

**HIGHLAND COMMONS  
TAX INCREMENT FINANCING PLAN  
PICAYUNE, MISSISSIPPI  
2015**

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**URBANDEVELOPMENT** 

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**HIGHLAND COMMONS  
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**ARTICLE I. PURPOSE AND INTENT**

**Section 1.01 Preamble.**

(a) The administration and implementation of this “*Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015*” (the “**TIF Plan**”) will be a joint undertaking of the City of Picayune (the “**City**”) and Pearl River County (the “**County**”). The City and County will enter into an inter-local agreement or a regional economic development alliance agreement (“**Agreement**”) under the Regional Economic Development Act (the “**REDA Act**” as defined below) or as applicable and as amended, that will designate the City as the primary party in interest in carrying forward a proposed mixed-use multi-phased project on 276.94± acres consisting of a Wal-Mart Neighborhood Market, and other planned commercial, professional, retail, including medical-related commercial space, and additional commercial residential developments pursuant to this TIF Plan (the “**Project**”). Bonds, notes, or other similar debt obligations (the “**TIF Debt Obligations**”) will be issued, in one or more series to provide the necessary funds to finance the construction of various related public infrastructure and related site improvements in connection with the Project. The TIF Plan shall be a joint undertaking of the City and County whereby the City will issue in one or more series all of the TIF Debt Obligations as authorized herein to finance the Project as more fully described herein.

(b) The funds received from the TIF Debt Obligations and other funds as identified herein will be used to defray the cost of construction and installation of various public infrastructure improvements in connection with the Project and other activities to serve the “Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015” and the community as a whole.

(c) The total cost of the infrastructure, site improvements, and other activities making up the Project in the *first Phase* as defined below, is estimated to be at least ONE MILLION, NINE HUNDRED THOUSAND DOLLARS (\$1,900,000) and it is estimated that *future Phases* will include an additional cost of infrastructure, site improvements, and other activities making up the Project of up to FOUR MILLION, SIX HUNDRED THOUSAND DOLLARS (\$4,600,000) in new construction, part of which will be funded through Tax Increment Financing Revenue Bonds, notes, or other similar debt instruments issued in one or more series in an amount not to exceed a total of SIX MILLION, FIVE

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HUNDRED THOUSAND DOLLARS (\$6,500,000) by the City pursuant to the TIF Plan and Section 21-45-1, *et seq.*, Mississippi Code of 1972, as amended (**the “TIF Act”**) and the Regional Economic Development Act funding as authorized by Section 57-64-1, *et seq.*, Mississippi Code of 1972 as amended (**“the REDA Act”**) and as applicable.

(d) The Project will be a multi-phased development located on 276.94± acres fronting on Highway 11 and located near Highway 43 at the exit immediately west of Interstate 59 in the City of Picayune, Mississippi. The Project will include a Wal-Mart Neighborhood Market store, a skilled nursing home facility, planned commercial, professional, retail, and medical-related commercial space with additional commercial residential developments planned in later Phases of the Project.

The Project will consist of **Phase I** with the development of 6.98± acres to be a new **Wal-Mart Neighborhood Market** store. This new Wal-Mart development will encompass approximately 32,000 square feet and employ 75 - 95 full and part-time workers. **Phase I** will represent a private investment of \$11,000,000 of new construction plus \$2,400,000 for inventory and will provide for \$1,900,000 of infrastructure and related cost, including engineering, surveying, utilities, fire protection, sanitary sewer, drainage, underground power, the development of a signalized intersection on Highway 11, and related street improvements and is estimated at a total private investment directly from the developer of over FIFTEEN MILLION, THREE-HUNDRED THOUSAND DOLLARS (\$15,300,000.)

Currently under construction in the proposed TIF Taxing District is a new development known as *Bedford Care Center - Picayune*. This planned skill nursing home facility is located on Cooper Road and includes an estimated private investment of \$4,700,000, which will also contribute significantly to the proposed TIF Taxing District economic growth and provide for increase in ad valorem taxes.

**Phase II** of the Project as reflected in the master plan of the Project includes a mixed-use development and is expected to include retail and commercial facilities, professional offices, along with medical services that compliment the existing hospital development, and other planned medical-related commercial space, and additional commercial residential developments. Plans also include various community green spaces for public leisure opportunities. The master plan previously adopted by the City, also provides for an additional 250,000 square feet of interior space to be developed at a construction cost estimate of approximately \$25,800,000 including the necessary public infrastructure necessary to support this Phase of the development.

