

TAX INCENTIVE PROGRAM

Purpose and Objectives:

The Clinton Downtown Special Tax District Incentive Program is intended to encourage the rehabilitation of older buildings and promote infill growth with new commercial development in the Clinton Downtown Special Tax District. Anticipated benefits of the program include:

- Reduction in downtown blight;
- Increases in property value of already redeveloped properties;
- Support of locally owned businesses;
- Support of “Smart Growth” and control of urban sprawl; and
- Growth of a strong downtown commercial district.

Qualifications for Tax Incentive Program:

To qualify for the Downtown Special Tax District Incentive Program, a property owner or developer within the special tax district is expected to:

1. Submit an application, including proposed development plans, for review by the City of Clinton Planning Department and City Manager. Applicants within the Clinton Commercial Historic District will be required to submit a Certificate of Appropriateness application for review by the Clinton Historic Preservation Commission prior to submission of the application for the special tax district incentive program.
2. Receive a current tax value appraisal of the site or building from the Sampson County Tax Office before renovation or construction begins.
3. Receive a tax value appraisal of the site or building from the Sampson County Tax Office after renovations and construction are completed.
4. Pay the full annual amount of the newly appraised tax value of the property.

After the property owner pays all annual taxes, the City of Clinton and Sampson County will “grant” the property owner a sum equal to the difference between the total tax amount paid and the original tax value before renovation and construction. The special tax district incentive program time period is five years.

Calculation of Tax Incentive:

The following example illustrates the Downtown Special Tax District Incentive Program.

Before Development:

Vacant acre of land or vacant building- \$50,000 tax value

.83 = \$415 Annual Sampson County Tax

.410 = \$200 Annual City of Clinton Tax

.18 = \$90 Annual Clinton Downtown Special Tax District Tax
\$705 Total Annual Tax (Before Development)

After Development:

Newly developed land or renovated building- \$250,000 tax value

.83 = \$2075 Annual Sampson County Tax
.40 = \$1,000 Annual City of Clinton Tax
.18 = \$450 Annual Clinton Downtown Special Tax District Tax
\$3,525 Total Annual Tax (After Development)

The property owner pays \$3.525 annually in County, City, and Downtown Special District taxes. Each year, the property owner will be “granted” **\$2,820** (\$3,525-\$705). At the end of the five year incentive period, the annual grant amount will total **\$14,100**.

Cessation of Tax Incentive:

Participation in the Clinton Downtown Special Tax District Incentive Program is permitted for five years for each application. After five years, the property owner or developer will pay the full amount of the newly appraised tax value of the property without benefit of a grant.

This program is effective for all property within the Clinton Downtown Special Tax District as of January 1, 2009.

Tax Incentive Program Application

Property Address: _____ Date: _____

Current Use of Property: _____ Current Assessed Value: _____

Property Owner: _____

Owner Mailing Address: _____

Owner Phone Number: _____

I _____ agree to the terms of the Clinton Tax Incentive Program and understand I must pay annual property taxes in full, with the grant being awarded as a reimbursal. Further, I understand I must request grant annually from the Clinton-Sampson Planning Department in order to receive reimbursal.

Owner Signature: _____ Date: _____

FOR OFFICE USE ONLY:

City/County taxes paid to date: ___ (Y) or ___ (N)

HISTORIC PRESERVATION COMMISSION APPROVAL: Date: _____

PLANNING DIRECTOR APPROVAL: Date: _____

ASSESSED VALUE CONFIRMED: Initial: _____ Value: _____ Date: _____