

KEEP TAX
EXEMPTIONS
WORKING FOR YOU!

Vote
 **YES**
November 3

2020 Ballot Language

Shall the City Council of the City of Melbourne be authorized to grant, pursuant to s. 3, Art. VII of the State Constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in the city?

**YES - FOR AUTHORITY
TO GRANT
EXEMPTIONS**

NO - AGAINST
AUTHORITY TO GRANT
EXEMPTIONS

Why has the **Ad Valorem Tax Exemption (AVT)** been successfully used by Melbourne to attract and retain **high quality businesses** for our community since 2000?

Competition. Every community is pursuing company expansions to improve their tax base & provide more employment opportunities for citizens. An AVT allows the City of Melbourne to compete in this hard-fought marketplace.

Safeguards. During the public approval process the duration and percentage of AVT abatement is set, contingent upon job creation, wage and capital investment thresholds. It is not a payout. If the company meets the defined commitments, it will receive the tax reduction.

Tax reduction, not elimination. AVT is short-term, a maximum of 10 years. It does not abate county school, water district, recreation or other special district taxes. A company's investment in its expansion will generate far more in new taxes for the city than are abated.

State leverage. The AVT abatement program can be used to match state incentives, many of which require up to 20% in local matches. Without the AVT, to qualify businesses for state incentives, general fund dollars would be needed.

Quality of life isn't always enough. There are great communities all over the country. We have a huge list of the attributes here – weather, schools, cost of living, etc. – but other areas have a list just as long.

“Northrop Grumman's agreement to open an aviation-engineering center to employ as many as 1,800 people is proof that city and county tax incentives work.” Florida Today (May 11, 2014)

Fast Facts on Tax Exemption

JOBS

- ✓ At least 18 companies have been approved since 2000
- ✓ 16 remain in operation with wages 25% above the statewide average

VALUE

- ✓ Since 2010, the total capital investment of companies receiving exemptions was over \$86 million
- ✓ Since 2010, for every dollar of tax exemption, \$100 of investment was created
- ✓ Companies purchase local services, supplies

ACCOUNTABILITY

- ✓ Public approval process including application, administrative review and public hearing of city council
- ✓ Companies must file annual reports to city
- ✓ Failure to comply with job creation, capital investment and wage commitments result in dismissal from program