

ORDINANCE NO. 24-___

AN ORDINANCE OF POLK COUNTY, FLORIDA, ESTABLISHING AN EXEMPTION FROM CERTAIN AD VALOREM TAXATION FOR D.R. HORTON, 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 D.R. HORTON, INC.; PROVIDING FOR THE GRANT OF AN EXEMPTION FOR 8 YEARS AT 65 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 3, 2020, electors in Polk County approved a referendum authorizing such exemptions, and on October 4, 2022, the Board of County Commissioners (the "Board") adopted a master ordinance, Ordinance 2022-069 (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, D.R. Horton, Inc., a Delaware corporation (the "Company") submitted an application to the County requesting an ad valorem tax exemption for 65% of the assessed value of qualifying improvements to real

property and qualifying tangible personal property specified in its application for a period of eight (8) years commencing with Tax Year 2025 (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 proposed location of the new business is D.R. Horton, Inc., to be located on certain real property located in Davenport, Florida, Parcel ID No. 27-26-03-701060-000030 (such location being referred to hereinafter as the "Facility").

b. The Company will create at least 100 new full-time jobs in Polk County paying an average annual wage equal to or in excess of \$103,176, which is 200% of the 2024 average annual wage for Polk County.

c. The Company will invest, or cause to be invested on behalf of the Company, no less than Ten Million Dollars (\$10,000,000) in the construction of real property improvements and the purchase of equipment and other tangible personal property for use at the Facility.

d. The Company's operations at the Facility will consist of serving as the office headquarters for the D.R. Horton Orlando West Division.

e. The Company is committed to local procurement and the use of local vendors where practicable in support thereof.

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

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 January 23, 2024 (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 \$399,156,075.

ii. The total revenue lost to the County for the current fiscal year

by virtue of exemptions previously granted under this section is \$4,655,536.

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 \$49,535.

iv. The estimate of the taxable value lost to the County if the exemption applied for was granted is \$6,837,278 for improvements to real property and \$572,324 for tangible personal property.

v. A determination that the proposed project 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 Polk County Ordinance 2024-____, the "Economic Development Ad Valorem Tax Exemption for D.R. Horton."

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 sixty-five percent (65%) 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 in Polk County (the "D.R. Horton Exemption").

2. The D.R. Horton Exemption shall be for a period of eight (8) tax years (the "Exemption Period") commencing with Tax Year 2025 through Tax Year 2032.

3. The D.R. Horton 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 D.R. Horton Exemption and recover any taxes exempted during the Exemption Period pursuant to the procedures set out in the Master Ordinance and as described in the Performance Agreement.

4. 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 D.R. Horton Exemption and the County's recovery of any taxes exempted during the Exemption Period as set forth in the Performance Agreement.

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, 2032, and shall no longer be in force or 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 2025.

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 5th day of March, 2024.

BOARD OF COUNTY COMMISSIONERS
OF POLK COUNTY, FLORIDA

BY: _____

W.C. Braswell, Chair

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 DR Horton		Mailing address 7835 Osceola Polk Line Road, Davenport, FL 33896					
2 Please give name and telephone number of owner or person in charge of this business. Name Timothy Hultgren		Telephone number 4074730594					
3 Exact Location (Legal Description and Street Address) of Property for which this return is filed Parcel ID 27-28-03-701080-000030			4 Date you began, or will begin, business at this facility July 2025				
5 Description of the Improvements to real property for which this exemption is requested Construction of a new office			Date of commencement of construction of improvements July 2024				
6 Description of the tangible personal property for which this exemption is requested and date when property was, or is to be purchased			APPRaiser's USE ONLY				
Class or Item		Age	Date of Purchase	Original Cost	Cond*	Taxpayer's Estimate of Fair Market Rent	Cond*
Office furniture		1 YR	8/2022	\$ 354,583	good	\$	\$
Office furniture		New	1/2025	\$ 425,000	good	\$	\$
Equipment (computers, monitors, printers)		3 YR	2021	\$ 102,148	avg	\$	\$
Equipment (computers, monitors, printers)		2 YR	2022	\$ 64,303	avg	\$	\$
Equipment (computers, monitors, printers)		1 YR	2023	\$ 34,715	good	\$	\$
Equipment (computers, monitors, printers)		New	1/2025	\$ 40,500	good	\$	\$
Equipment (server)		New	1/2025	\$ 50,000	good	\$	\$
				\$		\$	\$
				\$		\$	\$
Average value of inventory on hand:		*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				9 Trade levels (check as many as apply)			
8 Describe type or nature of your business Headquarters location of a multi-county division office for a nation-wide home builder				<input type="checkbox"/> Retail <input type="checkbox"/> Wholesale <input type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input checked="" type="checkbox"/> Office <input type="checkbox"/> Other, specify:			
10 Number of full-time employees to be employed in Florida							
If an expansion of an existing business:		Net increase in employment		%		Increase in productive output resulting from this expansion	
11 Sales factor for the facility requesting exemption:							
Total sales in Florida from this facility-one (1) location only		2600 homes per year		divided by		Total sales everywhere from this facility-one (1) location only	
						2600 homes per year = 100 %	
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	
						191	
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 1/18/2024			Signature, preparer <i>Buddy Light</i>				
Signature, taxpayer <i>Timothy Hultgren</i>			Preparer's address 7835 Osceola Polk Line Rd, Davenport FL 33896				
Title Division President			Preparer's telephone number 4074730594				

