

**BUSINESS INCENTIVES POLICY**  
**June 17, 2008**

The City of Starkville, Mississippi recognizes the need for encouraging appropriate commercial growth in our community. Through the use of tax abatements, the City may provide incentives to individual projects which demonstrate long term commitment to the City through the provision of jobs, extraordinary site development costs to protect the environment, revitalization of underutilized properties and expansion of existing business. All abatements will be consistent with State Statutes and projects must demonstrate a special benefit to the community for consideration. All abatements must be approved by the Board of Aldermen.

The appropriate purpose and use of incentives is to broaden and diversify the tax base, create new job opportunities for the citizens of the City of Starkville, and promote the economic growth and welfare of the City of Starkville. Economic development incentives are necessary because of the inherent competition between localities for new businesses and jobs. The City of Starkville is committed to expanding the City's taxable base through retention of current businesses and obtaining new businesses. In keeping with this goal, the Board of Aldermen may decide to grant a business an incentive to expand or to locate in Starkville. The policy herein adopted is intended as a guide for use under the provisions of state law. Notwithstanding the policy herein established, the Board of Aldermen of the City of Starkville retains the right to act within the provisions of such act without the necessity of amending the general policy and/or purpose herein adopted.

**General Purpose and Objectives**

- To identify and assist developers to commit, invest and build new high quality sales and ad valorem tax generating projects in Starkville
- To assist landowners in the sale and development of potential retail, office and hotel sites to their highest and best use
- To recruit new and expand existing Starkville retailers, restaurants and other sales and ad valorem tax generating businesses compatible with Starkville's available land, land use plan and demographics.

Within the context of these goals, the City of Starkville will give consideration to providing reasonable incentives as a stimulus for new development and redevelopment on a case-by-case basis. Nothing herein implies or suggests that the City of Starkville is under any obligation to provide any incentive to any applicant.

## Criteria

Any request for an incentive(s) shall be reviewed by the Board of Aldermen. Their decision shall be based in part upon an evaluation of the following criteria, which each applicant will address in narrative format in the application under Section 8 labeled criteria:

### Employment Impact

- Total number of full time equivalent jobs brought to Starkville
- Types of jobs created
- Total annual payroll

### Fiscal Impact

- Total real and personal property value to be added to the tax rolls
- Anticipated direct sales tax generated at two percent (2%) of taxable sales
- Other revenues generated for the city: franchise payments, occupancy taxes, utility revenues, etc
- City infrastructure construction required
- Projected total annual operating budget of the facility

### Community Impact

- The expected effect the project has on the local housing market
- The expected environmental impact, if any, created by the project
- The compatibility of the project with the City's comprehensive plan

### Competitive Impact

- The effect the project would have on existing businesses in Starkville
- A list of the types of products or services to be sold by the applicant which are currently sold by existing Starkville merchants
- A list of specific businesses seen as direct competitors to the applicant.

## **Types of Incentives**

It is the stated policy of the City of Starkville to customize the provisions of economic development incentives on a case-by-case basis. This individualized design of a total incentive package is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the City of Starkville to better respond to the changing needs of the community.

Consideration will be given to providing any type of economic development incentives allowed by state or federal law including: tax abatements, TIF financing and other grants as applied for and received, as well as participation in infrastructure.

Freeport exemption application will be considered as a part of the options that the City of Starkville will consider on behalf of the applicant requesting such status. Nothing within these guidelines shall imply or suggest that the City of Starkville is under any obligation to provide any incentive to any applicant.

## **Value of Incentives**

Following an assessment of the responses, the Board of Aldermen shall determine whether it is in the best interests of the City of Starkville that economic development incentives be offered to the applicant. Additional consideration, beyond the criteria, will include such items as the degree to which the project/applicant furthers the goals and objectives of the community or meets or compliments a special need identified by the Board of Aldermen.

### **Tax Abatements:**

A Tax Abatement may be offered in two categories:

1. Real Property; and/or
2. Business and Personal Property

Real property abatements may be offered to applicants, who will pursue the construction of new or expanded facilities in which to house the applicable project. The abatement may apply only to the value of improvements made.

Business Personal property abatements may be offered to applicants, who will pursue the purchase or long-term lease of existing facilities. The abatement will apply to the value of new personal property brought into the taxing jurisdiction.

