

ORDINANCE NO. 2014-03

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA, RELATING TO THE APPLICATION FOR AN ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION BY PGT INDUSTRIES, INCORPORATED; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article VII, Section 3, of the Constitution of the State of Florida and Section 196.1995, Florida Statutes, empower municipalities to grant economic development ad valorem tax exemptions to new businesses and expansions of existing businesses after the electors of the municipality, voting on the question in a referendum, authorize such exemptions; and

WHEREAS, on August 24, 2010, the City of Venice voters approved the referendum, authorizing city council to grant Economic Development Ad Valorem Tax Exemptions pursuant to state law; and

WHEREAS, Section 66, Article V, of the Code of Ordinances sets forth the process and procedures for implementing the Economic Development Ad Valorem Tax Exemption program; and

WHEREAS, pursuant to Section 66-244 of the Code of Ordinances, PGT Industries, Incorporated (PGT), submitted an application to the City of Venice requesting an ad valorem tax exemption for 100 percent of the assessed value of the qualifying improvements to real property and qualifying tangible personal property specified in its application for a period of ten years, commencing with Tax Year 2015.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA, as follows:

SECTION 1. The Whereas clauses above are ratified and confirmed as true and correct.

SECTION 2. PGT Industries, Incorporated – Tax year 2015 through Tax year 2024.

(a) *Findings of Fact.*

1. In its application, PGT stated the following:

- a) Name of business: PGT Industries, Incorporated; Location: 1070 Technology Drive, North Venice, Florida 34275; Business owner: Publicly Traded Company;
- b) PGT will create a total of 658 new jobs by January 1, 2019, comprised of 642 new full-time jobs with an average wage of \$20,800.00 for all non-management jobs and an average wage of \$50,000.00 for all management jobs;

- c) Through December 31, 2014, PGT will invest \$10,608,962 in the expansion of its Venice facility, including the purchase of new equipment;
- d) PGT produces an innovative line of impact-resistant windows and doors;
- e) PGT is committed to local procurement, whenever possible; and
- f) Whenever possible, PGT is committed to green building practices.

The PGT application is incorporated herein by reference, and a copy of said application shall be retained by the city's finance department for at least the duration of the exemption period.

2. Pursuant to Section 66-245(a) of the Code of Ordinances, the Sarasota County Property Appraiser completed its review of the PGT application and submitted its report to the city, dated December 9, 2013. The property appraiser's report included the following information:
 - a) Total revenue available to the city for the current fiscal year from ad valorem tax sources: \$8,755,610 (reported in 2013 first certification).
 - b) Revenue lost to the city for the current fiscal year by virtue of exemptions previously granted under this section: \$21,650.38 (from 2013 first certification of roll).
 - c) Estimate of the revenue which would be lost to the city during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation: \$23,424.59 (2013) applying 2013 millage rate of 3.1000.
 - d) Estimate of the taxable value lost to the city if the exemption applied for was granted: improvements to real property: \$3,100,000 (2013); personal property: \$4,558,900 (2013).
 - e) A determination that the property listed in the PGT application met the definition of "Expansion of an Existing Business", as defined in Section 196.012(15), Florida Statutes.

3. The PGT application meets all statutory and ordinance requirements.

(b) Grant of Ad Valorem Tax Exemption.

1. Pursuant to Section 66-245 of the Code of Ordinances, city council reviewed the PGT application, applied the City of Venice Economic Development Policy Guidelines, and finds that:

- a) PGT currently employs 1409 full-time employees at its Venice facility and represents that it will create a total of 658 new jobs by January 1, 2019, comprised of 642 new full-time jobs with an average wage of \$20,800.00 for all non-management jobs and an average wage of \$50,000.00 for all management jobs;
- b) PGT represents that it will invest \$10,608,962 in the expansion of the facility, including the purchase of new equipment;
- c) PGT is an innovative business with an aggressive marketing plan to expand its presence throughout the country;
- d) PGT represents that to the extent that qualified suppliers are available in Sarasota County, it will purchase its materials and equipment locally;
- e) PGT represents the majority of its workforce will reside in the City of Venice and surrounding Sarasota County;
- f) PGT makes a net positive contribution to the local economy; and
- g) More than 90 percent of its product is shipped outside of the Metropolitan Statistical Area.

2. After consideration of the PGT application and the property appraiser's report, the city council finds that granting an economic development ad valorem tax exemption to PGT to encourage expansion of its business will promote economic sustainability within the city through the creation of jobs and utilization of local resources.

3. The city council hereby grants to PGT and establishes on behalf of PGT an economic development ad valorem tax exemption of 55 percent of the assessed value of the net increase in qualifying improvements to real property and qualifying tangible personal property as set forth in the PGT application, acquired by PGT after the adoption of this resolution to facilitate the expansion of its business.

4. The PGT ad valorem tax exemption shall be for a period of eight tax years, commencing with Tax Year 2015 through Tax Year 2021. The PGT ad valorem tax exemption is conditioned upon PGT entering into an agreement with the city stating that it shall remain in compliance with Section 66-244(c) of the Code of Ordinances throughout the exemption period, as well as the Business Maintenance and Continuing Performance provision of the PGT application. Should PGT fail to comply with Section 66-244(c) of Code of Ordinances or the Business Maintenance and Continuing Performance provision of the PGT application, the city council may revoke the PGT ad valorem tax exemption and recover any taxes exempted during the exemption period pursuant to Section 66-248 of the Code of Ordinances.

5. PGT agrees to abide by the terms and conditions set forth in Chapter 66, Article V, of the Code of Ordinances, as amended from time to time, as well as any policies and procedures enacted by city council from time to time related to the economic development ad valorem tax exemption program. Failure to do so may result in revocation of the PGT ad valorem tax exemption and the city's recovery of any taxes exempted during the exemption period.

(c) Applicability.

The city ad valorem tax exemption granted herein applies only to ad valorem taxes levied by the City of Venice on the qualifying improvements to real property and qualifying tangible property specified in the PGT application. The exemption does not apply to taxes levied by the county, school district, or any special taxing district, or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Section 9 or Section 12, Article VII, of the State Constitution.

SECTION 3. Sunset Date.

The PGT ad valorem tax exemption shall be in effect through Tax Year 2021, at which time this ordinance shall automatically sunset and no longer be in force and effect.

SECTION 4. This ordinance shall take effect immediately upon approval and adoption.

PASSED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA THIS 28TH DAY OF JANUARY, 2014.

First Reading: January 14, 2014
Final Reading: January 28, 2014
Adoption: January 28, 2014

John W. Holic, Mayor

ATTEST:

Lori Stelzer, MMC, City Clerk

Approved as to form:

David Persson, City Attorney