(e) The descriptions of the Project and the tax revenue projections were provided by COOPER COMPANY, INC. (**“the Developer”**), the City of Picayune, and the Pearl River County Tax Assessor’s office.

**Section 1.02 Statement of Intent.** As provided in the Preamble of this TIF Plan, the City, acting on behalf of itself and the County, proposes to issue Tax Increment Financing Revenue Bonds, notes or other similar debt instruments in one or more series, pursuant to the authority outlined hereinabove, in an amount not to exceed SIX MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000), which will be secured solely by the City's pledge of up to one hundred percent (100%) of the increased real and personal property ad valorem taxes, along with a pledge of up to fifty percent (50%) of the rebated sales taxes paid to the City from the State of Mississippi as a result of the retail sales generated by the Project and generated in the TIF District ("**TIF District**"), and a pledge by Pearl River County of up to fifty percent (50%) of the increased real and personal property ad valorem taxes generated by the construction and development of the Project within the TIF District proposed herein.

The TIF funds will be used to pay the cost of constructing and installing various infrastructure improvements and site improvements of the Project including, but not limited to, installation of utilities such as water, sanitary sewer, fire protection and natural gas lines; relocation of utilities; installation and relocation of electrical services; installation of storm drainage; construction of roadways with curb and gutter, parking, sidewalks; installation of traffic signalization and signage, including a signalized traffic intersection on Highway 11, additional related public roads, grading; lighting and landscaping of the rights-of-way; purchase of rights-of-way and other property necessary for the installation of the infrastructure and other improvements described hereinabove; capitalized interest; and other related expenses such as engineering; all expenses in connection with the authorization, sale and issuance of bonds, or indebtedness; TIF plan preparation fees and other incidental related costs; and related professional fees. If deemed necessary and appropriate, the City and County may require additional security from the Developer of the Project. The construction of the aforementioned improvements will be undertaken to provide for the public convenience, health and welfare and serve the best interests of the City of Picayune, and Pearl River County. *A more detailed scope of work, along with budgets, will be identified in a security and reimbursement agreement with the Developer.*

**Section 1.03 Public Convenience and Necessity.** The public convenience and necessity requires participation by the City and County in this Project. The public interest will be served by the City and County's participation in the public infrastructure and other public improvement and facilities costs of the Project. The Project will accomplish the following, which will provide for the public convenience and necessity and serve the best interests of the citizens of the City of Picayune, and Pearl River County.

(a) **Private Investment.** The project and its multiple phases of development represent a total private investment of up to \$45,800,000 and are separated between the Wal-Mart Neighborhood Market (\$15,300,000), (\$4,700,000) for the Bedford Care Center a skilled nursing home facility development and approximately (\$25,800,000) in Phase 2 for the retail and commercial development, including an office park for professional services development, and a commercial residential development.

(b) **Increase in City Ad Valorem Taxes.** Increased City real and personal property taxes generated from the “Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015” are projected to be as follows:

<u>Entity</u>	<u>Current Tax</u>	<u>Taxes After Improvements</u>	<u>Total Increase</u>
City (38.66 mils) Real and Personal Property	\$4,518.45	\$225,755.07	\$221,236.62

(c) **Increase in County Ad Valorem Taxes.** Increased County real property taxes generated from the “Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015” are estimated to be as follows:

<u>Entity</u>	<u>Current Tax</u>	<u>Taxes After Improvements</u>	<u>Total Increase</u>
County (54.82 mils) Real and Personal Property	\$6,420.89	\$320,121.39	\$313,700.50

(d) The Project will generate the following estimated real property taxes for the School District:

<u>Entity</u>	<u>Current Tax</u>	<u>Taxes After Improvements</u>	<u>Total Increase</u>
School Dist. (65.67 mils) Real and Personal Property	\$10,120.73	\$383,479.97	\$373,359.24

