

Resolution 2026-R-100

A Resolution authorizing the City of Irondale to enter into a Tax Abatement Agreement with CAV Kitchen LLC

WHEREAS, the City Council (the “Council”) of the City of Irondale, a political subdivision of the State of Alabama (the “City”), is authorized to grant tax abatements as permitted by the Tax Incentive Reform Act of 1992, codified as Section 40-9B-1 *et seq.* of the Alabama Code;

WHEREAS, CAV Kitchen LLC (“CAV”) plans to purchase and renovate a facility located at 1507 Alex Drive, Irondale, Jefferson County, Alabama (the “Site”) and plans to purchase furniture and equipment for the Site and operate the Site as a culinary incubator and corporate office (collectively, the “Project”), all with a total project capital investment, including building, furnishings, and equipment costs, of at least Two Million Eight Hundred Thousand Dollars (\$2,800,000.00);

WHEREAS, CAV will bring approximately sixty-five (65) jobs at a site located within the corporate limits of the City as described in the Tax Abatement Agreement between the City and the Company (the “Abatement Agreement”);

WHEREAS, the Project qualifies, by definition, as an “industrial or research enterprise,” as defined under Alabama Code § 40-9B-3(a)(10)a.2 in that it concerns a target of the state’s economic development efforts pursuant to The Accelerate Alabama Strategic Economic Development Plan (“Plan”) as the Project is supportive infrastructure for food production businesses, a targeted industry of the Plan;

WHEREAS, the terms of such abatements shall be set forth in the Abatement Agreement in substantially the form set forth herein in Exhibit A;

WHEREAS, CAV has presented a tax abatement application to the City with respect to the proposed tax abatements;

WHEREAS, the Council has determined that CAV should be granted an abatement of taxes as set forth herein in order to encourage and incentivize CAV to undertake the Project in the City; and

WHEREAS, copies of the Abatement Agreement have been presented to, considered and approved by the Council.

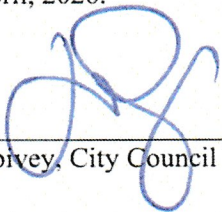
NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF IRONDALE, ALABAMA, in regular meeting duly assembled, a quorum being present as follows:

1. The Council does hereby approve and authorize (i) the approval of tax incentives for CAV as provided in the Abatement Agreement, (ii) the execution and delivery of the

Abatement Agreement, and (iii) the consummation of all other transactions described in the recitals to this resolution and contemplated by the Abatement Agreement.

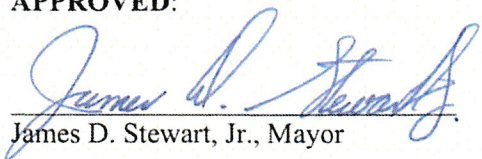
2. Mayor James D. Stewart, Jr., or his designee, is hereby authorized and directed to execute and deliver the Abatement Agreement.

ADOPTED AND APPROVED: This 21st day of April, 2026.



David Sprvey, City Council President

APPROVED:



James D. Stewart, Jr., Mayor

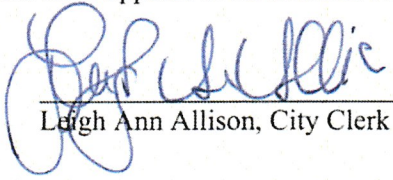
ATTESTED:



Leigh Ann Allison, City Clerk

CERTIFICATION

I, Leigh Ann Allison, the City Clerk of the City of Irondale, Alabama, hereby certify the above to be a true and correct copy of a resolution adopted by the City Council of the City of Irondale at its regular meeting held on April 21, 2026, as the same appears in the minutes of record of said meeting.



Leigh Ann Allison, City Clerk

EXHIBIT A

TAX ABATEMENT AGREEMENT

TAX ABATEMENT AGREEMENT

This TAX ABATEMENT AGREEMENT ("Agreement") is entered into as of the date of the last party to execute this Agreement ("Effective Date"), by and between the CITY OF IRONDALE, ALABAMA, a political subdivision of the State of Alabama (the "City") and CAV KITCHEN, LLC, an Alabama limited liability limited company ("CAV"). The City and CAV are each a "Party" to this Agreement and are collectively referred to as the "Parties".

Recitals

WHEREAS, CAV plans to purchase and renovate a facility located at 1507 Alex Drive, Irondale, Jefferson County, Alabama (the "Site") and plans to purchase furniture and equipment for the Site and operate the Site as a culinary incubator and corporate office (collectively, the "Project"); all with a total project capital investment, including land, building, furnishings, and equipment costs, of at least Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) ("Total Project Costs").

