

## Sales Tax Reimbursement Program

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*The purpose of the Sales Tax Reimbursement Program is to improve the aesthetic nature and physical appearance of existing buildings and promote site improvements to commercial properties in the existing commercial/office/industrial areas of Dublin. The program intends on improving the existing building stock and lowering long-term vacancy rates in the community. The Program also allows new construction to seek reimbursement under certain conditions.*

### Program Facts:

- Allows property owners and/or tenants, through a written agreement adopted by the City Council, to recover a portion or all of the costs of improvements (site, internal and external) made to the property.
- Reimbursements would be limited to the actual costs of improvements to structures and the property site by an owner or tenant and the eligible improvements would need to be established and certified with documentation of expenses. Reimbursements for demolition of existing buildings and replacement with new buildings may be considered on a case-by-case basis. The Program also allows for new construction to seek reimbursement for certain improvement costs.
- Eligible businesses must generate more than \$100,000 or \$500,000 in new sales tax revenue each year. (This is equal to annual taxable sales of \$10 million and \$50 million respectively.) This information would need to be certified through copies of sales tax returns provided to the State Board of Equalization (SBOE) based on previous operations that this threshold has been met.
- No more than fifty percent (50%) of the net new sales tax revenue can be considered as the amount of reimbursement, subject to the following limitations:
  - The cumulative maximum reimbursement cannot exceed the total amount of the cost of eligible improvements.
  - Reimbursements are made on an annual basis
  - In the case of a business generating \$100,000 in new sales tax revenue, reimbursements would continue until the full amount of eligible improvements is paid; or for a period of five (5) years, whichever occurs first.
  - In the case of a business generating \$500,000 in new sales tax revenue, reimbursements would continue until the full amount of eligible improvements is paid; or for a period of ten (10) years, whichever occurs first.

### Eligibility Requirements:

- Must generate more than \$100,000 or \$500,000 of new sales tax revenue to the City each year the agreement is in effect.
- Must be a new business, not existing business in the City. An exception to this requirement may be considered on a case-by-case basis for existing Dublin businesses that might relocate or expand within the City. However, the expansion or move must result in additional sales tax revenue that meets the \$100,000 or \$500,000 in new sales tax revenue threshold.
- Eligible costs include:
  - Exterior improvements – painting, façade repair, replacement signage
  - Interior improvements – tenant improvements (does not include new furniture or accessory items)
  - Site improvements – parking lots, driveways, landscaping, etc.
- Property and/or tenant must demonstrate, to the City's satisfaction, a financial need to receive reimbursement. This could come in the form of a letter and a review of a project pro-forma.