(e) **Summary of Benefits**

- The project will result in the development of approximately 276.94± vacant acres into a well-designed, high-quality property that will enhance the Highland Commons Parkway community area stature as a new regional-shopping area that can draw traffic and commerce from the larger perimeter trade areas.
- The development will include the construction of a new Wal-Mart Neighborhood Market Store with a private investment of \$15,300,000
- The development will include up to \$25,800,000 in additional private investment in the construction of up to 250,000 square feet in commercial, professional, retail and commercial residential growth for the community
- The development will act as a catalyst for additional development in the immediate vicinity and will serve to keep Picayune, and Pearl River County dollars at home.
- The development will result in the creation of hundreds of construction jobs with payroll in the millions of dollars, creating a positive economic impact during the development process.
- The development is expected to create hundreds of permanent full-time and part-time jobs
- The project is expected to represent a total private investment of up to \$45,800,000 and will convert approximately 276.94± acres of vacant undeveloped land into an economic generator consisting of multiple high profile mixed-use developments.
- The project could generate retail sales totaling in excess of \$60,100,000 with 50% to 75% of those anticipated to be net new sales in Picayune from the project.
- The Project is expected to generate sales tax rebates to the city range between \$389,147 to \$583,721 annually for the city's treasury. Currently the property generates no sales tax.
- The Wal-Mart Neighborhood Market development is expected to increase real and personal property ad valorem taxes to the city, and county totaling \$159,710 annually.
- The Wal-Mart development will also generate an estimated \$112,197.20 annually in increased property taxes to the school district.

- The project will also include a new (\$4,700,000) skilled nursing home facility, and professional, commercial office and retail space which will give Picayune an opportunity to attract a new population base to further support economic growth in the market trade area.
- The Wal-Mart Neighborhood Market development will represent a private investment of \$15,300,000 and will generate 75 to 95 full and part-time jobs, with \$16,000,000 in annual retail sales.

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**ARTICLE II. PROJECT AND DEVELOPER INFORMATION**

**Section 2.01 Project Description.**

The Project will be a multi-phased development located on 276.94± acres fronting on Highway 11 and located near Highway 43 at the exit immediately west of Interstate 59 in the City of Picayune, Mississippi. The Project will include a new Wal-Mart Neighborhood Market store, a new skilled nursing home facility and other planned commercial, professional, retail, medical-related commercial space, and additional commercial residential developments.

The project will consist of *Phase I* with the development of 6.98± acres to become a new Wal-Mart Neighborhood Market store. This new Wal-Mart development will encompass approximately 32,000 square feet and employ 75 to 95 full and part-time workers. *Phase I* will represent a private investment of \$11,000,000 plus \$2,400,000 for inventory and will provide for \$1,900,000 of infrastructure including utilities, fire protection, sanitary sewer, drainage, underground power, the development of a signalized intersection on Highway 11, and related street improvements and is estimated at a total private investment directly from the developer of over FIFTEEN MILLION, THREE HUNDRED THOUSAND DOLLARS (\$15,300,000).

Currently under construction in the proposed TIF Taxing District is a new skilled nursing home facility development known as Bedford Care Center – Picayune located on Cooper Road. This initial complex includes an estimated private investment of \$4,700,000, which, will also contribute significantly to the proposed TIF Taxing District economic growth and increase in ad valorem taxes.

The project, through additional planned phases, will become a mixed-use development and is expected to include retail and commercial facilities, professional offices, and medical services that compliment the hospital development, and additional luxury apartments and/or townhomes. Plans also include various community green spaces for public leisure opportunities. The master plan provides for an additional 250,000 square feet of interior space to be developed at a construction cost estimate of approximately \$25,800,000.

Attached hereto as Exhibit 1 are a survey map, multiple parcels and legal descriptions of the proposed TIF District from which the tax revenues will be generated to service the TIF Debt Obligations.

**Section 2.02 Developer Information.**

**(a) Name of Developer:**

COOPER COMPANY, INC.

Attn: Andy Cooper

**Address of Company:**

Post Office box 816

Picayune, MS 39466

**Local Contractors or Agents:**

To be determined by the Developer using competitive bids/proposals processes

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## ARTICLE III. ECONOMIC DEVELOPMENT IMPACT DESCRIPTION

### Section 3.01 Job Creation.

(a) **Part-Time Construction Jobs.** It is expected that the construction of the Project will create hundreds of construction jobs that will generate estimated construction payrolls in the millions of dollars much of which will likely be spent locally and have an additional positive impact on the economy of Picayune, and Pearl River County. The builders will likely use local contractors and labor and will purchase materials in the Picayune market trade area. Construction will likely have a significant short-term positive economic impact on the local economy through purchases of gas, food, and lodging in the Picayune retail trade area.

(b) **Permanent Full and Part-Time Jobs.** Upon completion of the total Project, it is expected that Highland Commons will employ an estimated 300-500 full time and part-time jobs. The Wal-Mart Neighborhood Market store alone in Phase 1 is anticipated to employ seventy-five (75) to ninety-five (95) full and part-time workers.

