

GOURAS & ASSOCIATES

TAX INCREMENT FINANCING PLAN
WAL-MART SUPERCENTER PROJECT
CITY OF CANTON, MISSISSIPPI
SEPTEMBER 2013



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ARTICLE I

A. PREAMBLE

The administration and implementation of this Tax Increment Financing Plan, Wal-Mart Supercenter Project, City of Canton, Mississippi, September 2013 (the "TIF Plan") will be an undertaking of the City of Canton (the "City"), authorized pursuant to Section 21-45-1 *et seq.*, Mississippi Code of 1972, as amended (the "TIF Act"), and will be administered and implemented as a joint undertaking of the City and Madison County, Mississippi, (the "County").

The City and County will enter into an interlocal cooperation agreement, which will designate the City as the primary party in interest in carrying the project forward. The issuance of bonds to provide funds to finance the costs of infrastructure improvements identified in the TIF Plan shall be a joint undertaking of the City and County whereby the City may issue Tax Increment Financing Bonds as authorized herein to finance the Project as more fully described herein (the "TIF Bonds"). The TIF Bonds authorized by this TIF Plan shall not exceed \$5,000,000.

Wal-Mart Real Estate Business Trust (the "Developer") proposes to develop a 160,000 square foot Wal-Mart project to be known as the "Wal-Mart Supercenter Project" (hereinafter the "Project") located west of Interstate 55 and south of Highway 22 the city limits of Canton. The total Project is expected to represent a private investment in excess of \$15,000,000.

The tax increment financing funds as identified herein will be used to defray the cost of infrastructure improvements to serve the project and the community as a whole.

B. STATEMENT OF INTENT

The City may issue TIF Bonds pursuant to the authority outlined hereinabove in an amount not to exceed Five Million Dollars (\$5,000,000), which funds will be used to pay the cost of installing or constructing various infrastructure improvements, which may include, but are not necessarily limited to, installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs and gutters, sidewalks, on-site parking, relocation of electrical lines, lighting, traffic signalization, landscaping of rights-of-way, related architectural/engineering fees, attorneys' fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs (together the "Infrastructure Improvements").

All of the revenue from the TIF District (hereinafter defined) will be pledged to secure the debt on the TIF Bonds; provided, however that the TIF Bonds will be sized using fifty percent (50%) of the incremental increases in real and personal property ad valorem taxes and sales tax rebates generated from within the TIF District. The County's participation shall be limited to fifty percent (50%) of the incremental increases in real and personal property ad valorem taxes generated from within the TIF District.

After the Project has been substantially completed and the building is open for business, the City

will issue the TIF Bonds and reimburse the Developer in accordance with a development agreement to be entered into between the parties as authorized by the TIF Act.

The construction of the Infrastructure Improvements will be undertaken to provide for the public convenience, health, and welfare.

Public Convenience and Necessity

The public convenience and necessity requires participation by the City and County in 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 and County.

1. Construction of the Project will represent a private investment in excess of \$15,000,000.
2. It is estimated the Project will create 300 permanent full and part-time jobs with an estimated payroll in excess of \$5,000,000.
3. It is estimated that the Project will create 175 construction jobs with an anticipated payroll of \$3,000,000.
4. It is expected that the Project will create annual real and personal property tax *increases* of about \$143,194 for the City.
5. It is expected that the Project will create annual real and personal property tax *increases* of about \$84,360 for the County.
6. It is anticipated that the Project will create annual real and personal property tax *increases* of about \$120,769 for the School District.
7. The sales generated by the development are expected to reach \$64,000,000 annually.
8. The anticipated level of annual sales will result in annual sale tax rebates to the City of approximately \$828,800.
9. The Project will enhance additional business growth in the City.
10. The Project will create infrastructure for additional businesses that will be attracted to a location with proximity to Wal-Mart.

ARTICLE II

A. REDEVELOPMENT PROJECT DESCRIPTION

The Project will be located within the city limits of Canton to the west of Interstate 55, south of Highway 22. A survey and legal description of the parcels that will comprise the tax increment financing district (the "TIF District") are attached as Exhibit A. The total Project is expected to represent a private investment in excess of \$15,000,000.

Project Location

- a. Property Description and Map
Attached hereto as Exhibit A is a survey and legal description of the TIF District as well as the parcels that will comprise the TIF District.
- b. Environmental Characteristics and Zoning
Development of the site will require funds which will be used to pay the cost of installing or constructing the Infrastructure Improvements. The Project will consist of permitted uses as allowed by the applicable zoning ordinances of the City. The property is zoned Canton West Special West Zoning District.