WHEREAS, CAV (i) will provide for the development of the food production industry through supportive infrastructure for food-production businesses by providing a location where food products are produced for resale beyond on-site consumption and (ii) will support the scaling of and distribution by such food-production businesses;

WHEREAS, CAV will bring approximately 65 onsite jobs into the City of Irondale;

WHEREAS, the Tax Incentive Reform Act of 1992 (the "Act") is codified as amended in § 40-9B-1, *et seq.* of the *Code of Alabama*;

WHEREAS, CAV has submitted an Application to Granting Authority for Abatement of Taxes to the City, copies of which are attached hereto as Exhibit 1 (the "Application");

WHEREAS, the Project qualifies, by definition, as an "industrial or research enterprise," as defined under Alabama Code § 40-9B-3(a)(10)a.2 in that it concerns a target of the state's economic development efforts pursuant to The Accelerate Alabama Strategic Economic Development Plan ("Plan") as the Project is supportive infrastructure for food production businesses, a targeted industry of the Plan;

WHEREAS, CAV has requested approval from the City for an abatement of noneducational ad valorem taxes for a period of ten (10) years and an abatement of construction related non-educational sales and use taxes; and

WHEREAS, the City has considered the Application and desires to grant an abatement of certain non-educational property taxes and construction-related transaction taxes with respect to the Project based upon the Application and the terms of the Agreement.

Agreement

NOW, THEREFORE, in consideration for the mutual promises and covenants contained in this Agreement, and for other valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Term.** Except as provided in Section 7(b) hereof, the term of this Agreement shall commence on the Effective Date and shall continue in effect until the expiration of the tax abatements set forth in Section 2 hereof or until terminated as provided herein.

2. **Abatement Grant.** The City hereby grants to CAV an exemption from liability for the following taxes with respect to the Project, which abatements may be availed of by CAV and any contractor or supplier with respect to the Project.

(a) **Non-educational Property Taxes:** all property taxes imposed by the State of Alabama and the counties, municipalities and other taxing jurisdictions of the State of Alabama that are not required to be used for educational purposes or for capital improvements for education. CAV shall, at all times, remain liable for all educational property taxes.

(b) **Construction-Related Transaction Taxes:** the transaction taxes imposed by Chapter 23 of Title 40 of the *Code of Alabama* (1975), and any county, city or other local construction-related (sales and use) transaction taxes on tangible personal property and taxable services to be incorporated into the Project, the cost of which may be added to a capital account with respect to the Project, except for those local construction-related transaction taxes levied for educational purposes or for capital improvements for education; and as such taxes are defined in the Act.

(c) Unless otherwise set forth herein, the non-educational property taxes and the non-educational construction-related transaction taxes abated pursuant to this Agreement shall be abated:

- (1) with respect to non-educational property taxes, for a period of ten (10) years beginning on the October 1st following the date on which the property owner takes possession of and is treated as the owner of such property for federal income tax purposes; and
- (2) with respect to construction-related transaction taxes, for a period beginning on the Effective Date of this Agreement and ending on the date on which the Project is placed in service, but in no event later than two (2) years from the Effective Date of the Agreement. For purposes of this Agreement, the phrase 'placed in service' shall mean, with respect to the Project, the day on which the period for depreciation begins, under the owner's customary depreciation practices.

3. Failure to Establish the Project and to Meet Projections. CAV must place the Project in service on the Site within two (2) years of the Effective Date of this Agreement and substantially meet the Projections (as set forth below in Section 6(b)(i) and (ii)) by January 31, 2030. If CAV does not meet both requirements within such time frames, then all such abatements granted herein may be revoked at the option of the City and the Agreement terminated according to the terms provided in Section 7.

4. Estimated Value of Abatement. Based in part upon the representations of CAV as to the relative costs of different elements comprising the Project and in part upon the City's knowledge of applicable tax rates within the City of Irondale, Jefferson County, and the State of Alabama, the amount of each tax abatement herein granted is hereby estimated to be as set forth below; provided, however, that the actual amount of such abatements shall not be deemed limited by the good faith estimates thereof made below. The estimated abatement amounts total \$430,000.00, which is comprised of the following:

(a) estimate of the total amount of non-educational real and personal property taxes abated: approximately \$250,000.00 over the term of this Agreement; and

(b) estimate of total amount of construction-related sales/use transaction taxes abated: approximately \$180,000.00.