**Section 3.02 Financial Benefit To The Community.** The Project will be a multi-phased development located on 276.94± acres fronting on Highway 11 and located near Highway 43 at the exit immediately west of Interstate 59 in the City of Picayune, Mississippi. This Project is expected to enhance an area of Picayune, and Pearl River County that is currently assessed as unused agricultural acreage.

(a) **Private Investment.** As planned, construction of the Project could represent a private investment of approximately FORTY-FIVE MILLION, EIGHT HUNDRED THOUSAND DOLLARS (\$45,800,000) with an impact of those funds into the local economy.

(b) **Ad Valorem Property Tax Increases.** Currently, property taxes generated by the 276.94± acre site are approximately TWENTY-ONE THOUSAND, SIXTY DOLLARS and 07/100's (\$21,060.07) annually.

As a result of the total Project, real and personal property ad valorem taxes could reach approximately NINE HUNDRED TWENTY-NINE THOUSAND, THREE HUNDRED FIFTY-SIX DOLLARS and 43/100's (\$929,356.43). The following table illustrates the estimated ad valorem taxes before and after construction of the Project:

*Estimated AD VALOREM TAXES – Phase 1 (Wal-Mart project)*

<u>Entity</u>	<u>Current Tax*</u>	<u>Taxes After Improvements*</u>	<u>Total Increase*</u>
<b>City (38.66 mils)</b> Real and Personal Property	\$1,045.45	\$66,050.61	\$65,005.16
<b>County (54.82 mils)</b> Real and Personal Property	\$1,482.44	\$93,659.97	\$92,177.53
<b>School District (65.67 mils)</b> Real and Personal Property	\$1,775.85	\$112,197.20	\$110,421.35
<b>Total</b>	<b>\$4,303.74</b>	<b>\$271,907.78</b>	<b>\$267,604.04</b>

\* The estimated taxes provided in the foregoing table are based on data provided by the Developer, the City of Picayune, and the Pearl River County Tax Assessor. These estimated real and personal ad valorem tax values are reflecting a single 69.12-acre parcel of the total 276.94 acres defined in the TIF District.

*Estimated AD VALOREM TAXES – All Phases estimated*

<u>Entity</u>	<u>Current Tax*</u>	<u>Taxes After Improvements*</u>	<u>Total Increase*</u>
<b>City (38.66 mils)</b> Real and Personal Property	\$4,518.45	\$225,755.07	\$221,236.62
<b>County (54.82 mils)</b> Real and Personal Property	\$6,420.89	\$320,121.39	\$313,700.50
<b>School Dist. (65.67 mils)</b> Real and Personal Property	\$10,120.73	\$383,479.97	\$373,359.24
<b>Total</b>	<b>\$21,060.07</b>	<b>\$929,356.43</b>	<b>\$908,296.36</b>



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\* The estimated taxes provided in the foregoing table are based on data provided by the Developer, the City of Picayune, and the Pearl River County Tax Assessor. These estimated real and personal ad valorem taxes include multiple parcels of approximately 276.94 acres as defined in Exhibit 1.

**(c) New Retail Sales Taxes.** It is expected that retail sales from the development in *Phase I* with the Wal-Mart Neighborhood Market store and with the additional long-term retail build out of future phases over the next three to seven years could reach \$60,100,000 annually at the desired build out. The project is expected to help keep Picayune dollars in Picayune. It is estimated of the anticipated retail sales that 50-75% of projected retail sales will be net new sales for the City of Picayune. The following table reflects expected sales and sets forth the estimated sales tax rebates to the city from the State of Mississippi.

**Total Projected Gross Sales (Wal-Mart Neighborhood Market Project - *Phase I*)**

Total Projected Gross Sales	\$16,000,000
State Sales Tax	\$1,120,000
Sales Tax Rebated to Picayune	\$207,200
Net New Sales Tax Rebates @ 50% value	\$103,600
@75% value	\$155,400

**Total Projected Gross Sales (All Phases estimated)**

Total Projected Gross Sales	\$60,100,000
State Sales Tax	\$4,207,000
Sales Tax Rebated to Picayune	\$778,295
Net New Sales Tax Rebates @ 50% value	\$389,147.50
@75% value	\$583,721.25

**ARTICLE IV. A STATEMENT OF THE OBJECTIVE OF THE TAX INCREMENT FINANCING PLAN**

**Section 4.01 Primary Objective.** The primary objective of the TIF Plan is to serve the public convenience and necessity by participating in the “Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015.” The TIF Plan will provide financing to acquire property, construct public infrastructure, and other improvements to serve the development as described in the preamble to this TIF Plan. The public infrastructure improvements will be constructed in accordance with standards, codes, and ordinances of the City.

