investment;
- the project alignment with the City of Thomasville Comprehensive Plan;
- redevelopment or restoration of buildings located in the Downtown Historic District;
- the current condition of the local economy;
- the current level of unemployment in Thomasville;
- the anticipated impact on the local tax base;
- the anticipated impact, positive and negative, on public services and infrastructure; and
- the anticipated impact, positive and negative, on quality of life and environmental quality.

In order to be considered, a project applicant that is new to the Downtown Development District must demonstrate a minimum capital investment of at least One Million Dollars ($1,000,000.00).

In the case of an existing business already in the Downtown Development District, in order to be considered, the applicant must demonstrate a minimum of capital investment that is equal to twice (2X) the initial capital invested by the applicant in acquiring and improving the property, which shall be determined as of the date on which a certificate of occupancy was issued by the

City of Thomasville. This is in addition to a minimum capital investment that is at least One Million Dollars ($1,000,000.00).

Projects located in the Broad Street/Jackson Street Corridor will not be considered unless the ground floor is solely dedicated to retail space or a restaurant, or some combination of the two. However, hotels shall be considered for projects provided that the ground floor is solely dedicated to the operations of the hotel, retail space, a restaurant, or some combination thereof. These requirements may be enforced through any means deemed appropriate by the DDA, including but not limited to covenants in attendant lease agreements for project tax abatement, the violation of which may result in termination of the attendant lease and the project. The Broad Street/Jackson Street Corridor shall mean (1) that portion of Broad Street between the intersection of Broad Street and Jefferson Street and the intersection of Broad Street and Remington Avenue and (ii) that portion of Jackson Street between the intersection of Jackson Street and Stevens Street and the intersection of Jackson Street and Crawford Street.

Participation in the Façade Grant Program of the DDA is not precluded by an applicant applying for or already enrolled in a graduated tax abatement. Applicants are limited to enrollment in only one (1) graduated tax abatement every fifteen (15) years. Applicants will not be considered unless property that is the subject of an application for abatement is in compliance with all City of Thomasville Ordinances.

Incentives for Competitive Projects will be taken on a case-by-case basis and incentives will be considered taking into consideration additional factors beyond capital investment such as utility load, wage levels, employee benefits, projected hiring schedule for new employees, and diversification of the kinds of jobs created and sector of industry and such other factors as the Board of the DDA may deem appropriate and that are in keeping with the purposes and powers of the DDA.

Graduated Ad Valorem Property Tax Abatements Up To Ten Years:

The following schedule shall generally apply to projects that are not Competitive Projects and provides the maximum number of years of graduated property tax abatement that may be granted relative to the minimum number of jobs created. A vote of six (6) of the members of the DDA board shall be required to grant an ad valorem tax abatement that varies from the schedule below, taking into consideration additional factors such as the amount of private capital invested in real property and equipment, utility load, wage levels, employee benefits, projected hiring schedule for new employees, and diversification of the kinds of jobs created and sector of industry, and such other factors as the Board of the DDA may deem appropriate and that are in keeping with the purposes and powers of the DDA.

Provided however, only Competitive Projects will be considered for ad valorem tax abatement that is greater than the ad valorem tax abatement allowed by the Leasehold Agreements Policy adopted by the Board of Tax Assessors of Thomas County, as of May 8, 2008.

Minimum $1M to $2M Capital Investment And twice (2X) the initial capital invested For existing businesses	– 3 year graduated tax abatement
$2M to $5M Capital Investment And twice (2X) the initial capital invested For existing businesses	– 5 year graduated tax abatement
$5M + Capital Investment And twice (2X) the initial capital invested For existing businesses	– 10 year graduated tax abatement

Tax abatement starts at the current rate of Ad Valorem Tax at one hundred percent (100%) of the fair market value of the property as of the 1st day of January for the year in which title to the property is conveyed to the DDA ("Commencement Date"). The underlying intent of this policy is to attempt to "freeze" the fair market value of the property for purposes of the graduated tax abatement at the fair market value of the property prior to commencement of the Project, with the greater abatement percentages applying after construction and improvement of the property has commenced.

Three Year Graduated Abatement:

Year 1 – Ad Valorem Tax on 100% of the fair market value of the property as of the Commencement Date.

Year 2 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 35% of the increase in the fair market value of the property from the Commencement Date.

Year 3 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 70% of the fair market value of the property from the Commencement Date.

Property back on the tax roll after year 3.

Example - Three Year Graduated Abatement: Assume millage rate of 24.74 mills for all three years, $1,000,000 FMV on Commencement Date, and improvements made in 2024, year one of the abatement, for a new FMV with improvements of $2,000,000 for 2025, and 2026.

