

ORDINANCE NO. 15-__

AN ORDINANCE OF POLK COUNTY, FLORIDA, ESTABLISHING AN EXEMPTION FROM CERTAIN AD VALOREM TAXATION FOR WAL-MART STORES, INC., A NEW BUSINESS; PROVIDING FINDINGS OF FACT; PROVIDING A TITLE; PROVIDING THE TOTAL AMOUNT OF REVENUE AVAILABLE TO THE COUNTY FROM AD VALOREM TAX SOURCES FOR THE CURRENT FISCAL YEAR, THE TOTAL AMOUNT OF REVENUE LOST TO THE COUNTY FOR THE CURRENT FISCAL YEAR BY VIRTUE OF ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS CURRENTLY IN EFFECT, AND THE ESTIMATED REVENUE LOSS TO THE COUNTY FOR THE CURRENT FISCAL YEAR ATTRIBUTABLE TO THE EXEMPTION FOR WAL-MART STORES, INC.; PROVIDING FOR THE GRANT OF AN EXEMPTION FOR 10 YEARS AT 100 PERCENT; PROVIDING FOR A FINDING THAT THE COMPANY MEETS THE REQUIREMENTS OF SECTION 196.012 (14), FLORIDA STATUTES, (NEW BUSINESS); PROVIDING FOR CONTINUING PERFORMANCE; PROVIDING FOR APPLICABILITY; PROVIDING FOR REVIEW; PROVIDING FOR EXPIRATION; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

ARTICLE I: FINDINGS OF FACT

1. Article VII, Section 3, of the Florida Constitution and Florida Statutes, Section 196.1995 authorize Polk County (the "County") to grant Economic Development Ad Valorem Tax Exemptions to New Businesses and Expansions of Existing Businesses, as defined in Florida Statutes, Section 196.012(14) and (15), subject to voter approval. On November 6, 2012, electors in Polk County approved a referendum authorizing such exemptions, and on May 7, 2013, the Board of County Commissioners (the "Board") adopted a master ordinance, Ordinance 2013-017 (as subsequently amended, the "Master Ordinance") authorizing the granting of such exemptions.

2. The Master Ordinance sets forth the guidelines, process and procedures for implementing the Economic Development Ad Valorem Tax Exemption program.

3. Pursuant to the Master Ordinance, Wal-Mart Stores, Inc., a Delaware corporation authorized to transact business in Florida (the "Company") submitted an

application to the County requesting an ad valorem tax exemption for 100% of the assessed value of qualifying improvements to real property and qualifying tangible personal property specified in its application for a period of ten (10) years commencing with Tax Year 2017 (the "Application"). The Application is incorporated herein by reference and a copy of said Application shall be retained by the Program Administrator for at least the duration of the Exemption Period (hereinafter defined).

4. In the Application, the Company stated the following:

a. The name and address of the new business is Wal-Mart Stores, Inc., 2001 SE 10th Street, Bentonville, AR 72716-5525.

b. The Company will invest approximately \$206,800,000 (but no less than \$10,000,000) toward the purchase of new equipment and the construction of a new facility located at or near the intersection of US Highway 27 & Waverly Barn Road, having the following Parcel ID Numbers:

1. 26-26-12-488100-039000;
2. 26-26-12-488100-043000;
3. 26-26-12-488100-050000;
4. 26-26-12-488100-048000;
5. 27-26-07-701250-006000;
6. 26-26-12-488100-054000;
7. 26-26-12-488100-056000;
8. 27-26-07-701250-007000;
9. 26-26-12-000000-022000;
10. 26-26-12-488100-064000;
11. 26-26-12-488100-065000;
12. 26-26-12-488100-068000;
13. 26-26-12-488100-069000; and
14. a portion of 26-26-13-488500-010050

(such location being referred to hereinafter as, the "Facility").

c. The Company intends to create 625 (but shall create at least 300) new full time jobs at the Facility paying an average annual wage of at least \$42,087, which is 115% of the County's average annual wage.

d. The Company is a distribution / warehouse / logistics business, a Target Industry Business as defined by Section 288.106(2)(q), Florida Statutes, and the Facility will serve the Polk County market.

e. The Company is committed to local procurement and plans to use

local vendors when appropriate in support thereof.

f. The Company is committed to environmental sustainability and will apply green technologies to the extent feasible.