The improvements will provide for the health and welfare of the public by providing for safe and adequate streets, traffic signalization, lighting, drainage improvements, parking and public access, and adequate utilities, which may include electrical, water, gas, sanitary sewer systems, fire protection and drainage systems. The improvements will also include areas of landscaped green space.

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**ARTICLE V. A STATEMENT INDICATING THE NEED AND PROPOSED USE OF THE TAX INCREMENT FINANCING PLAN IN RELATIONSHIP TO THE REDEVELOPMENT PLAN**

**Section 5.01** **Property Description** The proposed use of the Tax Increment Financing Plan is to provide a financing mechanism for the construction of “Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015,” and other improvements necessary to serve the public and that will utilize the induced development. This TIF Plan is consistent with the goals and objectives of the Tax Increment Redevelopment Plan of 1995, City of Picayune, Mississippi, April 1995.

The legal descriptions, listing of various included parcels and a survey map is attached as Exhibit 1.

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**ARTICLE VI. A STATEMENT CONTAINING THE COST ESTIMATE OF THE REDEVELOPMENT PROJECT, PROJECTED SOURCES OF REVENUE TO MEET THE COSTS AND TOTAL AMOUNT OF INDEBTEDNESS TO BE INCURRED**

**Section 6.01 Cost Estimate of Development Project** The development of the Project could represent a private investment in excess of FORTY FIVE MILLION, EIGHT HUNDRED THOUSAND DOLLARS (\$45,800,000). As set forth in the Preamble of this TIF Plan, this TIF Plan will be a joint undertaking of the City of Picayune, and Pearl River County, whereby the City and County will enter into an inter-local agreement, which will designate the City as the primary party in interest in carrying the Project forward. The City and County propose that the City is to issue bonds, notes, or other similar debt instruments as authorized in the Preamble of this TIF Plan, in one or more series, in an amount not to exceed SIX MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000). The TIF funds will be used to pay the cost of constructing and installing various infrastructure improvements and site improvements of the Project including, but not limited to, installation of utilities such as water, sanitary sewer, fire protection and natural gas lines, relocation of utilities, installation and relocation of electrical services, installation of storm drainage, construction of roadways with curb and gutter, parking, sidewalks, installation of traffic signalization and signage, grading, lighting and landscaping of rights-of-way, purchase of rights-of-way and other property necessary for the installation of the infrastructure and other improvements described hereinabove, capitalized interest and other related expenses such as engineering all expenses in connection with the authorization, sale and issuance of bonds, or indebtedness TIF plan preparation fees and other incidental related costs and related professional fees. If deemed necessary and appropriate, the City and County may require additional security from the Developer of the Project. The construction of the aforementioned improvements will be undertaken to provide for the public convenience, health, and welfare. A more detailed scope of work, along with budgets, will be identified in a security and reimbursement agreement with the Developer, COOPER COMPANY, INC.

Proceeds of the bonds or notes may also be used to fund capitalized interest and/or a debt service reserve fund as may be permitted under Section 21-45-1, *et seq.*, Mississippi Code of 1972, as amended.

**Section 6.02 Projected Sources of Revenue to Meet Costs.** COOPER COMPANY, INC., will secure financing for the private investment in the Project. The City of Picayune will pledge up to one hundred percent (100%) of the ad valorem tax increases from the real and personal property within the TIF District to finance the Tax Debt Obligations and up to fifty percent (50%) of the rebated sales tax paid to the City by the State of Mississippi as a result of retail sales generated in the TIF District as a result of the Project.

The County will also pledge up to fifty percent (50%) of the ad valorem tax increases of the real and personal property generated in the TIF District. If deemed necessary and appropriate, the City of Picayune, and Pearl River County may require additional security from the Developer of the Project.

**Section 6.03 Total Amount of Indebtedness to be Incurred.** As provided in the Preamble of this TIF Plan, the City of Picayune will issue up to SIX MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000) in TIF Debt Obligations, in one or more series, which will be secured by the City of Picayune with the pledge of up to one hundred percent (100%) of the incremental increases in ad valorem real and personal property taxes generated by development in the TIF District, and up to fifty percent (50%) of the rebated sales taxes paid to the City by the State of Mississippi that are generated from retail sales that originate in the TIF District as a result of the Project to finance the TIF Debt Obligations. Pearl River County will pledge up to fifty percent (50%) of the incremental increases in ad valorem real and personal property taxes generated by development in the TIF District. If deemed necessary and appropriate, the City of Picayune and Pearl River County may require additional security from the Developer of the Project.

