

ORDINANCE NUMBER 2015-11

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF WALTON COUNTY, FLORIDA, GRANTING AN ECONOMIC DEVELOPMENT *AD VALOREM* TAX EXEMPTION TO TRIANGLE CHEVROLET-BUICK, INC., PURSUANT TO SECTION 196.1995 OF THE FLORIDA STATUTES (2014); PROVIDING A TERM FOR THE EXEMPTION AND AN EFFECTIVE DATE

Be It Ordained by the Board of County Commissioners of Walton County:

Section 1. Authority; Intent

The Board of County Commissioners of Walton County, Florida, pursuant to the authority section 196.1995, Florida Statutes (2012) voted to hold a referendum regarding the grant of economic development tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in the County. The referendum passed with 63.42% approval. Therefore, the Board has the authority to grant Economic Development *Ad Valorem* Tax Exemption to new businesses and expansions of existing businesses that are expected to create new, full time jobs in the County. On December 3, 2014, the Walton County Property Appraiser determined that the property owned by Triangle Chevrolet-Buick, Inc., meets the definition for a new business as defined by Section 196.012(14) or (15). A copy of that application and determination is attached hereto as Exhibit "A." A description of the real property subject to this request for the exemption is attached hereto as Exhibit "B."

Section 2. Walton County Tax Base

The total amount of revenue available to Walton County from ad valorem tax sources for the current fiscal year is \$45,414,473.00. Walton County has lost revenue for the current fiscal year (2014 – 2015) as a result of economic development ad valorem tax exemptions in the amount of \$3,484.00.

Section 3. Approval of Exemption for New Business

Triangle Chevrolet-Buick, Inc., operates a large new and used automotive sales, service and parts dealership in Walton County, Florida. Triangle Chevrolet-Buick, Inc., constructed a new dealership on the property described in Exhibit "B," at an estimated cost in excess of \$3,000,000.00. The company has created four (4) new jobs with an estimated increase in gross payroll of approximately \$125,000.00 per year. The estimated tax revenue which would be lost to the County for the current fiscal year if the exemption applied for were granted and the property for which exemption is requested would otherwise have been subject to taxation is \$9,091.00. The estimated taxable value lost to the County for this exemption is \$2,500,000.00 (\$2,250,000 for improvements to real property; \$250,000.00 for personal property).

Therefore, the Board finds, pursuant to Statute and the Policies and Procedures enacted by the Board on November 25, 2014, and the location of the new business in an Enterprise Zone that Triangle Chevrolet-Buick, Inc., is eligible for and is hereby granted a real property and tangible personal property tax exemption pursuant to Section 196.1995, Florida Statutes, for the expansion of its business. Said exemption shall begin in the tax year 2015 and continue for a period of ten (10) years until the end of the 2025 tax year. However, in no event shall the exemption exceed \$21,250.00 annually of taxes owed. The County and Triangle Chevrolet-Buick, Inc., will negotiate a contract, subject to the approval of the Board of County Commissioners, which will set out the terms and conditions of compliance with Section 196.1995, Florida Statutes, and implement the terms and conditions of the exemption. Further, the Contract will contain language that requires review and amendment or repeal of the exemption if Walton County's *ad valorem* tax base decreases by 10% from one tax year to the next.

Section 4. Codification

This ordinance shall not be codified.

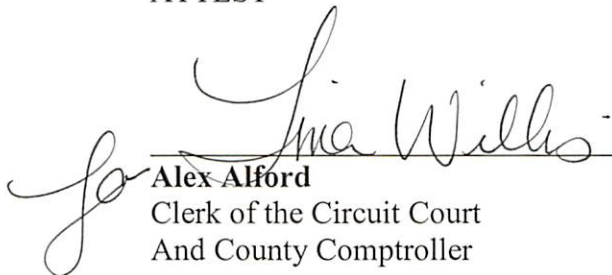
Section 5. Effective Date

This ordinance will be effective upon filing with the Department of State in accordance with section 125.66(2), Florida Statutes (2014) and shall remain in effect for a period of ten (10) years unless otherwise amended or repealed pursuant to Section 3 above.

DULY ADOPTED on this 28th day of April, 2015

ATTEST

BOARD OF COUNTY COMMISSIONERS
WALTON COUNTY, FLORIDA


Alex Alford
Clerk of the Circuit Court
And County Comptroller


Bill Imfeld, Chair



Drafted by the Office of the County Attorney.
Approved by the Board of County Commissioners March 24, 2015.

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November 6, 2014



Via Regular Mail

Walton County Board of County Commissioners
Attn.: William "Bill" Chapman, Chair
76 North Sixth Street
DeFuniak Springs, FL 32433

Mr. Chair:

R.G. Lathinghouse Partnership, the owner of Triangle Chevrolet-Buick, Inc. (with R.G. Lathinghouse Partnership and Triangle Chevrolet-Buick, Inc. being collectively referred to herein as "Triangle"), would like to apply for the 10 year Economic Ad Valorem Property Tax Exemption. Triangle Chevrolet-Buick, Inc. is in the process of completing the construction of a new dealership at 850 US Highway 331 South, DeFuniak Springs, FL. Triangle's investment in this new dealership, upon completion, will exceed \$3 million.

