



## LEGISLATIVE MEMORANDUM

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Suzanne Sherman, City Manager

**THRU:** Ibis Berardi, Community & Economic Development Acting Director

**DATE:** April 4, 2024

**RE:** Ordinance 2024-17, repealing Ordinance 2019-40, which granted an Economic Development Ad Valorem Tax Abatement to Midwest Dental Arts, Inc., 1490 Treeland Boulevard SE, final reading.

### SUMMARY:

A public hearing is to be held on the above subject ordinance and the caption read for the second and final time at tonight's Council meeting.

On September 6, 2018, City Council adopted Ordinance 2018-36 granting to Project Rainbow (later modified as Midwest Dental Arts by Ordinance 2019-40) an economic development Ad Valorem Tax (AVT) Abatement of 80 percent for a period of eight (8) years. Per the Ordinance, Midwest Dental Arts shall submit to the City an annual report providing evidence of continued compliance with the definition of an existing business planning to expand, per Section 196.012, Florida Statutes.

The City's Economic Development Ad Valorem Tax Exemption Program requires that all companies participating in this Program maintain eligibility each year. The City annually reviews each company's eligibility through their Annual Report filed each year with the City. The Annual Report provides the following information: tangible personal property added, the type of business, total sales in Florida and elsewhere, and the number of employees employed by the company in Palm Bay.

During the City's review of the company's 2023 Annual Report, it was determined that Midwest Dental Arts, Inc. no longer qualifies under the guidelines of the Program, outlined in Ordinance 2019-40, as the company has not maintained the minimum number of jobs created within the first three (3) years as represented on their original application seeking an AVT exemption.

A certified letter was sent to Midwest Dental Arts, Inc., notifying them that the City Council would consider rescinding their Ordinance 2019-40, based on the guidelines of the City's Economic Development Ad Valorem Tax Exemption Program.

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Per Section 4 of City Resolution No. 98-55, City Council may recover any taxes waived during the exemption period. The AVT exemptions granted to-date are as follows:

<b>Tax Year</b>	<b>Amount</b>
2021	\$17,089.68
2022	\$18,609.89
2023	\$22,224.78
<b>TOTAL:</b>	<b>\$57,924.35</b>

At the March 21, 2024 Regular Meeting, City Council directed staff to work with Midwest Dental Arts, Inc to come up with a payment plan/arrangement and bring forward to a future meeting.

**REQUESTING DEPARTMENTS:**

Community & Economic Development

**FISCAL IMPACT:**

Midwest Dental Arts, Inc. would no longer receive an ad valorem tax exemption beginning with the 2024 property tax bill.

**STAFF RECOMMENDATION:**

Motion to approve Ordinance 2024-17, revoking the Economic Development Ad Valorem Tax Abatement for Midwest Dental Arts, Inc. for property located at 1490 Treeland Boulevard SE 32909.

**ATTACHMENTS:**

1. 2023 Annual Report for Midwest Dental Arts, Inc.
2. Certified Letter to Midwest Dental Arts, Inc.
3. Ordinance 2018-36 (Project Rainbow)
4. Ordinance 2019-40 (Modified to Midwest Dental Arts, Inc.)
5. Project Rainbow Original Application for AVT Exemption
6. Ordinance 2024-17