*The Tax Increment Financing Redevelopment Plan of 1995, Picayune, Mississippi April 1995 and Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015 and the Tax Increment Financing Redevelopment Project Plan Of 2004, Pearl River County, Mississippi and Highland Commons Tax Increment Financing Plan Pearl River County, Mississippi 2015 shall be a joint undertaking by the City of Picayune, and Pearl River County including, but not limited to, the issuance of the TIF Debt Obligations to provide funds to defray the cost of the improvements.*

**Section 6.04 Description of Interest Rate and Required Payments on the TIF Debt Obligations.** It is expected that the TIF Debt Obligations for the Project can be obtained at an annual interest rate of not more than seven percent (7%) for up to fifteen (15) years of tax increment debt obligations. Assuming that the TIF Debt Obligations for the Project are SIX MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000), and further assuming that 100% of the incremental City tax increase is pledged towards the TIF Bond Issue payments, and up to fifty percent 50% of the rebated sales taxes paid to the City from The State of Mississippi from retail sales generated in the TIF District as a result of the Project and up to fifty percent 50% of the incremental County tax increase is being pledged towards the TIF Bond Issue payments, annual principal and interest payments less a debt reserve ratio of 1.20% on the TIF Bonds Issue are estimated to be approximately SIX HUNDRED NINETEEN THOUSAND, NINE HUNDRED SEVENTY DOLLARS (\$619,970) (this example also assuming a current rate of 5% interest rate and tax increment obligations and repayment schedule over a period of up to fifteen (15) years).

**Section 6.05 Pledge of Taxes to Service the TIF Debt Obligations.** The annual increase in ad valorem real and personal property tax revenues and rebated sales taxes to be generated for the City of Picayune by the Project are estimated to be NINE HUNDRED NINETY-NINE THOUSAND, FIVE HUNDRED THIRTY ONE DOLLARS (\$999,531).

The increase in ad valorem real and personal property tax revenues to be generated for Pearl River County resulting from construction and development of Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015 are estimated to be THREE HUNDRED THIRTEEN THOUSAND, SEVEN HUNDRED DOLLARS (\$313,700).

It is requested that up to one-hundred percent (100%) of the increased ad valorem real and personal property taxes generated by the Project in the TIF District of the City of Picayune be pledged to the payment of the TIF Debt Obligations and up to fifty percent (50%) of the rebated sales taxes paid to the City from the State of Mississippi that are generated from retail sales in the TIF District as a result of the Project be pledged by the City.

**The only obligations of the City with respect to the payment of the debt obligations will be the pledge of the increased ad valorem real and personal property tax revenues and rebated sales taxes of the City generated within the TIF District as a result of the Project.**

**The only obligation of the County with respect to the payment of the TIF Debt Obligations will be a pledge of up to fifty percent (50%) of the increased ad valorem real and personal property tax revenues of the County generated within the TIF District.** If deemed necessary and appropriate, the City of Picayune, and Pearl River County may require additional security from the Developer of the Project within the TIF District.

**Section 6.06 Excess Taxes to be Added to General Funds.** Of the total estimated principal and interest payments of SIX HUNDRED NINETEEN THOUSAND, NINE HUNDRED SEVENTY DOLLARS (\$619,970), the City of Picayune will pledge up to one hundred percent (100%) of the added increments of ad valorem taxation on the real and personal property generated by the construction and development of the Project within the TIF District to service the TIF Debt Obligations and up to fifty percent (50%) of the rebated sales tax received by the City from the State of Mississippi collected from retail sales taxes generated in the TIF District as a result of the Project. Any surplus of ad valorem real and personal property tax, and or rebated sales taxes received by the City of Picayune that is not used or needed for the repayment of TIF Debt Obligations will be deposited in the general funds of the City of Picayune to be used for any lawful purpose.

In addition, Pearl River County will pledge up to fifty percent (50%) of the added increments of ad valorem tax of the real and personal property generated by the development the Project within the TIF District to service the TIF Debt Obligations. Any surplus of ad valorem real and personal property taxation that is not used or needed for the repayment of TIF Debt Obligations will be deposited in the general funds of Pearl River County to be used for any lawful purpose.

