

Downtown Winter Haven Incentives

Core Improvement Area – In 2007, the City in conjunction with Polk County designated a Core Improvement Area. The effect of this is to provide an exemption to the collection of City (except water and wastewater) and County Impact Fees.

This exemption was created to encourage redevelopment and infill development within the central part of the city. The boundaries of the CIA are generally from Cypress Gardens Boulevard north to Avenue T and from 1st Street west to US 17.

The exemption covers new construction, and the expansion or alteration of existing structures and applies to all development including residential and commercial. Typical savings for a drive-through restaurant are \$280,000, while a new home could see a savings of \$15,000.

There are no application or eligibility requirements with this program. The fees will be waived as part of the Building Permit process.

Enterprise Zone – The Winter Haven Enterprise Zone, which was created in May of 2012, provides local and state financial incentives to locate or expand a business within its boundaries (see map). The Florida Department of Revenue is responsible for processing all state incentive applications. Incentives include:

- Jobs Tax Credit (Sales Tax) - Allows a business located within an Urban Enterprise Zone to take a sales and use tax credit for 20 or 30 percent of wages paid to new employees who reside within an enterprise zone. To be eligible, a business must create at least one new job. The Sales Tax Credit cannot be used in conjunction with the Corporate Tax Jobs Credit).
- Jobs Tax Credit (Corporate Income Tax) - Allows a business located within an Urban Enterprise Zone to take a corporate income tax credit for 20 or 30 percent of wages paid to new employees who reside within an enterprise zone. The Corporate Tax Credit cannot be used in conjunction with the Sales Tax Credit.
- Business Equipment Sales Tax Refund - A refund is available for sales taxes paid on the purchase of certain business property, which is used exclusively in an Enterprise Zone for at least 3 years.
- Building Materials Sales Tax Refund - A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an Enterprise Zone.
- Property Tax Credit (Corporate Income Tax) - New or expanded businesses located within an enterprise zone are allowed a credit against Florida corporate income tax equal to 96% of ad valorem taxes paid on the new or improved property.
- Business Tax Receipt - A 50 percent reduction in Business Tax Receipt fees for a period of up to five years.

The Enterprise Zone is administered locally by the Community and Economic Development Department of the City. Please call us if you would like to learn more about this program.

Foreign Trade Zone - The expansion of Foreign Trade Zone #79 (Port of Tampa) is currently pending, with a decision expected by early fall on 2012. A Foreign Trade zone is a geographical area where commercial merchandise, both domestic and foreign receives the same Customs treatment it would if it were outside the commerce of the United States. Benefits of a FTZ include:

- Relief from inverted tariffs - In certain instances, there are tariff (import duty) relationships that actually penalize companies for making their product in the United States. This occurs when a component item or raw material carries a higher duty rate than the finished product. Hence, the importer of the finished product pays a lower duty rate than a manufacturer of the same product in the United States. This gives the importer an unfair and unintended advantage over the domestic manufacturer. The Foreign-Trade Zones program levels the playing field in these circumstances.
- Duty exemption on re-exports - Without a zone, if a manufacturer or processor imports a component or raw material into the United States, it is required to pay the import tax (duty) at the time the component or raw material enters the country. However, a Foreign-Trade Zone is considered to be outside the commerce of the United States and the U.S. Customs territory. So, when foreign merchandise is brought into a Foreign-Trade Zone, no Customs duty is owed until the merchandise leaves the zone and enters the commerce of the United States. Only then is the merchandise considered imported and the duty paid. If the imported merchandise is exported back out of the country, no Customs duty is ever due.
- Duty elimination on waste, scrap, and yield loss - Again, without a zone, an importer pays the Customs duty owed as material is brought into the United States. This is because the material is considered imported at this point. If the processor or manufacturer is conducting its operations within a zone environment, the merchandise is not considered imported, and therefore no duty is owed until it leaves the zone for shipment into the United States.

Brownfield Area – In 2010 the City established its first Brownfield area. This designation provides another tool to promote economic development. The program provides participating property owners the ability to identify contaminated areas, determine how best the property can be reused, and makes available critical funding incentives. These include a \$2,500 per job corporate income tax credit, 50% state loan guarantees for primary lenders for site rehabilitation and development costs, sales tax credit for building material purchases, and a 50% voluntary cleanup tax credit applied against Florida corporate tax.

Downtown Incentive Fund – The Downtown Incentive Fund, created in 2012, provides an annual rebate of certain public utility taxes for the creation of jobs in the City's core area. The rebate is calculated based on the capital investment and the number of jobs created.

To be eligible a business must be located in the City's Core Improvement Area and be primarily engaged in education, communications, research and development, technology, or a corporate headquarters with over 10 full-time employees. The expansion or relocation must result in full-time equivalent positions which pay 125 percent of Polk County's annual average wage.

Business Opportunity Fund - In early 2011, the Business Opportunity Fund was created to provide funds up to \$10,000 for eligible projects within the Core Improvement Area.

These funds may be used for a variety of purposes including: land acquisition; building demolition, construction, and/or rehabilitation; site preparation; extension of utilities; machinery and equipment; and development related fees such as impact fees, utility connection fees, etc. Funds shall not be used for, among other things: refinancing; on projects having an overall negative impact on the community; or inventory.

Downtown/Florence Villa CRA – The City has two established Community Redevelopment Areas which offer unique financing tools to help fund public and private improvements. Examples of these improvements include streetscaping, building construction, sidewalks, parks, water and sewer facilities, etc. The City uses its CRA funds to also provide funding for its façade grant program that pays up to \$10,000 to improve building facades.