B. DEVELOPER INFORMATION

1. Name of Company
Wal-Mart Real Estate Business Trust
2. Address of Company
701 South Walton Blvd.
Bentonville, AR 72716
3. Tax I.D. Number
71-0415188
4. Local Contractors or Agents
None

**ARTICLE III
ECONOMIC DEVELOPMENT IMPACT DESCRIPTION**

A. JOB CREATION

Construction Jobs

The Project is expected to create 175 jobs over the life of the Project with a construction payroll in excess of \$3,000,000.

Permanent Jobs

The Project is expected to create approximately 300 permanent jobs with an annual payroll in excess of \$5,000,000.

B. FINANCIAL BENEFIT TO THE COMMUNITY

Ad Valorem Tax Increases

The construction and development of the Project will generate significant ad valorem tax revenues for the City, the County, and the Canton Public School District. The following are estimates of new ad valorem tax revenues anticipated to be generated from the Project. Estimates for real property taxes are based on assumed new true value of \$10,550,070 for real property and \$6,400,000 for personal property. The combined assessed value is \$2,542,511.

	MILLAGE RATES	CURRENT TAXES	AFTER PROJECT	INCREASE
City	56.32			
		\$84	\$143,278	\$143,194*
County	33.18			
		\$49	\$84,410	\$84,360*
School District	47.50			
		\$71	\$120,840	\$120,769
INCREMENT	137.00	\$204	\$348,528	\$348,323

* All revenue will be pledged to service the debt on the bonds; provided however, that only 50% of City and County ad valorem tax increases will be used to size the TIF Bonds. (Along with 50% of the incremental increases in City sales tax rebates).

Note: Assumes constant values and millage rates. Values are based on discussions with the Madison County Tax Assessors office regarding a similar Wal-Mart Supercenter.

Retail Sales

It is estimated that the Project will generate approximately \$64,000,000 in sales annually, which will create annual sales tax rebates to the City of \$828,800. Sales tax rebates will be used to service the debt on the TIF Bonds.

ARTICLE IV

THE OBJECTIVE OF THE TAX INCREMENT FINANCING PLAN

The primary objective of this TIF Plan is to serve the public convenience and necessity by participating in the Project. The TIF Plan will provide financing to construct the Infrastructure Improvements to serve the general public and Project as described in detail in the preamble to this TIF Plan.

The Infrastructure Improvements will be constructed in accordance with standards, codes, and ordinances of the City.

The Infrastructure Improvements will provide for the health and welfare of the public by providing for safe and adequate infrastructure improvements, which may include, but are not necessarily limited to, the installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs and gutters, sidewalks, on-site parking, relocation of electrical lines, lighting, traffic signalization, landscaping of rights-of-way, related architectural/engineering fees, attorneys' fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs.

ARTICLE V

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

The proposed use of the TIF Plan is to provide a financing mechanism for the construction of Infrastructure Improvements necessary to serve the public that will utilize the induced development.

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

A. COST ESTIMATE OF REDEVELOPMENT PROJECT

The development of the TIF District will represent a private investment of approximately \$15,000,000. The proceeds of the TIF Bonds will be used to pay the cost of constructing various infrastructure improvements, which may include, but are not necessarily limited to, the installation, rehabilitation and/or relocation of utilities such as water, sanitary sewer, construction, renovation, or rehabilitation of drainage improvements, roadways, curbs and gutters, sidewalks, on-site parking, relocation of electrical lines, lighting, traffic signalization, landscaping of rights-of-way, related architectural/engineering fees, attorneys' fees, TIF Plan preparation fees, issuance costs, capitalized interest, and other related soft costs.

The construction of the Infrastructure Improvements will be undertaken to provide for the public convenience, health, and welfare.

Proceeds of the TIF Bonds 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, annotated.

B. PROJECTED SOURCES OF REVENUE TO MEET COSTS

The Developer will secure financing to construct the Project including the work to be funded with TIF Bonds. The City will pledge incremental tax increases from the ad valorem real and personal property taxes and sales tax rebates generated within the TIF District to secure the TIF Bonds. The County will authorize the pledge of all its incremental increases in ad valorem taxes real and personal property taxes generated within the TIF District to secure the TIF Bonds. The amount of TIF bonds to be issued shall be sized by using fifty percent (50%) of the City's increased real and personal property ad valorem taxes and sale tax rebates generated within the TIF District, and fifty percent (50%) of the County's increased real and personal property ad valorem taxes generated from within the TIF District.