5. Representations, Covenants and Warranties of CAV. CAV represents, covenants, and warrants to the City that:

(a) The Project will provide supportive infrastructure for food production businesses, a targeted industry of the state's economic development efforts pursuant to The Accelerate Alabama Strategic Economic Development Plan, to qualify the Project as an "industrial or research enterprise" under ALA. CODE §40-9B-3(a)(10)a.2.

(b) The Application contains good faith projections of (i) the amount to be invested in the Project, (ii) the number of individuals to be employed at the Project, initially and in the succeeding three years and (iii) the payroll at the Project, initially and in the succeeding three years. The Parties acknowledge and agree that the granting of the abatements herein is conditioned upon the ability of CAV to meet the projections contained in the Applications as to investment and job creation.

(c) No part of the Project consists of the replacement of existing equipment owned by CAV or the repair, maintenance, renovation, remodeling or rebuilding of existing property of CAV that has been placed in service.

(d) No part of the Project has been placed in service in Alabama by CAV or a person who is a related party thereof, as defined in 26 U.S.C. § 267, prior to the execution and delivery of this Agreement.

(e) The construction, acquisition and installation of the Project will constitute "private use industrial property" within the meaning of the Act as set forth herein.

(f) For the purposes of the abatement of all construction related transaction taxes, no portion of the Project, which has been requested for abatement, has been purchased, improved and placed in service prior to the Effective Date of this Agreement.

(g) CAV (i) is in good standing, licensed and qualified to do business in the State of Alabama, all in accordance with Alabama law; and (ii) shall remain licensed, qualified, in good standing, and in compliance with all Alabama laws applicable to their operations at all times that they are in business in the City.

6. Commitments of CAV. In consideration of the City providing the tax incentives set forth herein, CAV makes the following commitments to the City:

(a) CAV acknowledges that the citizens of the City anticipate the prompt return of substantial economic benefits to the local economy in return for the investment of public monies in the Project. Therefore, CAV agrees to use commercially reasonable efforts to prosecute the development of the Project. Subject to an Event of Force Majeure, CAV will place the Project in service for sales and use tax purposes no later than two (2) years from the Effective Date of this Agreement. An "Event of Force Majeure" means an event beyond the control of a Party hereto, which prevents that Party from complying with any of its obligations under this Agreement, including but not limited to: an act of God (such as, but not limited to, fires, explosions, earthquakes, drought, tidal waves and floods); war, hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilization, requisition, or embargo; rebellion, revolution, insurrection, or military or usurped power, or civil war; pandemic; contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly; riot, commotion, strikes, go slows, lock outs or disorder, unless solely restricted to employees of a Party; or acts or threats of terrorism.

(b) In furtherance of this Project, subject to an Event of Force Majeure and/or as provided herein in Section 3,

(i) CAV will purchase, renovate, and place in service a facility located at the Site and will invest a total amount of at least \$2,800,000.00 in such purchase and renovation within a period that is no later than two (2) years from the Effective Date of this Agreement; and

(ii) CAV will (1) invest at least \$600,000.00 (the "Committed Project Costs") in the Project for the purchase of furniture, personal property, and manufacturing equipment for the Site within two (2) years of the Effective Date of this Agreement and (2) endeavor to assist in the employment of at least sixty-five (65) persons at the Project Site by January 31, 2030. Along with annual verification as required herein, CAV will provide written proof of such investment and job numbers satisfactory to the City within a reasonable time at the request of the City. Sections 6(b)(i) and (ii) shall be collectively referred to herein as the "Projections."

(c) CAV made good faith projections on information and belief as set forth in the Applications of (i) the amount to be invested in the Project, (ii) the number of individuals to be employed at the Project, initially and in the succeeding three (3) years, and (iii) the payroll at the Project, initially and in the succeeding three (3) years. CAV agrees to provide to the City in writing, at the execution of this Agreement and thereafter on an annual basis following the date of execution of this Agreement, documentation satisfactory to the City to evidence progress toward achieving the Projections and, specifically, (i) the amount invested in the Project, (ii) the number of individuals employed at the Project, and (iii) the payroll at the Project for such annual period.

(d) CAV agrees to provide in writing to the City within sixty (60) days of the date that the Project is placed in service, documentation satisfactory to the City to evidence the achievement of the Projections and, specifically, (i) the amount invested in the Project, (ii) the number of individuals to be employed at the Project, initially and employed each year in the succeeding three years and (iii) the payroll at the Project, initially and in each of the succeeding three years.