**Section 6.07 TIF Debt Obligations to be Issued in an Amount that is Commensurate with Pledged Tax Revenue.** The TIF Debt Obligations will be issued in one or more series proportionate with the level of pledged ad valorem taxes and pledged rebated sales taxes received from the State of Mississippi and generated within the TIF District as a result of the Project in amounts and percentages to be defined in the development agreements and/or the security and reimbursement agreements between the Developer, COOPER COMPANY, INC., and the City of Picayune. If deemed necessary and appropriate, the City of Picayune may require additional security from the Developer of the Project.

The amount of bonds, notes or similar debt instruments, the timing of the issuance and the percentage of debt service to be repaid by the City of Picayune, and Pearl River County shall be determined pursuant to further proceedings of the City and the County.

**ARTICLE VII. LIST OF ALL REAL PROPERTY TO BE INCLUDED IN TAX INCREMENT FINANCING PLAN**

The real property to be included in this TIF Plan from which the ad valorem real and personal property tax revenues and rebated sales taxes from the State of Mississippi that are generated from TIF District to finance the TIF Debt Obligations will be approximately a two hundred seventy-six and ninety-four tenths (276.94±) acre tract consisting of the Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015 property. (see Exhibit 1 for legal descriptions, reference to multiple parcels and a survey map of the TIF District).

**ARTICLE VIII. DURATION OF THE TAX INCREMENT FINANCING PLAN'S EXISTENCE**

The duration of *Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015* will not exceed twenty-five (25) years.

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**ARTICLE IX. ESTIMATED IMPACT OF TAX INCREMENT FINANCING PLAN UPON THE REVENUES OF ALL TAXING JURISDICTIONS IN WHICH A REDEVELOPMENT PROJECT IS LOCATED**

**Section 9.01 Ad Valorem Tax Increases** The construction and development of the Project will generate significant increases in ad valorem tax revenues for the City of Picayune, Pearl River County and the School District. The following are estimates of the new ad valorem tax revenues expected to be generated by the Project:

**Estimated AD VALOREM TAXES (Wal-Mart Project – Phase 1)**

<u>Entity</u>	<u>Current Tax*</u>	<u>Taxes After Improvements*</u>	<u>Total Increase*</u>
<b>City (38.66 mils)</b>			
Real and Personal Property	\$1,045.45	\$66,050.61	\$65,005.16
<b>County (54.82 mils)</b>			
Real and Personal Property	\$1,482.44	\$93,659.97	\$92,177.53
<b>School District (65.67 mils)</b>			
Real and Personal Property	\$1,775.85	\$112,197.20	\$110,421.35
<b>Total</b>	<b>\$4,303.74</b>	<b>\$271,907.78</b>	<b>\$267,604.04</b>

\* The estimated taxes provided in the foregoing table are based on data provided by the Developer, the City of Picayune, and the Pearl River County Tax Assessor. These estimated real and personal ad valorem tax values are reflecting a single 69.12-acre parcel of the total 276.94 acres defined in the TIF District as defined in Exhibit 1 attached.

**Estimated AD VALOREM TAXES (All Phases estimated)**

<u>Entity</u>	<u>Current Tax*</u>	<u>Taxes After Improvements*</u>	<u>Total Increase*</u>
<b>City (38.66 mils)</b>			
Real and Personal Property	\$4,518.45	\$225,755.07	\$221,236.62
<b>County (54.82 mils)</b>			
Real and Personal Property	\$6,420.89	\$320,121.39	\$313,700.50
<b>School Dist. (65.67 mils)</b>			
Real and Personal Property	\$10,120.73	\$383,479.97	\$373,359.24
<b>Total</b>	<b>\$21,060.07</b>	<b>\$929,356.43</b>	<b>\$908,296.36</b>



\* The estimated taxes provided in the foregoing table are based on data provided by the Developer, the City of Picayune, and the Pearl River County Tax Assessor. These estimated real and personal ad valorem taxes include multiple parcels of approximately 276.94 acres as defined in Exhibit 1.

**Section 9.02 New Retail Sales Taxes.** It is expected that retail sales from all phases of the development could reach \$60,100,000 annually at the desired build out. The project is expected to help keep Picayune dollars in Picayune. It is expected of the projected retail sales that 50-75% will be new sales for Picayune. The following table reflects estimated sales and sets forth the estimated sales tax rebates to the city from the State of Mississippi.

