Resolution 2026-R-257

A Resolution authorizing the City of Irondale to enter into a Tax Abatement Agreement with Sandblast by Creative Concepts, Inc.

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, Sandblast by Creative Concepts, Inc. ("Sandblast") proposes to acquire, develop, construct, equip, and install a "major addition" (as such term is defined in Ala. Code § 40-9B-3(a)(11)) at its existing candy manufacturing facility on land located at 1500 Georgia Road in Irondale, Jefferson County, Alabama (the "Project") with a total project capital investment, including land, building, furnishings, and equipment costs, of at least Three Million Seven Hundred and Eighty-Five Thousand Dollars ($3,785,000.00);

WHEREAS, the Project is expected to provide sixty (60) jobs at a site located within the corporate limits of the City as described in the Tax Abatement Agreement between the City and the Sandblast (the "Abatement Agreement");

WHEREAS, the predominant activity at the Project has a North American Industrial Classification System Code ("NAICS Code") of 311340 (Nonchocolate Confectionery Manufacturing) and will further qualify by definition as an "industrial or research enterprise" under Ala. Code § 40-9B-3(a)(1);

WHEREAS, the terms of such abatements shall be set forth in the Abatement Agreement;

WHEREAS, the Companies have presented tax abatement applications to the City with respect to the proposed tax abatements;

WHEREAS, the Council has determined that the Companies should be granted an abatement of taxes as set forth herein in order to encourage and incentivize Sandblast 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 Sandblast as provided in the Abatement Agreement, (ii) the execution and delivery of the Abatement Agreement in substantially the form set forth as **Exhibit 1** hereto, 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 in substantially the form presented to Council as this meeting with such non-substantive changes or additions thereto or deletions therefrom as the Mayor shall approve, which approval shall be conclusively evidenced by execution of such instruments.

ADOPTED AND APPROVED: This 4th day of November, 2026.

David Spivey, 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 November 4, 2026, as the same appears in the minutes of record of said meeting.

Leigh Ann Allison, City Clerk

Exhibit 1

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 **SANDBLAST BY CREATIVE CONCEPTS, INC.**, an Alabama corporation ("Sandblast"). The City and Sandblast are each a "Party" to this Agreement and are collectively referred to as the "Parties".

Recitals

WHEREAS, Sandblast proposes to acquire, develop, construct, equip, and install a "major addition" (as such term is defined in Ala. Code § 40-9B-3(a)(11)) at its existing candy manufacturing facility on land located at 1500 Georgia Road in Irondale, Jefferson County, Alabama (the "Project") with a total project capital investment, including land, building, furnishings, and equipment costs, of at least Three Million Seven Hundred and Eighty-Five Thousand Dollars ($3,785,000.00);

WHEREAS, Sandblast specializes in interactive candy-dispensing systems and candy manufacturing and plans to hire approximately 60 new jobs in connection with the Project 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, Sandblast has submitted an Application to Granting Authority for Abatement of Taxes to the City, a copy of which is attached hereto as **Exhibit A** (the "Application");

WHEREAS, the predominant activity at the Project has a North American Industrial Classification System Code ("NAICS Code") of 311340 (Nonchocolate Confectionery Manufacturing) and will further qualify by definition as an "industrial or research enterprise" under Ala. Code § 40-9B-3(a)(1);

WHEREAS, Sandblast 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 this 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 Sandblast an exemption from liability for the following taxes with respect to the Project, which abatements may be availed of by Sandblast and any contractor or supplier with respect to the Project.

(a) Non-educational Property Taxes: all property taxes imposed by the State of Alabama (except the 1 mill levied by the State of Alabama for Alabama Department of Commerce purposes) 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. Sandblast 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 the 0.75% construction-related transaction taxes levied by the State of Alabama for Alabama Department of Commerce purposes; 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 July 1, 2030. 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**. Sandblast must place the Project in service by July 1, 2030, and substantially meet the Projections (as set forth below) by December 31, 2032. If Sandblast 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 this Agreement terminated according to the terms provided in Section 7. Sandblast will be deemed to have substantially met the Projections if Sandblast has reached an Average Actual Performance of at least ninety percent (90%) by December 31, 2032. The "Average Actual Performance" is calculated in three steps: (1) dividing the actual payroll created as of December 31, 2032 by the Committed Payroll (as such term is defined in Section 6(b)(ii)), (2) dividing the actual Project

costs expended by no later than July 1, 2030, by the Committed Project Costs (as such term is defined in Section 6(b)(ii)), and (3) dividing the sum of the percentages determined in (1) and (2) by two. If the Average Actual Performance is at least 90%, Sandblast shall be deemed to have substantially met the Projections. For example purposes only, if Sandblast expends 80% of the Committed Project Costs by no later than July 1, 2030 and creates 100% of the Committed Payroll by December 31, 2032, then the Average Actual Performance will be 90% and Sandblast shall be deemed to have substantially met the Projections. In no event shall Sandblast be entitled to receive more than 100% credit for Committed Payroll and/or Committed Project Costs for purposes of determining the Average Actual Performance. If Sandblast's Average Actual Performance is under 90%, the City may revoke the abatements described herein and terminate this Agreement as set forth in Section 7, and notice of such revocation shall be provided by the City as set forth in Section 9(c) hereof.