(e) CAV shall give commercially reasonable consideration to qualified City residents for employment at the Project, subject in all cases to its then usual and customary hiring policies.

(f) Adequate funding to complete the purchase, development and construction of the Project and to conduct CAV's business at the Project has been committed to the Project by the management of CAV.

7. Termination.

(a) Upon the occurrence of any event described in paragraphs (1) - (3) below, the City shall be entitled to terminate this Agreement by providing CAV written notice thereof at City's sole option.

- (1) If any of the material statements contained in this Agreement or in the Applications are determined to have been materially misrepresented by CAV whether intentionally, negligently, or otherwise.
- (2) Failure of the Site to be used for its intended Project purpose for at least six (6) consecutive months.
- (3) CAV substantially breaches any other material obligation in this Agreement.
- (4) CAV fails to meet the requirements of Section 3.
- (5) The receipt by the City of an objection by any governmental entity to which this agreement is provided by law (pursuant to the

requirements of the Tax Incentive Reform Act of 1992 as set forth in Ala. Code §40-9B-1, *et seq.*) concerning the abatements allowed by the City herein to CAV.

Upon such termination, the City's commitment to abate taxes contained in this Agreement shall cease, CAV shall pay to the City the amount of any taxes that had been abated prior to the termination, and the City shall be entitled to take such other action as may be available to it under the law.

(b) CAV shall be entitled to terminate this Agreement by providing the City thirty (30) days written notice thereof. Upon such termination, the City's commitment to abate taxes contained in this Agreement shall cease, CAV shall pay to the City the amount of taxes that had been abated prior to the termination, and the City shall be entitled to take such other action as may be available to it under the law.

8. Covenants of the Parties.

(a) Pursuant to the requirements of ALA. CODE § 40-9B-6(c), CAV agrees to file a copy of this Agreement with the Alabama Department of Revenue within ninety (90) days after execution hereof.

(b) CAV will submit the completed abatement package to the Alabama Department of Revenue (with complete contents specified by the Department) within 90 days after the abatement is granted by the City. CAV will also provide the abatement package to the Jefferson County Tax Assessor. Pursuant to the requirements of ALA. CODE § 40-9B-5(d), the City will deliver to the Jefferson County Commission a certified copy of the City's resolution approving this Agreement, and upon receipt of the certified resolution from the City Clerk of the City, CAV shall furnish to the Department of Revenue proof of such delivery at the same time as the filing of a copy of this Agreement pursuant to ALA. CODE § 40-9B-6. Pursuant to Alabama Code §40-9B-5(d), any abatement of county taxes granted herein shall not be valid until the expiration of (1) ten (10) days following the date of physical delivery to the county commission or (2) thirteen (13) days following the date of mailing by certified mail to the county commission of a copy of the resolution granting such abatement. If the procedures herein prescribed are followed, any abatement of state taxes shall be effective as of the date granted.

(c) Notwithstanding any provision contained herein to the contrary, this Agreement is limited solely to the abatement of all state, county, city and other local taxes subject to abatement under the Act. Nothing in this Agreement shall be construed as a waiver by CAV of any greater benefits that the Project or any portion thereof may have available under provisions of the law other than the Act.

(d) CAV will indemnify and hold harmless the City and the individual members of the City Council of the City against any and all liability (including reasonable attorneys' fees and expenses) to the extent incurred by the City without bad faith or willful misconduct on its part arising out of the granting by the City of the abatements provided for under this Agreement. The indemnity provisions of this Section shall survive the termination or expiration of this Agreement for a period of three (3) years thereafter.

(e) This Agreement shall be construed, interpreted and the rights of the Parties determined in accordance with the laws of the State of Alabama without reference to choice of law provisions of Alabama law.

(f) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and electronic (in PDF format) copies of this Agreement and electronic (in PDF format) signatures by the Parties shall be deemed effective.

(Remainder of Page Left Intentionally Blank)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date set forth below.

THE CITY OF IRONDALE, ALABAMA

By: James D. Stewart, Jr.

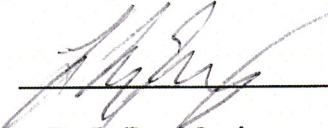
Name: James D. Stewart, Jr.

Title: Mayor

Date: 4/21/2020

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date set forth below.