g. Pursuant to the Master Ordinance and Section 196.1995, Florida Statutes, the Polk County Property Appraiser completed its review of the Application and submitted its report to the County, dated June 16, 2015 (the "Property Appraiser's Report"). The Property Appraiser's Report, which is attached hereto as Exhibit "A" and made a part hereof, included the following:

i. The total revenue available to the County for the current fiscal year from ad valorem tax sources is \$174,346,137 (reported in 2014 as final taxable value).

ii. The total revenue lost to the County for the current fiscal year by virtue of exemptions previously granted under this section is \$0.00.

iii. The estimate of the revenue which would be lost to the County during the current fiscal year if the exemption applied for was granted is \$1,236,327. The estimate of the total revenue which would be lost to the County during fiscal year 2017, the first year of the Exemption Period, by virtue of exemptions previously granted under this section, if the exemption applied for was granted is \$2,310,924. Pursuant to Section 5(G) of the Master Ordinance, by adoption of this ordinance, the Board hereby approves, by supermajority vote, the increase in the Maximum Amount of Annual Exemptions, as defined in the Master Ordinance, to \$2,310,924.

iv. The estimate of the taxable value lost to the County if the exemption applied for was granted is \$85,000,000 for improvements to real property and \$95,052,000 for tangible personal property.

v. A determination that the proposed expansion as described in the Application meets the definition of a New Business as defined in Section 196.012(14), Florida Statutes has been made.

5. The Application meets all statutory and Master Ordinance requirements.

ARTICLE II: TITLE

This ordinance shall be known as County Ordinance 2015-____, the "Economic Development Ad Valorem Tax Exemption for Wal-Mart Stores, Inc."

ARTICLE III: GRANT OF EXEMPTION

1. After consideration of the Application and the Property Appraiser's Report, the Board finds that the Company qualifies as a New Business, as defined in Section 196.012(14), Florida Statutes, and that granting an Economic Development Ad Valorem Tax Exemption to the Company to encourage its location in Polk County will promote economic sustainability within the County through the creation of jobs and utilization of local resources. The Board hereby grants to the Company and establishes on behalf of the Company an Economic Development Ad Valorem Tax Exemption of one-hundred percent (100%) of the assessed value of the net increase in qualifying improvements to real property and qualifying tangible personal property as set forth in the Application, acquired by the Company after the adoption of this Ordinance to facilitate the New Business (the "Wal-Mart Exemption").

2. The Wal-Mart Exemption shall be for a period of ten (10) tax years (the "Exemption Period") commencing with Tax Year 2017 through Tax Year 2026. The Wal-Mart Exemption is conditioned upon the Company entering into an "Ad Valorem Tax Exemption Business Maintenance and Continued Performance Agreement (the "Performance Agreement") with the County stating that it shall remain in compliance with this Ordinance and the Master Ordinance throughout the Exemption Period as well as with the terms of the Performance Agreement. Should the Company fail to comply with the terms of this Ordinance, the Master Ordinance, or the Performance Agreement, the Board may, in its discretion, revoke the Wal-Mart Exemption and recover any taxes exempted during the Exemption Period pursuant to the procedures set out in the Master Ordinance.

3. The Company agrees to abide by the terms and conditions set forth in this Ordinance and the Master Ordinance, as amended from time to time, as well as the guidelines, policies and procedures enacted by the Board from time to time related to the Economic Development Ad Valorem Tax Exemption program. Failure to do so may result in revocation of the Wal-Mart Exemption and the County's recovery of any taxes exempted during the Exemption Period.

ARTICLE IV: APPLICABILITY

The County ad valorem tax exemption granted herein applies only to countywide

ad valorem taxes levied by Polk County on the qualifying improvements to real property and qualifying tangible property specified in the Application. The exemption does not apply to taxes levied by a municipality, school district, MSTU's, water management district or other 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 (b) or 12, Article VII of the Florida Constitution. No exemption shall be granted on the land on which improvements are made by the Company.

ARTICLE V: REVIEW

The decision of the Board, in its sole discretion, to not grant an exemption shall not be reviewable by the Value Adjustment Board pursuant to Chapter 194, Florida Statutes.

ARTICLE VI: EXPIRATION DATE

The exemption granted herein shall automatically expire on December 31, 2026, and shall no longer be in force and effect thereafter.

ARTICLE VII: EFFECTIVE DATE

A certified copy of this Ordinance shall be filed with the Department of State within ten (10) days after enactment, and this Ordinance shall take effect immediately upon such filing. The exemption granted herein shall take effect commencing with Tax Year 2017.