Once a determination has been made that a tax abatement may be offered, the value and terms of the abatement will be determined in accordance with existing state law.

### **Infrastructure Participation and Waiver of Fees**

The City of Starkville may agree to a partial or complete cost participation for the extension, construction, or reconstruction of infrastructure necessary for the development of an economic development applicant's project.

## **Recapture**

In the event a business receiving incentives from the City of Starkville fails to perform under the agreement executed between the City and the business, the incentive obligation on the part of the City will be void. Any incentive paid to the business up to the point of failure shall be returned to the City of Starkville in full with interest paid at the rate of 5% APR calculated from the date of the first payment.

## **Procedural Guidelines**

Any person, organization or corporation desiring that the City of Starkville consider providing economic development incentives to encourage location or expansion of operations within the city limits of Starkville shall be required to comply with the following procedural guidelines. Nothing within these guidelines shall imply or suggest that Starkville is under any obligation to provide incentives in any amount or value to any applicant.

## **Preliminary Application Steps**

1) Applicant shall complete an "Application for Business Development Incentive" as provided by the City. This form is available on the City Website or from the Building Department. This form should be submitted to the Building Department with all required attachments and explanatory material. Materials should include a site plan, architectural drawing with detailed cost estimate; itemized personal property schedule and a narrative outlining the need for assistance with any supporting documentation.

2) Applicant shall address all criteria questions cited in section 8 of the application and outlined on page 2 of the policy in a narrative/letter format.

3) Applicant shall prepare a plat showing the precise location of the property, all roadways within 200 feet of the site, and all existing land uses and zoning within 200 feet of the site. If the property is described by metes and bounds, a complete legal description shall be provided.

Applicant shall complete all forms and information outlined, as applicable, and submit them to the Building Department, City of Starkville, 101 Lampkin Street, Starkville, Mississippi 39759.

## **Application Review Steps**

1. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
2. The application will be distributed to the appropriate City departments for internal review and comments. Additional information may be requested as needed.
3. Copies of the complete application package and staff comments will be provided to the Board of Aldermen.

## **Consideration of the Application**

The Board of Aldermen will consider the application at a regular, recess or special called meeting(s). Additional information may be requested as needed.

The Board of Aldermen of Starkville may consider a resolution calling a public hearing to consider establishment of a tax reinvestment or redevelopment zone, tax increment financing district or other zone designation as deemed appropriate.

The Board of Aldermen of Starkville shall hold the public hearing and determine whether the project is feasible and practical and would be of benefit to the land to be included in the zone and to the benefit of the municipality for the approval of such project.

The Board of Aldermen of Starkville may consider adoption of an ordinance or resolution, as deemed appropriate, designating the area described in the legal description of the proposed project.

The Board of Aldermen may consider adoption of a resolution approving the terms and conditions of a contract between the City and the applicant governing the provision of the economic development incentives.

The Board of Aldermen may consider Tax Increment Financing Districts to the extent of the request with the more favorable consideration being given to those increments that are not more than 50% of the increase in the return on the investment.

### ***Eligible Tax Incentive Recipients***

Projects creating significant real property improvements for the following uses will be considered under Mississippi General Statutes, Sec. 27-31-101 et.seq.:

- Air transportation and maintenance facilities meeting minimum criteria
- Manufacturing, Processors and Refineries
- Warehouse and/or Distribution Centers
- Technology intensive enterprises or facilities meeting minimum criteria
- Recreation Facilities that impact tourism meeting minimum criteria
- Research Facilities
- Corporate regional and national headquarters meeting minimum criteria
- Movie Industry studios meeting minimum criteria
- Telecommunications enterprises meeting minimum criteria
- Data/information processing enterprises meeting minimum criteria

### ***Evaluation of the Project***

To be eligible for these incentives, a project must meet certain criteria established by the City of Starkville

- The project must increase the local tax base.
- The project must create and/or retain jobs within the City.
- The project may utilize extraordinary investments in the infrastructure to protect the environment and reduce sprawl in the City.
- The project must represent a long term partnership with the City of Starkville

In addition to the listed criteria, other elements will be considered in the evaluation process:

- Strategic value to the community.
- Demonstrated need for assistance.
- Is there any other investment that is required by the City to accommodate this development?
- Conformance to Zoning Regulations
- Conceptual site/master development plan.
- Amount of assistance required – return on the City’s investment.
- Duration of project construction phase.
- Experience and resources of the applicant.
- Ability to commit to the site for the long term.
- Long Range Impacts on City Infrastructure.