4. **Estimated Value of Abatement**. Based in part upon the representations of Sandblast 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 $384,761.00, which is comprised of the following:

(a) estimate of the total amount of non-educational real and personal property taxes abated: approximately $245,936.00 over the term of this Agreement; and

(b) estimate of total amount of construction-related sales/use transaction taxes abated: approximately $138,825.00.

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

(a) The Project will operate with a predominant activity that has a NAICS Code of 311340 and that qualifies as "industrial or research enterprise" under ALA. CODE § 40-9B-3(a)(1).

(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 Sandblast to meet at least ninety percent (90%) of the projections contained in the Application as to investment, job creation, and payroll.

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

(d) No part of the Project has been placed in service in Alabama by Sandblast, 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.

(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) Sandblast (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 its operations at all times that it is in business in the City.

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

(a) Sandblast 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, Sandblast agrees to use commercially reasonable efforts to prosecute the development of the Project. Subject to an Event of Force Majeure, Sandblast will place the Project in service for sales and use tax purposes no later than July 1, 2030. 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) Sandblast will (1) invest at least $3,785,000.00 (the "Committed Project Costs") in the Project for the purchase of land, building, and furnishings and equipment by July 1, 2030, and (2) employ at least sixty (60) employees (with an estimated annual payroll of at least $2,710,560.00 (the "Committed Payroll")) at the Project by December 31, 2032. Along with annual verification as required herein, Sandblast will provide written proof of such investment and job numbers satisfactory to the City within a reasonable time at the request of the City. This Section 6(b)(i) shall be referred to herein as the "Projections."

(c) Sandblast made good faith projections on information and belief as set forth in the Application 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. Sandblast 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) Sandblast 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) Sandblast 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 business at the Project has been committed to the Project by the management of Sandblast.

7. Termination.

(a) Upon the occurrence of any event described in paragraphs (1) - (4) below, the City shall be entitled to terminate this Agreement by providing Sandblast written notice thereof at the City's sole option.

(1) If any of the material statements contained in this Agreement or in the Application are determined to have been materially misrepresented by Sandblast whether intentionally, negligently, or otherwise.

(2) Failure of the Project to be used for its intended purpose for at least six (6) consecutive months.

(3) Sandblast substantially breaches any other material obligation in this Agreement.

(4) Sandblast fails to meet the requirements of Section 3.

Upon such termination, the City's commitment to abate taxes contained in this Agreement shall cease, Sandblast 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) Sandblast 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, Sandblast 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), Sandblast agrees to file a copy of this Agreement with the Alabama Department of Revenue within ninety (90) days after execution hereof.

(b) Sandblast 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. Sandblast 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, Sandblast 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 Sandblast of any greater benefits that the Project or any portion thereof may have available under provisions of the law other than the Act.

(d) Sandblast 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.

9. Miscellaneous.

(a) Each Party to this Agreement hereby represents and warrants that the person(s) executing this Agreement on behalf of the Party is authorized to do so and that this Agreement shall be binding and enforceable when duly executed and delivered by each Party.

(b) If Sandblast fails to comply with any provision in this Agreement or if any of the material statements contained herein are determined to have been misrepresented whether intentionally, negligently, or otherwise (provided, however, that the failure of Sandblast to satisfy the projections contained in the Application as to investment, job creation, and payroll, subject in all cases to Sandblast's prudent business judgement and then current company, market and/or

economic conditions, shall not constitute misrepresentation under this Agreement), the City may, at its option and after a 30-day notice period and opportunity to cure, terminate this Agreement and take such equitable action available to it as if this Agreement had never existed. If it is determined that certain items, which are identified on the Application, are not in compliance with the Act and/or governing regulations, these items may be subject to taxation for all local and state taxing authorities.

(c) Any communication, notice or demand expressly required or permitted under this Agreement must be in writing and will be deemed to have been given (i) on the date personally delivered, (ii) on the date delivered by any nationally recognized overnight carrier that routinely issues receipts, or (iii) as of the date of acceptance or rejection noted on the return receipt if delivered by the United States Postal Service, postage prepaid, certified or registered mail, return receipt requested, and addressed to the Party for whom it is intended at the address set forth below. Any Party to this Agreement may add additional addresses or change its addresses for purposes of receipt of any such communication by giving ten (10) days prior written notice of such change to the other Parties in the manner prescribed in this Section.

If to the City:	City of Irondale, Alabama Attn: Mayor James Stewart 101 20th Street South Irondale, Alabama 35210 Email: jstewart@cityofirondaleal.gov
With a copy to:	April B. Danielson, City Attorney Hand Arendall Harrison Sale 1801 5th Avenue North, Suite 400 Birmingham, Alabama 35203 Email: adanielson@handfirm.com
If to Sandblast:	Sandblast by Creative Concepts, Inc. Attn: Scott Green 1500 Georgia Road Irondale, Alabama 35210 Email: scott@creative-concepts.com
With a copy to:	Trey Hill Bradley Arant Boult Cummings LLP 1819 Fifth Avenue North Birmingham, Alabama 35203 Email: thill@bradley.com

(d) This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. This Agreement may not be assigned by any Party hereto without the prior written consent of the other Parties.