CAV KITCHEN, LLC

By:  _____

Name: Dr. L. Ray Morris

Title: President + CEO

Date: 29 APR 26

EXHIBIT A

Abatement Application



ALABAMA DEPARTMENT OF REVENUE

Application to Granting Authority for Abatement of Taxes

Form CO: CAA
6/15

Under Chapter 9B, Title 40, Code of Alabama 1975

Noneducational Sales and Use Taxes, Noneducational Property Taxes, and/or Mortgage and Recording Taxes

This form is to be submitted to the granting authority for consideration in granting an abatement of all state and local noneducational property taxes, all construction related transaction (sales and use) taxes, except those local construction related transaction taxes levied for educational purposes or for capital improvements for education, and/or mortgage and recording fees, in accordance with the provisions of Section 40-9B-1 et seq., Code of Alabama 1975.

1a. TYPE OF ABATEMENT APPLYING FOR: <input checked="" type="checkbox"/> Sales & Use Taxes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Mortgage & Recording Taxes		2. PROJECT NAICS CODE: <div style="border: 1px solid black; padding: 2px; display: inline-block;">5 3 1 1 2 0</div>	
1b. IS APPLICANT REQUESTING PROPERTY TAX ABATEMENT FOR A PERIOD LONGER THAN 10 YEARS? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		3. TYPE OF PROJECT: <input checked="" type="checkbox"/> New Project <input type="checkbox"/> Major Addition To An Existing Facility	
4. DOES MAJOR ADDITION EQUAL THE LESSER OF: (CHECK APPLICABLE BOX) <input checked="" type="checkbox"/> \$2,000,000 - OR - <input type="checkbox"/> 30% of original cost of existing property, original cost \$ _____			
5. PROJECT APPLICANT: CAV Kitchen LLC		DBA: CAV Kitchen LLC	
6. ADDRESS OF APPLICANT: 1800 International Park Drive Ste. 215		CITY: Birmingham	STATE: ZIP CODE: AL 35243
7. NAME OF CONTACT PERSON: Dr. L. Ray Morris		EMAIL ADDRESS: rmmorris@sabrefinance.org	TELEPHONE NUMBER: (205) 540-0803
8. DATE COMPANY ORGANIZED: 2026			
9. PHYSICAL LOCATION OF PROJECT: 1507 Alex Drive			
CITY (IF OUTSIDE CITY LIMITS, PLEASE INDICATE): Irondale		COUNTY: Jefferson	ZIP CODE: 35210

10. BRIEF DESCRIPTION OF PROJECT (ATTACH A COMPLETE AND DETAILED LISTING OF PROJECT PROPERTY COSTS TO ENABLE A COST/BENEFIT ANALYSIS BY GRANTING AUTHORITY):
Construction of a culinary incubator and relocation of Sabre Finance corporate office.

11. ESTIMATED DATE CONSTRUCTION WILL BEGIN: Spring / Summer 2026	12. ESTIMATED DATE CONSTRUCTION WILL BE COMPLETED: Fall / Winter 2026	13. ESTIMATED DATE PROPERTY WILL BE PLACED IN SERVICE: Jan 2027
14. HAVE BONDS BEEN ISSUED FOR PROJECT: <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, date bonds issued: _____		15. WILL BONDS BE ISSUED FOR PROJECT: <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, projected date of issue: _____

16. ESTIMATED NUMBER OF NEW EMPLOYEES	17. ESTIMATED ANNUAL PAYROLL OF NEW EMPLOYEES	Estimated Investment for Project	18. COST OR VALUE FOR PROPERTY TAX	19. COST SUBJECT TO SALES TAX
INITIALLY 10	INITIALLY \$ 1,000,000	a. Land (if donated, show market value)	18a \$ 100,000	XXXXXXXXXXXX
YEAR 1 30	YEAR 1 1,200,000	b. Existing Building(s) (if any)	18b \$ 800,000	XXXXXXXXXXXX
YEAR 2 60	YEAR 2 \$ 2,400,000	c. Existing Personal Property (if any)	18c	XXXXXXXXXXXX
YEAR 3 65	YEAR 3 \$ 2,600,000	d. New Building(s) and/or New Additions to Existing Building(s) (19d = building materials only)	18d \$ 1,300,000	19d \$ 500,000
This form may be used as the application to the granting authority required by Section 40-9B-6(a), Code of Alabama 1975. The information requested here is required by Section 40-9B-6 and Section 40-2-11(7), Code of Alabama 1975.		e. New Manufacturing Machinery	18e \$ 550,000	19e \$ 550,000
		f. Other New Personal Property (non-mfg machinery, office equipment, computers, etc.)	18f \$ 50,000	19f \$ 50,000
		g. TOTALS (PROPERTY TAX TOTAL MUST EQUAL TOTAL PROJECT INVESTMENT. SALES TAX TOTAL WILL BE LESS.)	18g \$ 2,800,000	19g \$ 1,100,000