C. TOTAL AMOUNT OF INDEBTEDNESS TO BE INCURRED

The City may issue up to Five Million Dollars (\$5,000,000) in TIF Bonds which may be secured by utilizing all of the revenue generated by the TIF District; provided, however that the amount of the TIF Bonds to be issued shall be sized by using 50% of the City's incremental increases in real and personal property ad valorem taxes and sales tax rebates in addition to 50% of the County's incremental increases in real and personal property ad valorem taxes generated from within the TIF District. The City of Canton, **Tax Increment Financing Redevelopment Plan**, and the **Tax Increment Financing Plan, Wal-Mart Supercenter Project, City of Canton, Mississippi, September 2013**, shall be a joint undertaking by the City and the County including, but not necessarily limited to, the issuance of the TIF Bonds, which may include bonds, notes, or other debt obligations, in one or more series, to provide funds to defray the cost of the Infrastructure Improvements.

The amount and timing of the issuance of the TIF Bonds shall be determined pursuant to further proceedings of the City and County.

ARTICLE VII

REAL PROPERTY TO BE INCLUDED IN TAX INCREMENT FINANCING DISTRICT

The real property to be included in the TIF District from which the ad valorem tax revenues and sales tax rebates will be generated to finance the TIF Bonds is described in Exhibit A attached to this TIF Plan.

ARTICLE VIII

DURATION OF THE TAX INCREMENT FINANCING PLANS EXISTENCE

The duration of the TIF Plan, Wal-Mart Supercenter Project, City of Canton, Mississippi, September 2013 will not exceed twenty (20) years.

ARTICLE IX

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

Ad Valorem Tax Increases

The construction and development of the Project will generate significant ad valorem tax revenues for the City, the County, and the School District. The following are estimates of new ad valorem tax revenues anticipated to be generated from the Project. Estimates for real property taxes are based on assumed new true value of \$10,550,070 for real property and \$6,400,000 for personal property. The combined assessed value is \$2,542,511.

	MILLAGE RATES	CURRENT TAXES	AFTER PROJECT	INCREASE
City	56.32			
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* All revenue will be pledged to service the debt on the bonds; provided however, that only 50% of City and County ad valorem tax increases will be used to size the TIF Bonds. (Along with 50% of the incremental increases in City sales tax rebates).

Note: Assumes constant values and millage rates. Values are based on discussions with the Madison County Tax Assessors office regarding a similar Wal-Mart Supercenter.

Retail Sales

It is estimated that the Project will generate approximately \$64,000,000 in sales annually, which will create annual sales tax rebates to the City of \$828,800. Sales tax rebates will be used to service the debt on the TIF Bonds.

ARTICLE X

**A STATEMENT REQUIRING THAT A SEPARATE FUND BE ESTABLISHED TO RECEIVE
AD VALOREM TAXES AND THE PROCEEDS OF ANY OTHER FINANCIAL ASSISTANCE**

A separate fund entitled the "Tax Increment Fund: 'Wal-Mart Supercenter Project'" shall be established by the City to receive ad valorem taxes and sales tax rebates in connection with this TIF Plan.

ARTICLE XI

THE GOVERNING BODY OF THE CITY SHALL BY RESOLUTION FROM TIME TO TIME, DETERMINE (i) THE DIVISION OF AD VALOREM TAX RECEIPTS, IF ANY, 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 AND COUNTY SHALL BE NECESSARY IN ORDER TO PROMOTE AND PROTECT THE PUBLIC INTEREST.

Through the adoption of the TIF Plan, Wal-Mart Supercenter Project, City of Canton, Mississippi, September 2013, the Governing Body of the City and County acknowledge the above and shall adopt the necessary resolutions when deemed necessary and appropriate.

ARTICLE XII

PLAN OF FINANCING

The TIF Plan provides for the City to issue the TIF Bonds, which will be secured by all of the revenue within the TIF District, provided however that the TIF Bonds will be sized by using fifty percent (50%) of the City's incremental increases in real and personal property ad valorem taxes in addition to fifty percent (50%) of the City's sales tax rebates generated by the Project within the TIF District and fifty percent (50%) of the County's incremental increases in real and personal property ad valorem taxes generated from within the TIF District.

Such decision on the most advantageous method for the City to incur the debt will be made pursuant to further proceedings of the City.

The amount and timing of the issuance of the TIF Bonds shall be determined pursuant to further proceedings of the City.

