

Example of the Reinvestment Incentive Process

Upon meeting the reinvestment incentive qualifications, the Economic Development committee will calculate the amount of the incentive. In order to perform the calculation the City's Tax Assessor must be contacted.

Step 1

$$\begin{array}{rcl} \text{City's Assessed Value \textbf{After} Improvements} & - & \text{City's Assessed Value \textbf{Before} Improvements} \\ & & \\ & = & \text{Change in Assessed Value} \end{array}$$

Step 2

$$\begin{array}{rcl} \left(\frac{\text{Change in Assessed Value} * \text{Current Year Tax Rate}}{\$100} \right) & & \\ & = & \text{Annual Change in Property Tax Revenue} \end{array}$$

Step 3

$$\begin{array}{rcl} \text{Annual Change in Property Tax Revenue} * 10 \text{ Years} & & \\ & = & \text{Reinvestment Incentive Amount} \end{array}$$

Let Us Help You Open for Business!



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Reinvestment Incentive



Putting your reinvestment dollars to work for you!



Reinvestment Incentive Ordinance

Are you opening a business or investing in property in Seaford? We can help! The Reinvestment Incentive Ordinance incentive was created to aid in economic development and reinvestment within the City of Seaford. If your project qualifies, an incentive as described below may be provided to offer assistance for the start up costs associated with a new business.



Incentive

A. The difference between the taxes based on the City assessment before and after the improvements will be multiplied by ten (10) (based on a ten year abatement period) to determine a pro-rated amount to be distributed to the property owner(s) within one year of issuance of Certificate of Occupancy from the City of Seaford's Building Official.

B. In cases of employment creation incentives and investment in plant, property and equipment incentives the Economic Development Committee shall recommend an incentive amount to City Council.

Effective Date: This ordinance is effective as of October 1, 1999 and is retroactive to January, 1 1999. The ordinance was amended on February 14, 2006, November 12, 2007 & April 14, 2009.

Qualifying Projects:

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1) Involve an existing building within the Seaford City limits or a proposed building within one of the designated Employment Centers.

2) Demonstrate substantial improvements to be made that will increase the appraised value of the property by 50% or more

-or-

will create substantial employment opportunities for residents of the greater Seaford area

-or-

results in a significant investment in property, plant and/or equipment in an Employment Center.

3) Has been recommended by the Economic Development Committee and approved by the Seaford City Council.

4) Organizations with non-profit status do not qualify. Recipients must remain for-profit or they must remit the portion of funds not repaid or the city may establish a lean against the property.

5) The property owner must be in good standing with all city accounts at a zero balance within terms in order to receive the incentive.



Requirements to Receive Incentive

1 In order to be considered for incentive benefits, the owner(s) of the property must:

- Submit the application found at our website (seafordde.com)
- Complete the project within one year of issuance of the City building permit.

2 An account of where the money has been spent shall be submitted to determine that the expenses are permitted uses.

- Permitted uses include real improvements and building and/or equipment costs.

3 An agreement outlining the terms and uses of the incentive must be formed between the property owner(s) and the City of Seaford before funds are disbursed.

4 By accepting the terms of this incentive, the property owner(s) agree to waive their right to appeal the taxes until the City of

Seaford has fully recovered the tax incentive advance. If the property is sold before the advance is recovered, the new property owner(s) may not appeal the taxes until such time that the advance has been recovered by the City of Seaford. In cases of employment creation and incentives and investment in plant, property and equipment incentives the recipient shall agree to maintain the level of employment or investment for the period of time specified in the aforementioned agreement.