Property Appraiser's Use Only	
I	Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources Final 2023 \$ 399,151,035
II	Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section \$ 4,655,536
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 \$ 49,535
IV	Estimate of the taxable value lost to the county or municipality if the exemption applied for was granted Improvements to real property \$ 6,837,278 Personal property \$ 572,324
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 type="checkbox"/> new business <input checked="" type="checkbox"/> expansion of an existing business <input type="checkbox"/> neither
VI	Last year for which exemption may be applied 2032 Start year 2025

Application to be filed not later than March 1

1/23/24
Date

Madra M. Sanyal
Signature, Property Appraiser

DR Horton, Project River
Parcel ID# 272603-701060-00030

Property Description	2024		2023		Total Taxes	Ad Valorem Abatement %	Revenue		Value		Tax Dollars Gained	MSTU's/Sqorimwt 0.8212	School Board 5.4080	SWFUMND D.2043
	Original Cost	% Good	Value 1st Yr Depr	Millage Rate			County	Lost	Lost	Lost				
Dept Tangible Personal Property:														
230 Office furniture	425,000	92%	391,000	6.6652	\$2,613.91	65.00%	\$ 1,699.04	\$ 254,150	\$ 914.87	\$ 321.09	\$ 2,114.53	\$ 79.88		
210 Equipment (computers, monitors, printers)	40,500	83%	33,615	6.6652	\$ 224.72	65.00%	\$ 146.07	\$ 21,850	\$ 78.65	\$ 27.60	\$ 181.79	\$ 6.87		
214 Equipment (servers)	50,000	87%	43,500	6.6652	\$ 290.81	65.00%	\$ 189.02	\$ 28,275	\$ 101.78	\$ 35.72	\$ 235.25	\$ 8.89		
230 Office furniture (yr purchased 2022, age 2-yr)	354,533	84%	297,850	6.6652	\$1,991.18	65.00%	\$ 1,294.27	\$ 193,602	\$ 696.91	\$ 244.59	\$ 1,610.77	\$ 60.85		
210 Equipment (computers, monitors, printers) (yr purchased 2021, age 3-yr)	102,148	43%	43,924	6.6652	\$ 293.64	65.00%	\$ 190.86	\$ 28,550	\$ 102.77	\$ 36.07	\$ 237.54	\$ 8.97		
210 Equipment (computers, monitors, printers) (yr purchased 2022, age 2-yr)	64,505	85%	41,797	6.6652	\$ 279.42	65.00%	\$ 181.62	\$ 27,158	\$ 97.80	\$ 34.32	\$ 226.04	\$ 8.54		
210 Equipment (computers, monitors, printers) (yr purchased 2023, age 1-yr)	34,715	83%	28,813	6.6652	\$ 192.62	65.00%	\$ 125.21	\$ 18,729	\$ 67.42	\$ 23.66	\$ 155.82	\$ 5.89		
Total Tangible Personal Property	\$ 1,071,249		\$ 880,499		\$ 5,886		\$ 3,026	\$ 572,324	\$ 2,060	\$ 723	\$ 4,762	\$ 180		
REAL PROPERTY IMPROVEMENTS:														
Building construction, 40,000 sf Office	\$ 12,375,164	85%	\$ 10,518,889	6.6652	\$ 70,321	65.00%	\$ 45,709	\$ 6,897,278	\$ 24,612	\$ 8,618.11	\$ 56,886.15	\$ 2,149.01		
TOTAL ESTIMATE OF PROJECT	\$ 13,446,413		\$ 11,399,388		\$ 76,207		\$ 49,535	\$ 7,409,602	\$ 26,673	\$ 9,361	\$ 61,648	\$ 2,329		

Completed by Marsha M. Faux, CFA, ASA
Polk County Property Appraiser
1/23/2024