Voters could decide on property tax exemptions for businesses in Palm Beach Gardens

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PALM BEACH GARDENS —

Voters could decide Nov. 6 to give the city council the authority to exempt new and existing businesses from paying property taxes if the council approves the proposal at Thursday’s 7 p.m. council meeting.

“It’s a gamble. You want to create financial incentives to bring businesses to your community. But if it does not work, the residents are the ones who pay with higher taxes,” said William Stronge, economics professor emeritus at Florida Atlantic University.

If approved by the council on Thursday and then by city voters in November, the council could allow businesses to be exempted from all of part of their property taxes for up to 10 years. The exemptions would be for city taxes only, not school board, county or state taxes. Each company’s exemption — for commercial property only — would require approval in a separate city council vote.

“We would use the exemption to attract large, solid companies that would create high-paying jobs. In turn, the employees would buy homes and generate revenue in the city and local area. Eventually, the business would go on the tax rolls. It’s like buying an annuity,” said Vice Mayor Bert Premuroso.

Existing businesses, which are some of the city’s biggest taxpayers, would be unlikely to receive exemptions, said Premuroso. Those would include the Gardens Mall, which last year paid a total tax bill of $4.6 million, with about $1.2 million going to the city. Downtown at the Gardens paid a total tax bill of about $665,000, with about $178,000 going to Gardens.

The exemptions could attract new businesses to the Briger property, a 1-square-mile vacant area straddling Hood Road approved for biotech, offices, retail, a hotel and about 2,700 homes, townhouses and apartments. The incentives could also spark development of the planned 800,000 square feet of office planned by Florida Power & Light on about 80 vacant acres on the
north side of PGA Boulevard between Interstate 95 and Alternate A1A, according to Mayor David Levy.

“In the end, the exemptions would produce more revenue than we are putting out. It’s another tool to attract more business to the city,” Levy said.