EXHIBIT A

WAL-MART SUPERCENTER TIF PROJECT

SURVEY & LEGAL DESCRIPTION

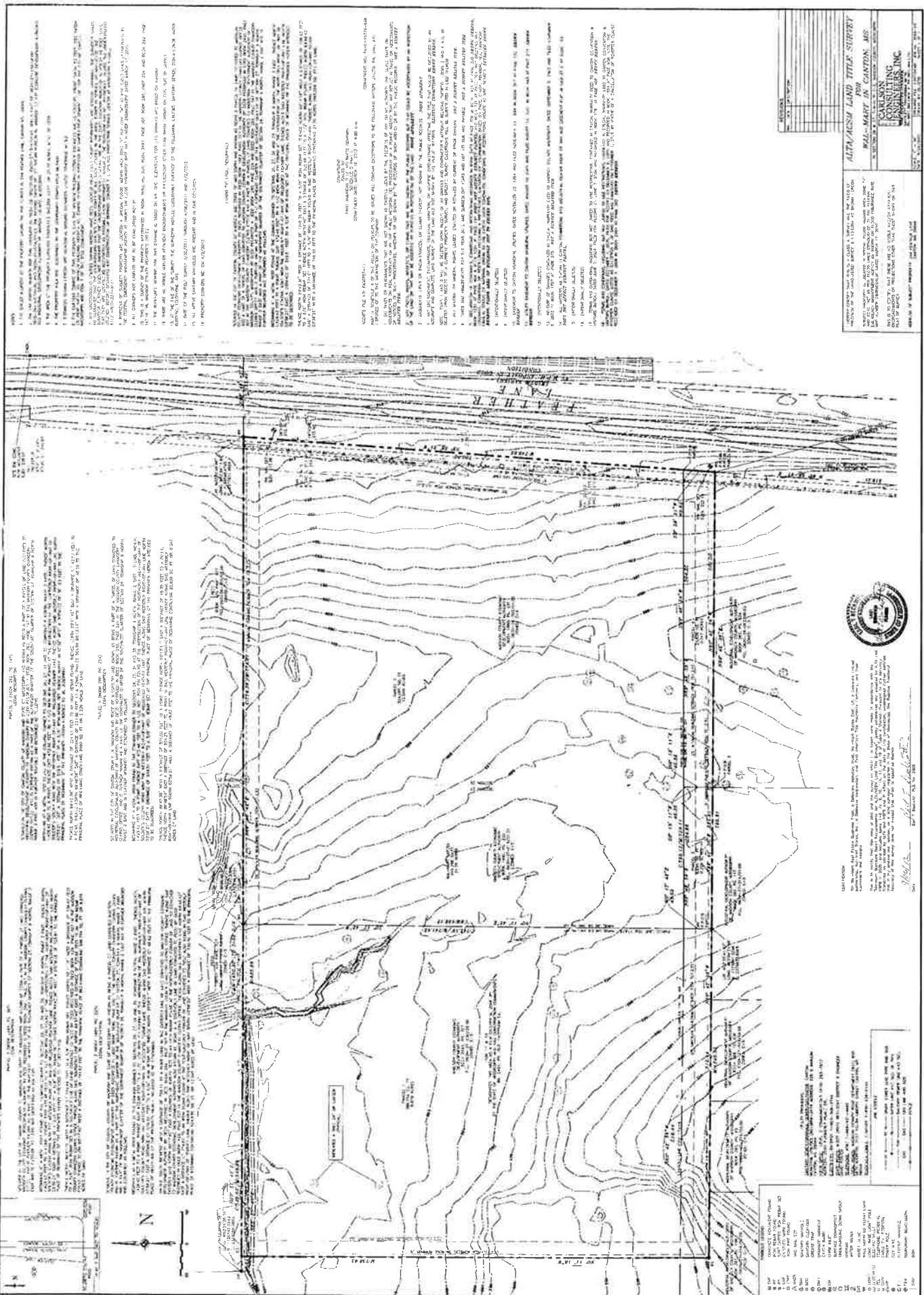
THIS SURVEY WAS MADE IN ACCORDANCE WITH THE ALTA/ACSM SURVEYING STANDARDS AND PRACTICES, AND THE SURVEYOR'S CERTIFICATE OF QUALITY IS ON FILE WITH THE MISSISSIPPI SURVEYING BOARD. THE SURVEYOR'S CERTIFICATE OF QUALITY IS ON FILE WITH THE MISSISSIPPI SURVEYING BOARD. THE SURVEYOR'S CERTIFICATE OF QUALITY IS ON FILE WITH THE MISSISSIPPI SURVEYING BOARD.



DESCRIPTION:
 This is a survey of the land shown on the attached plan, and the same is being surveyed for the purpose of the same. The survey was made in accordance with the ALTA/ACSM SURVEYING STANDARDS AND PRACTICES, and the surveyor's certificate of quality is on file with the Mississippi Surveying Board. The survey was made in accordance with the ALTA/ACSM SURVEYING STANDARDS AND PRACTICES, and the surveyor's certificate of quality is on file with the Mississippi Surveying Board.

LEGEND:

1	Survey Boundary
2	Property Line
3	Right-of-Way Line
4	Utility Line
5	Water Course
6	Structure
7	Tree
8	Spot Elevation
9	Contour Line
10	Reference Point
11	Survey Station
12	Survey Line
13	Survey Point
14	Survey Line
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