Once the move is completed from the current downtown location, Triangle expects a 10% to 30% increase in total revenue. More specifically, Triangle anticipates \$720,000 per year in revenue resulting from service labor (a 10% increase from the year prior), \$1,260,000 in revenue from the sale of parts (a 10% increase from the year prior), \$7,380,697 in revenue resulting from new vehicle sales (a 15% increase from the year prior), and \$5,275,215 in revenue resulting from used vehicle sales (a 20% increase from the year prior). Obviously these increases in revenue are estimates as the move has not been completed. These estimates are based off of similarly situated Chevrolet dealerships' recent moves into larger, more modern facilities into areas with increased traffic.

Four new positions have been hired in preparation of Triangle's move to the new facility. These four new positions would not have been possible at Triangle's current location. The new positions consist of 1) a parts consultant (with earnings of approximately \$22,000 - \$30,000 per year), 2) one receptionist (with earnings of \$20,800 per year), one sales position (with earnings of approximately \$25,000 - \$50,000 per year), and one service writer (with earnings of approximately \$30,000 - \$50,000 per year). All employees at Triangle receive sick leave, paid vacations, health care coverage, supplemental insurance, paid holidays and retirement. The earnings for three of the four new jobs are based on commissions, and therefore approximations have been given.

If the Economic Ad Valorem Property Tax Exemption is granted, Triangle would use the savings to reduce the principle owed on the loan taken out to acquire the property and develop the new facility. Further, the savings, in addition to the new location, will help create an increase in Triangle's need and ability to hire new employees.



Triangle Chevrolet-Buick, Inc., P.O. Box 1456, DeFuniak Springs, FL 32435 (850) 892-2151

www.trianglechevy.com

It is Triangle's belief that Walton County's investment in granting this exemption will be more than returned with the increase in sales tax and new jobs and will also bolster the confidence with the rest of the business community to also consider making a major investment in our county. It is also Triangle's belief that what Triangle has done by growing and investing in the community is exactly the kind of investment in Walton County that the Commissioners hoped for when this program was initiated.

Triangle's investment in this new facility in Walton County does not come without risk. However, the Economic Ad Valorem Property Tax Exemption would help to secure the future of Triangle's business and employees.

Enclosed with this letter is a Form DR-418 for your review and consideration.

Thank you in advance of your consideration to our request.

Sincerely,



R.G. (Greg) Lathinghouse
R.G. Lathinghouse Partnership et. al
Triangle Chevrolet-Buick, Inc.

CC:

Mr. Larry Jones
County Administrator
PO Box 1355
DeFuniak Springs, FL 32435

Mr. Mark D. Davis, Esq.
County Attorney
Office of the County Attorney
161 East Sloss Avenue
DeFuniak Springs, FL 32433

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OFFICE OF THE
PROPERTY APPRAISER
WALTON COUNTY

PATRICK P. PILCHER, CFA, CCF
PROPERTY APPRAISER

- 571 U.S. Highway 90 East • DeFuniak Springs, Florida 32433
(850) 892-8123 • Fax (850) 892-8374
- 31 Coastal Centre Boulevard, Suite 600 • Santa Rosa Beach, Florida 32459
(850) 267-4500 • Fax (850) 267-1911

December 4, 2014

Mark Davis, County Attorney
Walton County Board of County Commissioners
161 East Sloss Avenue
DeFuniak Springs, Florida 32433

Re: Triangle Chevrolet-Buick Exemption Application

Dear Mark,

Attached please find the Economic Development Ad Valorem Property Tax Exemption application for Triangle Chevrolet-Buick, Inc., listing the Property Appraiser's estimates as required in Florida Statutes.

The portions I completed relating to the applicant's property value were based upon improvement values provided by the applicant.

If I may be of further service, do not hesitate to contact me.

Sincerely,

Patrick P. Pilcher, CFA CCF
Property Appraiser

ATTACH: DR-418

EXHIBIT B

Parcel I.D. No.: 34-3N-19-19000-008-0000 and 34-3N-19-19000-008-0020

COMMENCE AT THE S.E. CORNER OF SECTION 34, TOWNSHIP 3 NORTH, RANGE 19 WEST WALTON COUNTY, FLORIDA AND RUN NORTH 00 DEGREES 47 MINUTES 59 SECONDS EAST, ALONG THE SECTION LINE, 952.85 FEET; THENCE RUN NORTH 88 DEGREES 36 MINUTES 07 SECONDS WEST, 659.74 FEET TO THE POINT OF BEGINNING (P.O.B.); THENCE NORTH 88 DEGREES 32 MINUTES 05 SECONDS WEST 669.14 FEET TO AN EXISTING IRON ROD AND CAP (OVERSTREET); THENCE NORTH 00 DEGREES 50 MINUTES 02 SECONDS EAST 565.46 FEET; THENCE SOUTH 88 DEGREES 34 MINUTES 08 SECONDS EAST 1181.18 FEET TO A POINT ON THE WESTERLY R/W LINE OF U. S. HIGHWAY 331; THENCE RUN SOUTH 00 DEGREES 54 MINUTES 16 SECONDS WEST, ALONG SAID R/W LINE, A DISTANCE OF 300.65 FEET; THENCE DEPARTING SAID R/W LINE, RUN NORTH 88 DEGREES 36 MINUTES 00 SECONDS WEST 164.46 FEET; THENCE SOUTH 00 DEGREES 52 MINUTES 09 SECONDS WEST 132.00 FEET; THENCE NORTH 88 DEGREES 35 MINUTES 15 SECONDS WEST 347.01 FEET; THENCE SOUTH 00 DEGREES 53 MINUTES 22 SECONDS WEST 133 FEET TO THE P.O.B.; CONTAINING 13.27 ACRES MORE OR LESS.

Subject to all easements, reservations and restrictions recorded in the Public records of Walton County, Florida.