01/01/24: FMV $1,000,000 (40%) = $400,000
$400,000 (.02474) = $9,896 Ad Valorem Tax Due

01/01/25: $9,896 Ad Valorem Tax on Commencement Date FMV, *plus* Ad Valorem Tax on 35% of the increase in the FMV

$1,000,000 (35%) = $350,000
$350,000 (40%) = $140,000
$140,000 (.02474) = $3,463.60

2025 Ad Valorem Tax Due: $9,896 + $3,463.60= $13,359.60

01/01/26: $9,896 Ad Valorem Tax on Commencement Date FMV, *plus* Ad Valorem Tax on 70% of the increase in the FMV

$1,000,000 (70%) = $700,000
$700,000 (40%) = $280,000
$280,000 (.02474) = $6,927.20

2026 Ad Valorem Tax Due: $9,896 + $6,927.20= $16,823.20

01/01/27: No Tax Abatement

$2,000,000 (40%) = $800,000 (.02474) = $19,792

Five Year Property Tax Abatement:

Year 1 - Ad Valorem Tax on One hundred percent (100%) of the fair market value of the property as of the Commencement Date.

Year 2 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 20% of the increase in the fair market value of the property from the Commencement Date.

Year 3 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 40% of the increase in the fair market value of the property from the Commencement Date.

Year 4 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 60% of the increase in the fair market value of the property from the Commencement Date.

Year 5 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 80% of the increase in the fair market value of the property from the Commencement Date.

Property back on the tax roll after year 5.

Ten Year Property Tax Abatement:

Year 1 – Ad Valorem Tax on One hundred percent (100%) of the fair market value of the property as of Commencement Date.

Year 2 – Same as above.

Year 3 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 10% of the increase in the fair market value of the property from the Commencement Date.

Year 4 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 20% of the increase in the fair market value of the property from the Commencement Date.

Year 5 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 30% of the increase in the fair market value of the property from the Commencement Date.

Year 6 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 44% of the increase in the fair market value of the property from the Commencement Date.

Year 7 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 58% of the increase in the fair market value of the property from the Commencement Date.

Year 8 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 72% of the increase in the fair market value of the property from the Commencement Date.

Year 9 – Ad Valorem Tax on 100% of the fair market value as of the Commencement date, *plus* Ad Valorem Tax on 86% of the increase in the fair market value of the property from the Commencement Date.

Property back on the tax roll after year 9.

Definitions:

When used in these Guidelines, the following words shall have the following meanings:

"Competitive Project" means a project where Thomasville is competing against another state or another community and/or the project significantly and materially exceeds $5,000,000 in capital investment, will be two times the initial capital invested for existing business, and otherwise has significant and material additional factors such as the amount of private capital invested in real property and equipment, utility load, wage levels, employee benefits, projected hiring schedule for new employees, and diversification of the kinds of jobs created and sector of industry, and such other factors as the Board of the DDA may deem appropriate and that are in keeping with the purposes and powers of the DDA. .

"Incentive" shall include but not be limited to the following: (i) ad valorem tax abatement of real and/or personal property subject to these guidelines; (ii) bonds for title transactions; (iii) assistance in obtaining grants, job training and other assistance and incentives from agencies and entities other than the DDA.

"Job" means full – time (minimum of forty hours per week) permanent jobs, as well as permanent jobs that are part – time and less than forty hours per week.

APPLICATION FORM FOR PROPERTY TAX INCENTIVE

OWNER'S NAME/BUSINESS NAME:

____

PROPERTY ADDRESS:

____

PHONE NUMBER:

____

FEDERAL TAX IDENTIFICATION # ____

PURCHASE OF PROPERTY AMOUNT: $ ________________________________

BUILDING STRUCTURE INVESTMENT AMOUNT: $ ________________________________

NEW EQUIPMENT INVESTMENT AMOUNT: $ ________________________________

NEW MANUFACTORING EQUIPMENT AMOUNT: $ ________________________________

TOTAL INVESTMENT AMOUNT: $ ________________________________

BUILDING SQUARE FOOTAGE: ________________________________

DETAILED OUTLINE OF WORK TO BE DONE. (ATTACH THE FOLLOWING)

1. Description of your Business and/or Expansion Plans
2. Design Rendering and Plans Drawn to Scale with Scope of Work
3. Before and After Images of Property
4. Attach Comprehensive Plan with Positive Impact for Downtown and Job Creation

To be completed by Downtown Development staff:

Date Reviewed: __________________________
Date Approved: __________________________

Specific Recommendations:

____
____

Request from the DDA:

____
____

Date Denied / Reason(s) Denied:

____
____

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See **Specific Instructions** on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:
☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ ________
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any) ________
Exemption from FATCA reporting code (if any) ________
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number
☐☐☐ - ☐☐ - ☐☐☐☐

or

Employer identification number
☐☐ - ☐☐☐☐☐☐☐

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here **Signature of U.S. person ▶** **Date ▶**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at *www.irs.gov/fw9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.