The abatement of noneducational property taxes is based on the market value of specific assets; therefore, the actual amount of taxes abated is determined each year as the property is assessed and valued. An abatement of noneducational sales and use taxes shall apply only to tangible personal property and taxable services incorporated into private use industrial property, the cost of which may be added to capital account with respect to the property, determined without regard to any rule which permits expenditures properly chargeable to capital account to be treated as current expenses. No abatement of sales and use taxes shall extend beyond the date private use industrial property is placed in service. A verification inspection of qualifying property will be conducted by the Alabama Department of Revenue to insure compliance with Section 40-9B-1 et seq., Code of Alabama 1975, as amended.

I hereby affirm that, to the best of my knowledge and belief, the information in this application and any accompanying statement, schedules, and other information is true, correct and complete.

Dr. L. Ray Morris

NAME (PRINT)

 Dr. L. Ray Morris (Mar 3, 2026 11:53:17 CST)

SIGNATURE

Chief Executive Officer

TITLE

03/03/26

DATE

Instructions for Preparing Application to Granting Authority for Abatement of Taxes (Form CO: CAA)

Under Chapter 9B of Title 40, *Code of Alabama 1975*

GENERAL INSTRUCTIONS

Chapter 9B, Title 40, *Code of Alabama 1975*, provides for an abatement of all state and local noneducational property taxes, all construction related transaction taxes (sales and use taxes), except those local construction related transaction taxes levied for educational purposes or for capital improvements for education, and/or all mortgage and recording taxes relating to mortgages, deeds, and documents used to issue or secure obligations and convey title into or out of the name of a public authority, county or municipal government.

This form is to be submitted to the granting authority for consideration in granting an abatement of noneducational sales and use taxes, noneducational property taxes, and/or mortgage and recording taxes. **If you have any questions about this form or the abatement of taxes in general, please contact the Alabama Department of Revenue at (334) 242-1175.**

A complete and detailed listing of project costs should be attached to this application in order for the granting authority to make a cost/benefit analysis in accordance with Section 40-9B-6(a).

STATUTORY REQUIREMENTS FOR ABATEMENTS

The following are qualifying business activities under Section 40-9B-3, *Code of Alabama 1975*:

- **Industrial or Research Enterprise** – Any trade or business in the 2007 North American Industrial Classification System (NAICS), promulgated by the Executive Office of the President of the United States, Office of Management and Budget as: Sectors 31 (except National Industry 311811), 32, 33, 55 (if not for the production of electricity), Subsectors 423, 424, 482, 493, 511, 517, 518, 927, Industry Groups 1133, 2121, 4862, 4882, 4883 (other than 48833) 5121 (other than 51213), 5415, 5417, Industries 22111, 48691, 48699, 48819, 51221, 51913, 52232, 54133, 54134, 54138, 56291, 56292, 92811, National Industries 115111, 221330, 541614, 561422 (in bound call centers only), 562213, and 611512.
- **Subsector 493, Industry Number 488310, or 488320** when such trade or business is conducted on premises in which the Alabama State Port Authority has an ownership, leasehold, or other possessory interest and such premises are used as part of the operations of the Alabama State Port Authority. These projects require written approval of the Governor, Finance Director, and the Director of the Alabama State Port Authority.
- **Headquarters Facility** – Any trade or business in the 2007 North American Industrial Classification System (NAICS), promulgated by the Executive Office of the President of the United States, Office of Management and Budget as National Industry 551114 at which at least 50 new jobs are located.
- **Data Processing Center** – An establishment, at which at least 20 new jobs are located, engaged in the provision of complete processing and specialized reports from data, the provision of automated data processing and data entry services, the provision of an infrastructure for hosting or data processing services, the provision of specialized hosting activities, the provision of application service provisioning, the provision of general time-share mainframe facilities, or some combination of the foregoing, without regard to whether any other activities are conducted at the establishment.
- **Research & Development Facility** – An establishment engaged in conducting original investigations undertaken on a systematic basis to gain new knowledge and/or applying research findings or other scientific knowledge to create new or significantly improved products or processes.
- **Renewable Energy Facility** – Any plant, property, or facility that either:
 1. Produces electricity or natural gas, in whole or in part, from biofuels as such term is defined in Section 2-2-90(c)(2) or from renewable energy resources as such term is defined in Section 40-18-1(30) with the exception that hydropower production shall be excluded from such definition; or
 2. Produces biofuel as such term is defined in Section 2-2-90(c)(2).
- **Alternative Energy Resources Electricity Production Project** - A project owned by a utility described in Section 37-4-1(7)a, *Code of Alabama 1975*, or owned by a company which is itself owned by a utility, at which the predominant trade or business activity conducted will be the production of electricity from alternative energy resources (coal gasification or liquefaction, nuclear and/or advanced fossil-based generation), the capital costs of which are not less than \$100,000,000.
- **Hydropower Electricity Production Project** - A project owned by a utility described in Section 37-4-1(7)a, or owned by a company which is itself owned by a utility, at which the predominant trade or business activity conducted will be the production of electricity from hydropower production as defined in Section 40-18-1(16), the capital costs of which are not less than \$5,000,000.
- **Tourist Destination Attractions** – A commercial enterprise which is open to the public not less than 120 days during a calendar year and is designed to attract visitors from inside or outside of the State of Alabama, typically for its inherent cultural value, historical significance, natural or man-made beauty, or entertainment or amusement opportunities. The term shall include, but not be limited to, a cultural or historical site; a botanical garden; a museum; a wildlife park or aquarium open to the public that cares for and displays a collection of animals or fish; an amusement park; a convention hotel and conference center; a water park; or a spectator venue or arena.
- **Any of the 11 targeted business sectors** under the Accelerate Alabama Strategic Economic Development Plan adopted in January 2012 by the Alabama Economic Development Alliance, created by Executive Order Number 21 of the Governor on July 18, 2011, which include Advanced Manufacturing in Aerospace/Defense, Automotive, Agricultural Products/Food Production, Steel/Metal, Forestry Products and Chemicals; Technology in Biosciences, Information Technology, Enabling Technologies; Distribution/Logistics and Corporate Operations.

LINE BY LINE INSTRUCTIONS

Item 1a. Indicate the type(s) of abatement(s) being requested.

Sales and Use Taxes – Chapter 9B, Title 40, *Code of Alabama 1975*, provides for the abatement of certain noneducational sales and use taxes imposed by Chapter 23 of Title 40, *Code of Alabama 1975*. The abatement applies to the tangible personal property and taxable services incorporated into the project, the cost of which may be added to the capital account with respect to the project. However, only the state and local noneducational sales and use taxes may be abated. No sales and use tax abatement shall extend beyond the date the project is placed in service.

Property Taxes – Chapter 9B, Title 40, *Code of Alabama 1975*, provides for the abatement of noneducational property taxes imposed by the state, counties, municipalities and other taxing jurisdictions in Alabama. Only industrial property not previously placed in service in Alabama by the user or a related party may be eligible for an abatement of noneducational property taxes.

Mortgage And Recording Taxes – Chapter 9B, Title 40, *Code of Alabama 1975*, provides for the abatement of all taxes imposed by Chapter 22 of Title 40 of the *Code of Alabama 1975*, relating to mortgages, deeds, and documents used to issue or secure obligations and convey title into or out of the name of a public authority.

Item 1b. Indicate if applicant is requesting abatement of property taxes for a period longer than 10 years. For any property tax abatement that is granted for over 10 years, the noneducational municipal taxes can only be abated by the City Government, noneducational county taxes can only be abated by the County Government, and state taxes can only be abated by the Governor. The governing body of the municipality and county can authorize a public industrial authority to provide by resolution for such consent on its behalf.

Item 2. If the predominant business activity is a headquarters facility, an industrial or research enterprise as defined in *Code of Alabama 1975* Section 40-9B-3(10)(a) or a state docks project as defined in Section 40-9B-3(10)(b), enter the 2007 North American Industrial Classification System (NAICS) code for the project.

Item 3. Indicate if project is a new project or a major addition.

New Project – Any new business in Alabama at which the predominant trade or business activity conducted will constitute an industrial or research enterprise or other qualifying business activity as described above. If new project, skip Item 4.