ARTICLE VIII: SEVERABILITY

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provisions or applications. To this end, the provisions of this Ordinance are declared severable.

DULY ADOPTED in regular session, this 7th day of July, 2015.

BOARD OF COUNTY COMMISSIONERS
OF POLK COUNTY, FLORIDA

BY: _____
George M. Lindsey III, Chairman

ATTEST:

Clerk

(SEAL)

Exhibit "A"

Property Appraiser's Report

[ATTACHED HERETO]

ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION
Chapter 196.1995, Florida Statutes

DR-418
R. 12/99

To be filed with the Board of County Commissioners, the governing boards of the municipality, or both,
no later than March 1 of the year the exemption is desired to take effect.

1 Business name Wal-Mart Stores, Inc.		Mailing address 2001 SE 10th Street, Bentonville, AR 72716-6525	
2 Please give name and telephone number of owner or person in charge of this business. Name Matt Powers, Director of Realty Acquisitions		Telephone number 479-277-1983	
3 Exact Location (Legal Description and Street Address) of Property for which this return is filed US Highway 27 & Waverly Barn Road (no street address currently available); total estimated costs = \$150M		4 Date you began, or will begin, business at this facility Q3/Q4 2016	
5 Description of the improvements to real property for which this exemption is requested Construction of 2 new buildings; each approximately 900k - 1M SF in size		Date of commencement of construction of improvements Q3 2016	
6 Description of the tangible personal property for which this exemption is requested and date when property was, or is to be purchased			
Class or item	Age	Date of Purchase	Taxpayer's Estimate of
Material Handling Equipment - 2 buildings	0	Q2 2016	Original Cost \$ 108,800,000
			Cond* good
			Fair Market Rent \$
			Cond* \$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
Average value of inventory on hand: \$0		*Condition: good, avg (average), or poor	
Any additional personal property not listed above for which an exemption is claimed must be returned on form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.			
7 Do you desire exemption as a <input checked="" type="checkbox"/> new business or <input type="checkbox"/> expansion of an existing business?		8 Trade levels (check as many as apply) <input type="checkbox"/> Retail <input checked="" type="checkbox"/> Wholesale <input type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input type="checkbox"/> Office <input type="checkbox"/> Other, specify:	
8 Describe type or nature of your business distribution facility			
10 Number of full-time employees to be employed in Florida			
If an expansion of an existing business:		Increases in productive output resulting from this expansion	
Net Increase in employment 625		100 % 0 %	
11 Sales factor for the facility requesting exemption:			
Total sales in Florida from this facility-one (1) location only Confidential		Total sales everywhere from this facility-one (1) location only Confidential	
divided by		= 50 %	
12 For office space owned and used by a corporation newly domiciled in Florida			
Date of Incorporation in Florida		Number of full-time employees at this location 0	
I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)			
Date 6/11/15		Signature, preparer Auto Hought	
Signature, taxpayer J. Cantel		Preparer's address 508 SW. 8th Ave., Mail Stop 0555 Bentonville, AR 72716	
Title Vice President, Tax		Preparer's telephone number 479-721-1877	
Property Appraiser's Use Only			
I	Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources 2014		\$ 174,346,137
II	Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section		\$ -
III	Estimate of the revenue which would be lost to the county or municipality 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		\$ 1,234,327
IV	Estimate of the taxable value lost to the county or municipality if the exemption applied for was granted Improvements to real property \$ 85m Personal property \$ 95,052,000		
V	I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a <input checked="" type="checkbox"/> new business <input type="checkbox"/> expansion of an existing business <input type="checkbox"/> neither		
VI	Last year for which exemption may be applied 2026		

Application to be filed not later than March 1

6-16-2015
Date

J. Cantel
Signature, Property Appraiser

Project Ginger
US Hwy 27 & Waverly Barn Rd
Winter Haven

Property Description	2016		County Millage Rate	Total Taxes	Ad Valorem Abatement %	Revenue Lost	Value Lost	Tax Dollars	
	Original Cost	% Good						Lost	Gained
Bldg & Construction	\$100,000,000	85%	6.8665	\$ 583,652.50	100%	\$ 583,652.50	85,000,000	\$ -	-
Material Handling Equipment	\$106,800,000	89%	6.8665	\$ 652,674.56	100%	\$ 652,674.56	95,052,000	\$ -	-
Total Estimate:	\$206,800,000			\$ 1,236,327.06		\$ 1,236,327.06	180,052,000	\$ -	-