(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: 11/04/2026

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

SANDBLAST BY CREATIVE CONCEPTS, INC.

By: _____

Name: Scott Green

Title: President

Date: 11/17/2026

EXHIBIT A

Abatement Application

Form CO: CAA
5/26

ALABAMA DEPARTMENT OF REVENUE
Application to Granting Authority for Abatement of Taxes

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

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

This form must be used to request an abatement from the granting authority for eligible state and local noneducational/unabated property taxes and sales & use taxes, and/or mortgage and recording taxes, in accordance with Section 40-9B-1 et seq., Code of Alabama 1975.

1a. TYPE OF ABATEMENT APPLYING FOR:
☒ Sales & Use Taxes ☒ Property Taxes ☐ Mortgage & Recording Taxes

2. PROJECT NAICS CODE: 3 1 1 3 4 0

1b. IS APPLICANT REQUESTING PROPERTY TAX ABATEMENT FOR A PERIOD LONGER THAN 10 YEARS?
☐ Yes ☒ No

3. TYPE OF PROJECT:
☐ New Project ☒ Major Addition To An Existing Facility

4. DOES MAJOR ADDITION EQUAL THE LESSER OF: (CHECK APPLICABLE BOX)
☒ $2,000,000 – *OR* – ☐ 30% of original cost of existing property, original cost $_____

5. PROJECT APPLICANT: Sandblast by Creative Concepts, Inc.
DBA: Creative Concepts

6. ADDRESS OF APPLICANT: 1500 Georgia Road
CITY: Irondale
STATE: AL
ZIP CODE: 35210

7. NAME OF CONTACT PERSON: Scott Green
EMAIL ADDRESS: scott@creative-concepts.com
TELEPHONE NUMBER: (205) 8380570

8. DATE COMPANY ORGANIZED: 01/05/1998

9. PHYSICAL LOCATION OF PROJECT: 1500 Georgia Road
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)***:
Acquire, develop, construct, equip, and install a "major addition" at its existing candy manufacturing facility.

11. ESTIMATED DATE CONSTRUCTION WILL BEGIN: 12/01/2026
12. ESTIMATED DATE CONSTRUCTION WILL BE COMPLETED: 12/31/2029
13. ESTIMATED DATE PROPERTY WILL BE PLACED IN SERVICE: 12/31/2029

14. HAVE BONDS BEEN ISSUED FOR PROJECT:
☒ No ☐ Yes If yes, date bonds issued:

15. WILL BONDS BE ISSUED FOR PROJECT
☒ No ☐ 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 18	INITIALLY 774000	a. Land (if donated, show market value)	18a 100000	XXXXXXXXXX
YEAR 1 32	YEAR 1 1408000	b. Existing Building(s) (if any)	18b 0	XXXXXXXXXX
YEAR 2 46	YEAR 2 2027450	c. Existing Personal Property (if any)	18c 0	XXXXXXXXXX
YEAR 3 60	YEAR 3 2710560	d. New Building(s) and/or New Additions to Existing Building(s) (19d = building materials *only*)	18d 2300000	19d 1150000
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 1250000	19e 1250000
		f. Other New Personal Property (non-mfg machinery, office equipment, computers, etc.)	18f 135000	19f 135000
		g. **TOTALS** (PROPERTY TAX TOTAL MUST EQUAL TOTAL PROJECT INVESTMENT. SALES TAX TOTAL WILL BE LESS.)	18g 3785000	19g 2535000

The abatement of property taxes, excluding state property taxes and property taxes designated for education, 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 sales and uses taxes, excluding state sales and use taxes and taxes designated for education 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.

Scott Green
NAME (PRINT)

SIGNATURE

President
TITLE

10/5/2026
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 noneducational property taxes except for the unabated taxes pursuant to Section 40-9I-1(1) and the 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 the unabated taxes pursuant to Section 40-9I-1(2), 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/abated sales and use taxes, noneducational/abated 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) 353-9789.**

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, 513, 517, 518, 927, Industry Groups 1133, 2121, 4862, 4882, 4883 (other than 48833) 5121 (other than 51213), 5122, 5415, 5417, Industries 22111, 48691, 48699, 48699, 48819, 51929, 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 targeted business sectors under the CatALyst, which include Agriculture & Food, Bioscience, Chemical Manufacturing, Defense, Forestry & Wood Products, Metal & Advanced Material, Mobility, Technology. Enablers; Business Services and Logistics & Distribution.

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/abated 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, except the unabated state tax pursuant to Section 40-9I-1(2) 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/abated 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 incorpo-

rated into the project. Replacement equipment does not qualify for abatement 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.