

City of Chelsea, E.B.I.P.

Existing Business Incentive Plan

Application

Legal Name of Business (list any DBA as well)

Contact Person _____ Phone Number _____

Physical Address _____

Mailing Address _____

Email Address _____

Year Business was Established _____ Current Chelsea Business License # _____

Estimated Annual Sales tax amount contributed in prior year: _____

Scope of Construction/Project to be done:

How will this benefit your business:

How will this benefit the City of Chelsea and its Citizens:

Total Cost of Construction/Project: _____

Applying for Construction Sales Tax incentive { } and/or Future sales Tax incentive { }

Date submitted _____ Signature of Owner/Officer _____

Signature of Person Receiving at City Hall _____ date: _____

This application in no way changes, accepts or denies any zoning ordinances, or any other law or permit in any way. Acceptance or denial of this application is final. The City of Chelsea reserves the right to approve or deny any applicant for this program based off of any of the guidelines set forth.

City of Chelsea, E.B.I.P.

GUILDLINES

A.) Who Can Apply:

1. Must be an active business with a physical location located within the city limits of Chelsea, Alabama.
2. Must be located within a zoning district that is currently zoned for commercial use.
3. Must have an active Chelsea Business License.
4. Business has to have been operating for at least 3 years.

B.) Qualifications for the EBIP

1. Existing local business looking to expand and grow
2. Building a new commercial building for an existing business OR
3. Expanding/updating existing building for an existing business.
4. Minimum investment from existing business for construction is \$50,000.

C.) Construction Sales Tax Incentive:

1. Maximum of up to 10% of total construction cost can be awarded.
 - a. This means if a project is \$50,000 in total cost, then up to \$5,000 of the sales tax collected on construction materials can be returned to the applicant as an incentive for Chelsea Economic Development.

D.) Future Sales Tax Incentive:

1. The applicants previous rolling twelve months of sales taxes collected by the City of Chelsea will be the baseline for this incentive. Maximum of up to 10% of total construction cost can be awarded.
 - a. This means that if a project is \$50,000 in total cost, then the applicant is eligible for up to \$5,000 in tax incentive.
 - b. Once the baseline tax is established, and the construction is complete, starting from the "occupied date" of the new or updated construction, any increase sales tax revenue paid to the city, over the baseline number, will qualify for this incentive. This amount over the baseline will be divided by 50% percent, over a time period of . This amount rewarded back will never exceed the maximum listed above. Example: If XYZ, LLC gets a 50% FST incentive up to \$10,000, over 5 years, last September, they paid \$10 in sales tax (baseline), and this September they paid \$20, then XYZ will be returned \$5 for this months sales tax until the maximum is paid out or until the 5 year time limit is up.

E.) Due at time of Application:

1. Copy of construction plans
2. Copy of firm construction pricing

F.) Clarification:

1. The EBIP is designed for the economic development of commercial businesses within the City of Chelsea. For the beautification of the city commercial areas, and for the economic development for the city's citizens, and the creation of jobs, while also increasing the cities sales tax base.
2. Part C and part D list above are the two options for the EBIP, or a combination of the two. The amount awarded will never exceed 10% of the project construction cost. (projects that go over budget during construction will not get an increased EBIP amount. All amounts are determined at the time of application. If the project is changed and the project amount is lowered, the EBIP may be lowered, as to make sure 10% is not exceeded).
3. The EBIP is not retroactive and will have a start date of 9-10-2017.
4. If you do not turn in an application, you cannot qualify.
5. Turning in an application, does not mean you are approved.
6. All decisions on eligibility are final.
7. Mayor and Council have the approval or disapproval decision.
8. Each application will be handled on a case by case basis.
9. A business may only benefit from the EBIP one (1) time.
10. 10% or the time limit that is established is the maximums for this program.
11. This program may be terminated by a vote of the council at any point, but will fulfill any outstanding agreements until complete.
12. Home based businesses are not eligible.
13. When calculating the cost of the project, land purchase cost will not be included.
14. Based on the size of a project, the council may put a cap, or limit on the EBIP amount.
15. The council will vote for approval or denial based off of the application answers, stated guidelines, rules within this clarification section, and whether or not the project is to the benefit of the City of Chelsea and its citizens.

Signature of Applicant _____ Date _____

Below for City Use Only:

Signature of Elected City Official _____ Date _____

APPROVED { }

DENIED { }

Date This Application was voted on: _____