The City may request an impact analysis to be conducted at the developer’s expense.

### ***Conditions of Approval***

1. ***Commencement of Construction:*** Once a Tax Agreement is executed, construction shall begin within 12 months. Failure to commence construction within this timeframe shall result in immediate termination of the Tax Agreement Contract entered into pursuant to this Policy and the full amount of the tax, including accrued interest that would otherwise be due, shall immediately become due and payable. The Board of Aldermen may authorize an extension of no more than 12 months in addition to the original 12-month period. The Board of Aldermen is under no obligation to authorize such an extension but may do so if warranted.

2. ***Completion of Construction:*** Project completion shall occur within 24 months of the execution of a Tax Agreement. Failure to commence construction within this timeframe shall result in immediate termination of the Tax Agreement Contract entered into pursuant to this Policy and the full amount of the tax, including accrued interest that would otherwise be due, shall immediately become due and payable. The Board of Aldermen may authorize an extension of no more than 12 months in addition to the original 24-month period. The Board of Aldermen is under no obligation to authorize such an extension but may do so if warranted.

3. ***Tax Payments:*** If the applicant fails to comply with the payment of taxes upon the due date, the Tax Agreement shall immediately terminate and the full amount of the tax, including accrued interest shall become due and payable.

4. ***Delinquent Payment:*** Any person, firm, or entity that is delinquent in payment on any taxes, interest on taxes, has any liens including water and sewer user fees that are due to the City or local utility provider shall be ineligible to enter into any such agreement pursuant to this Policy.

5. ***Assignment:*** Any Tax Agreement entered into pursuant to this policy shall not be subject to assignment, transfer or sale without the consent of the Board of Aldermen. In the event that any such agreement is assigned, transferred or sold without the Board of Aldermen's consent, then the Agreement shall terminate as of the effective date of any such assignment, transfer or sale, and the full amount of the tax, including any accrued interest that would otherwise be due to the City shall immediately become due and payable.

**6. Provisions for Assignment of Tax Agreements:** Any request for the assignment of a Tax Agreement to a new owner or lessee of the same facility for which the original Tax Agreement was executed shall at be the sole discretion of the Board of Aldermen. The Board of Aldermen shall consider the financial capacity of the proposed owner or lessee and require that all conditions of the original Tax Agreement remain in effect. Failure or inability of a new owner or lessee to comply with the conditions of the Tax Agreement and this Policy in general shall result in immediate termination of the Agreement and all taxes, including accrued interest, otherwise due to the City shall immediately become due and payable.

**7. Provision for Recovery of Losses by the City:** In the event that the conditions of the Tax Agreement are not fulfilled with respect to capital investment, employment estimates, personal property estimates and all other provisions of the Agreement, recovery by the City of cost incurred including rebated tax payments, interest on rebated tax payments, legal expenses or any other associated costs shall be required from the Applicant. All parties to any legal proceedings agree that venue shall be held in a court of competent jurisdiction in the State of Mississippi and that the laws of Mississippi will be applicable.

#### **Expiration and Modification**

A. This Business Incentive Policy for Economic Development is effective upon the date of its adoption and will remain in force for two years, at which time, all project incentives provided pursuant to its provision will be reviewed by the Board of Aldermen to determine whether the goals of the abatement program have been achieved. Based upon that review, the Business Incentive Policy may be modified, renewed or eliminated.

B. Prior to the date for review, as defined above, the Business Incentive Policy may be modified by a super-majority vote of the Board of Aldermen.

**City of Starkville**

***Application for Business Development Incentives***

Please submit the following application and supporting documentation to the City of Starkville, Attention: City Planner, 101 Lampkin Street. 39759, Phone: 662-323-2525, or fax: 662-323-4143.