Total Projected Gross Sales	\$60,100,000
State Sales Tax	\$4,207,000
Sales Tax Rebated to Picayune	\$778,295

Net New Sales Tax Rebates @ 50% value \$389,147.50 @75% value \$583,721.25

Total Projected Gross Sales (*Wal-Mart Neighborhood Market Project - Phase I only*)

Total Projected Gross Sales	\$16,000,000
State Sales Tax	\$1,120,000
Sales Tax Rebated to Picayune	\$207,200

Net New Sales Tax Rebates @ 50% value \$103,600 @75% value \$155,400

**ARTICLE X. A STATEMENT REQUIRING THAT A SEPARATE FUND BE ESTABLISHED TO RECEIVE THE ADDED INCREMENTS OF AD VALOREM TAXES AND THE PROCEEDS OF ANY OTHER FINANCING ASSISTANCE**

A separate fund entitled "*The Highland Commons Tax Increment Financing Plan Picayune, Mississippi, 2015*" shall be established by the City of Picayune, and Pearl River County to receive pledged real and personal property ad valorem taxes, and pledged rebated sales taxes received from the State of Mississippi that are generated from retail sales generated in the TIF District as defined in Exhibit 1 attached hereto and the proceeds of any other financial assistance received in connection with this Tax Increment Financing Plan.

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**ARTICLE XI. THE GOVERNING BODY SHALL BY RESOLUTION, FROM TIME TO TIME, DETERMINE (i) THE DIVISION OF AD VALOREM TAX RECEIPTS, AND OR REBATED SALES TAXES THAT MAY BE USED TO PAY FOR THE COST OF ALL OR ANY PART OF A REDEVELOPMENT PROJECT; (ii) THE DURATION OF TIME IN WHICH SUCH TAXES MAY BE USED FOR SUCH PURPOSES; (iii) IF THE GOVERNING BODY SHALL ISSUE BONDS FOR SUCH REDEVELOPMENT PROJECT; AND (iv) SUCH OTHER RESTRICTIONS, RULES AND REGULATIONS AS IN THE SOLE DISCRETION OF THE GOVERNING BODY OF THE CITY SHALL BE NECESSARY IN ORDER TO PROMOTE AND PROTECT THE PUBLIC INTEREST**

Through the adoption of *The Highland Commons Tax Increment Financing Plan Picayune, Mississippi 2015*, the Governing Body the City of Picayune acknowledges the above and shall adopt the necessary resolutions when deemed necessary and appropriate.

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## ARTICLE XII. PLAN OF FINANCING

**Section 12.01 Pledge of Increases in Taxes.** The TIF Plan provides for the City of Picayune, acting on behalf of itself and Pearl River County, to issue the TIF Debt Obligations in one or more series, which will be secured by the City of Picayune with the pledge of up to one-hundred percent (100%) of the incremental increases in real and personal property ad valorem taxes, generated by the Project and with a pledge of up to fifty percent (50%) of the rebated sales taxes received from the State of Mississippi and that are generated as a result of retail sales by the Project and located in the TIF District as defined in Exhibit 1 attached. Pearl River County will also pledge up to fifty percent (50%) of incremental increases in ad valorem taxes lying in the approximately of two hundred seventy-six and ninety-four tenths (276.94±) acre tract of land, which comprises the TIF District established by this TIF Plan as defined in multiple parcels with legal descriptions and a survey map as indicated in Exhibit 1 attached.

If deemed necessary and appropriate, the City of Picayune, and Pearl River County may require additional security from the Developer of the Project.

**Section 12.02 Funding Through Issuance of TIF Debt Obligations.** Such decision on the most advantageous method for the City of Picayune, and Pearl River County to incur the debt will be made pursuant to further proceedings of the City of Picayune, and Pearl River County.

**Section 12.03 Amount, Timing, and other Terms of TIF Debt Obligations.** The Project may be funded in whole or in part through the following source: Tax Increment Financing Revenue Bonds, notes or other similar debt instruments issued in one or more series in an amount not to exceed SIX MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000) by the City of Picayune issued pursuant to the TIF Plan, Section 21-45-1, *et seq.*, Mississippi Code of 1972, as amended (the "TIF Act").

The amount of bonds, the timing of the issuance and the percentage of debt service to be repaid by the City of Picayune, and Pearl River County shall be determined pursuant to further proceedings of the City and the County.

The City of Picayune and Pearl River County will set up a separate TIF fund account to deposit pledged Ad Valorem Taxes, and pledged rebated sales taxes to pay the TIF bond debt service.

# Exhibit 1

*Legal Descriptions, Parcel Numbers of the  
Highland Commons Tax Increment  
Financing Plan Picayune, Mississippi 2015  
and Survey Map of the Geographic  
Location of the Project*

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