

# CITY OF CHELSEA

## *Chelsea Tire, LLC*

### *Existing Business Improvement Plan (EBIP) Agreement*

- A. The City's incentive will not exceed 10% of the capital investment. "Investment" is defined as the total cost of the project to be spent within the next 12 months and total incentive not to exceed \$25,000.00.
- B. The City agrees to provide an economic incentive in the amount equivalent 75% of the derived construction sales tax on or before the 15<sup>th</sup> day following the last day of each calendar month thereafter in which construction sales tax revenues are received from the owner by the City from the state taxing authority. To be clear, this is not a refund of taxes, but is an economic incentive.
- C. This merchant sells products and services and thereby generates sales taxes at retail made on or with respect to that business licensee, the City will offer an economic incentive based on derived construction taxes and derived municipal sales tax revenues.

The City agrees to provide an the economic incentive in the amount equivalent to 75% of the derived construction sales tax on or before the 15<sup>th</sup> day following the last day of each calendar month thereafter in which construction sales tax revenues are received from the owner by the City from the state taxing authority.

The City also agrees to provide an economic incentive computed in the amount equivalent to the percentage of derived sales tax revenue which shall be computed on the basis of taxable sales at retail made on or with respect to the property. The incentive benefit will be a figure equivalent to 50% of the derived increase in sales tax revenue.


The increase in sales tax revenue shall be computed from the base year (the 12 months preceding the business licensee's expansion) as measured monthly following the completion of construction or expansion.


This second economic incentive amount will be paid on or before the 15<sup>th</sup> day following the last month of each calendar month thereafter in which municipal sales tax revenues are received from the owner by the City from the state taxing authority.

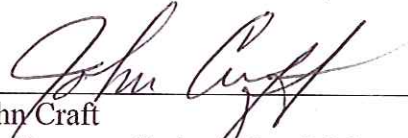
To be clear, neither incentive is a refund of taxes, but is an economic incentive.

- D. This business incentive plan is subject to change at any time. All payments under the business development incentive payment plan must be within 84 months of the completion of the construction or expansion. Incentives will end at the end of this period.

**BE IT THEREFORE RESOLVED**, that the City Council of Chelsea affirmed and approved the above stated plan for an **EXISTING BUSINESS IMPROVEMENT PLAN (EBIP)** for Chelsea Tire, LLC., in a regular council meeting, duly assembled, a quorum being present and authorized the Mayor of Chelsea to proceed with the proper documents to implement this plan to stimulate the growth of this business in the City of Chelsea.

  
\_\_\_\_\_  
Tony Picklesimer  
Mayor of Chelsea  
Date: 9-18-17

  
\_\_\_\_\_  
Mike Craft  
Co-Owner - Chelsea Tire, LLC  
Date: 9-18-17

  
\_\_\_\_\_  
John Craft  
Co-Owner - Chelsea Tire, LLC  
Date: 9-18-17

**ATTEST:**

I, the undersigned City Clerk of the City of Chelsea, Alabama, do hereby certify that the above and foregoing is an document lawfully passed and adopted by the City Council of the City of Chelsea, at a meeting of such Council held on the 19th day of September, 2017 and that such document is on file in the office of the City Clerk.

Attested by:   
\_\_\_\_\_  
Becky C. Landers, City Clerk