**1. APPLICANT INFORMATION (Responsible Person):**

Application Date: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Applicant Name: \_\_\_\_\_

Title: \_\_\_\_\_

Applicant Address:

Physical \_\_\_\_\_

Box \_\_\_\_\_

Applicant City, State, Zip Code:

Applicant Area Code/Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Applicant Area Code/Cell: \_\_\_\_\_

Email: \_\_\_\_\_

Applicant Drivers License # & State \_\_\_\_\_

Social Security # \_\_\_\_\_

Company Name: \_\_\_\_\_

Company Address:

Physical \_\_\_\_\_

Box \_\_\_\_\_

Company City, State Zip Code:

Company Area Code/Phone: \_\_\_\_\_

Area Code/Fax: \_\_\_\_\_

Company Web Page: \_\_\_\_\_

Email: \_\_\_\_\_

Previous Co. Mailing Address:

Physical \_\_\_\_\_

Box \_\_\_\_\_

Previous Co. City, State Zip Code:

Business is a (please check one):

(a.) Corporation - Mississippi or Foreign;

(b.) Partnership;

(c.) Sole Proprietorship;

(d.) Other (Please Explain)

Date Company Established: \_\_\_\_\_

Federal Taxpayer ID Number: \_\_\_\_\_

Please List Business References:

Bank Name \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
Email: \_\_\_\_\_  
Checking Account # \_\_\_\_\_  
Savings Account # \_\_\_\_\_  
Other Account # \_\_\_\_\_  
Other Account # \_\_\_\_\_

Accounting Firm \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
Email: \_\_\_\_\_

Legal Firm \_\_\_\_\_  
Address: \_\_\_\_\_  
Attorney Name: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
Email: \_\_\_\_\_

Other \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
Email: \_\_\_\_\_

**2. PROPERTY OWNER INFORMATION:**

Property Owner's Name: \_\_\_\_\_  
Mailing Address: Physical \_\_\_\_\_  
Box \_\_\_\_\_  
Area Code/Phone: \_\_\_\_\_  
Area/Code Fax: \_\_\_\_\_  
Area Code/Cell: \_\_\_\_\_  
Email: \_\_\_\_\_  
Web Page: \_\_\_\_\_

**3. PROPERTY OWNER'S REPRESENTATIVE:**

Owner's Representative's Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Physical \_\_\_\_\_  
Box \_\_\_\_\_  
Area Code/Phone: \_\_\_\_\_  
Area/Code Fax: \_\_\_\_\_  
Area Code/Cell: \_\_\_\_\_  
Email: \_\_\_\_\_  
Web Page: \_\_\_\_\_

**4. PROPERTY INFORMATION:**

Own Leasing Will Purchase \$ \_\_\_\_\_

Property Location (including school district jurisdiction):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Property Address:

\_\_\_\_\_

Property Legal Description / Total Acreage (Provide survey if by metes and bounds):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Most Current Oktibbeha County Tax Appraisal District Assessed Valuation (Please attach copy of Statement) on real property and improvements:

Real Property: \_\_\_\_\_

Improvements \_\_\_\_\_

**5. PROJECT DESCRIPTION:** Please describe the following aspects of the project.

Intended Use: (e.g. hotel, retail, industrial, manufacturing, medical, wholesale, call center, corporate office, professional office, research/development, etc.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This project is: Existing Expanding New Relocating (from another state - \_\_\_\_\_)

Relocating (from another Mississippi City/County \_\_\_\_\_)?

Give location of current facilities:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Will the occupancy be Owner/Occupied or Landlord/Tenant? If leasing, what is the length of the lease (**please include copy of the lease**)?

\_\_\_\_\_

Is the project compatible with the City's Comprehensive Plan? Yes/ No

Will a zoning change be necessary to accommodate the project? Yes/ No

Is there adequate infrastructure available to the site? If not, please detail required improvements.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**6. DEVELOPMENT CONCEPT:** Please describe the development concept for the project.

Building Type: (# of stories, architectural style, materials, etc.)

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Development Concept: (single building or campus setting, open space, surface or structured parking, acreage, vehicular access, etc.)

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General Description of business activities:

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**7. TIMING QUESTIONS:** Please provide an estimation of the following timing questions.

Reference	Month/Year	Item
a.		First development application (zoning, site plan, plat, etc.)
b.		Ground breaking
c.		Phase I occupancy

**8. CRITERIA:** Please provide the criteria as an attachment to this application form in a narrative style. See page 2 of the Business Incentives Policy.