Major Addition – Pursuant to Section 40-9B-3(11), a major addition is an addition to an existing facility in which the addition equals the lesser of thirty (30) percent of the original cost of the existing land, buildings, and equipment (industrial development property), or \$2,000,000, and at which the predominant trade or business activity conducted in Alabama will constitute an industrial or research enterprise or other qualifying business activity as described above. Capitalized repairs, rebuilds, maintenance, replacement equipment, or costs associated with the renovating or remodeling of existing facilities of industrial development property previously placed in service in Alabama by the Company are not eligible for abatement under Chapter 9B.

Item 4. Indicate if major addition is in accordance with Section 40-9B-3(11) requirement as denoted above. If major addition does not meet threshold requirement, project is not qualified to receive abatement. Original cost should include the total cost of existing facilities as of the date of application.

Item 5. Enter the name of the private user requesting abatement. If project is doing business under another name, also enter the name of the company under "Doing Business As (DBA)."

Item 6. Enter the address of the private user requesting abatement.

Item 7. Enter the name, email address and telephone number of the person to which all correspondence should be directed regarding the abatement.

Item 8. Enter the date the company was organized.

Item 9. Enter the physical location of the project. Please include a detailed location, including the City, County and Zip Code.

Item 10. Describe the type of business that the project will be engaged in. For projects that do not require a NAICS code, provide a detailed description that will identify the activities as qualifying activities. Attach additional sheets if necessary.

Item 11. Enter the estimated date the construction of the project will begin.

Item 12. Enter the estimated date the construction of the project will be completed. A data processing center project's completion date will be the maximum exemption period allowed pursuant to Section 40-9B-3(12)b.

Item 13. Enter the estimated date the project will be placed in service. If revenue bonds are issued, "placed in service," for property tax purposes, is determined as of the date of the initial issuance of such bonds. Otherwise, with the exception of a data processing center project, "placed in service" for sales and use tax and property tax purposes is determined as the later of 1) the date on which title to the property was acquired by or vested in a county, city, or public authority, or 2) the date on which the property is or becomes owned, for federal income tax purposes, by a private user. A data processing center project's placed in service date will be the maximum exemption period allowed pursuant to Section 40-9B-3(12)b.

Item 14. Indicate if bonds have been issued in financing the project. If bonds have been issued, enter the issuance date.

Item 15. Indicate if bonds will be issued for financing the project. If bonds will be issued, enter the projected issuance date.

Column 16. Enter the estimated number of new employees to be hired at the project. The law requires the number of employees to be employed at the project initially and in each of the succeeding three years.

Column 17. Enter the estimated annual payroll for employees at the project. The law requires the estimated payroll of new employees initially and in each of the succeeding three years.

Column 18.

18a. Enter all costs or value for project land. If land is donated, enter the market value of the land.

18b. Enter all costs or value for existing building(s), if any.

18c. Enter all costs or value for existing personal property to be incorporated into project. Only personal property not previously placed in service in Alabama by the private user or a related party can be included. If a private user is including existing equipment from outside of Alabama, the existing equipment should be entered here at its original cost.

18d. Enter the total cost for new building(s) and/or new additions to existing building(s). Total cost includes building materials, construction costs, engineering costs, etc. Costs associated with renovating or remodeling existing facilities of an operating industrial or research enterprise do not qualify for abatement.

18e. Enter the total cost for new manufacturing equipment to be incorporated into the project. Replacement equipment does not qualify for abate-

ment under Chapter 9B. New equipment that is defined as upgraded equipment may qualify. Upgraded equipment is equipment that replaces existing equipment, and performs not only the same functions, but also an additional function.

18f. Enter the total cost for all other new personal property. Other new personal property may include, but is not limited to, non-manufacturing machinery, office equipment, computers, vehicles, etc. Only personal property that is a depreciable item can be included.

18g. Add 18a through 18f and enter total here. This is the total amount on which the initial property taxes will be based. This total must be the total value of the cost or investment in the project. This total must agree with the total investment amount in the abatement resolution and the total investment amount in the abatement agreement.

Column 19.

19d. Enter the cost of the building materials (subject to sales tax) that become a part of realty for new building(s) and/or new additions to existing building(s). Other building costs (labor, engineering) are not subject to sales tax.

19e. Enter the cost of new manufacturing equipment for the project. For sales tax purposes, manufacturing equipment is taxed at a lower rate. Equipment that is purchased used from another company in an isolated transaction is not subject to sales tax and should not be included.

19f. Enter the cost of all other new personal property.

19g. Add 19d through 19f and enter total here.