


**CITY OF BILOXI
AGENDA ITEM
FACT SHEET**

Item No.: 4C

Council Meeting Date: December 15, 2020

ITEM TITLE: **RESOLUTION**
INTRODUCED BY: **Mayor Andrew "FoFo" Gilich**
CONTACT PERSON: **E. Michael Leonard, CAO**
Peter Abide, City Attorney 

SUMMARY EXPLANATION:

Resolution declaring intent to grant certain tax rebate and tax increment financing incentives to Biloxi Capital, LLC, to induce private equity and lenders to commit to financing Biloxi Capital's proposed new \$700 million, 1,300-room hotel and resort on the former Tivoli Hotel property on Highway 90 in Biloxi; and for related purposes

Resolution Ordinance _____ Public Hearing _____ Routine Agenda _____

Exhibits for Review

Contract _____ Minutes _____ Plans/Maps _____ Deed _____ Lease _____

Other (Specify): _____

Submittal Authorization: Council President _____ Mayor

STAFF RECOMMENDATION: **Staff recommends approval**

COUNCIL ACTION: Motion By: _____ Second By: _____

Vote:	<u>Councilmember</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>	<u>Councilmember</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>
	Lawrence	___	___	___	Tisdale	___	___	___
	Gines	___	___	___	Glavan	___	___	___
	Newman	___	___	___	Barrett	___	___	___
	Deming	___	___	___				

ACTION TAKEN:

pa/km121520dleg

Resolution No.

RESOLUTION DECLARING INTENT TO GRANT CERTAIN TAX REBATE AND TAX INCREMENT FINANCING INCENTIVES TO BILOXI CAPITAL, LLC, TO INDUCE PRIVATE EQUITY AND LENDERS TO COMMIT TO FINANCING BILOXI CAPITAL'S PROPOSED NEW \$700 MILLION, 1,300-ROOM HOTEL AND RESORT ON THE FORMER TIVOLI HOTEL PROPERTY ON HIGHWAY 90 IN BILOXI;
AND FOR RELATED PURPOSES

WHEREAS, Biloxi Capital, LLC, a Mississippi limited liability company, has requested Harrison County and the City of Biloxi to express their intent to provide certain state-authorized financial incentives to induce private equity and lenders to finance Biloxi Capital's proposed world-class, 1,300-room hotel and resort to be built on 30+ acres owned by Biloxi Capital at the site of the former Tivoli Hotel property in Biloxi on Highway 90 and adjacent to the Mississippi Sound, featuring a 100,000 square foot conference center, casino, regional retail and other amenities that will produce approximately 3,000 permanent jobs, generate significant tax revenue to the state, county, and city, and grow the tourism economy in Biloxi which has not recovered from Hurricane Katrina, the Great Recession, the Deepwater Horizon Oil Spill, and the economic damage of the current pandemic; and

WHEREAS, the Board of Supervisors of Harrison County, Mississippi, have expressed the County's intent to join with the City in committing to incentives similar in kind and scope as the City incentives described in this resolution; and

WHEREAS, the City of Biloxi is authorized under Mississippi Code of 1972, Sections 27-31-101 and 27-31-103 (Ad Valorem Tax Exemption Acts, hereafter the "TAX EXEMPTION ACT") to grant certain exemptions from ad valorem taxation for new hotels and other new enterprises, including, but not limited to, recreational facilities that impact tourism; and

WHEREAS, the City of Biloxi is authorized under Mississippi Code of 1972, Sections 21-45-1, *et seq.*, (the Tax Increment Financing Act, hereafter the "TIF ACT") and Sections 57-64-1, *et seq.*, (the Regional Economic Development Act, hereafter the "REDA ACT") to participate with the County in providing eligible projects with Tax Increment Financing for infrastructure improvements by pledging increments in tax revenues received by the County and City from the new hotel and related enterprises and generated by the annual increment in ad valorem taxes levied on and collected from the improved property and by the taxes on the gross gaming revenue generated by the casino; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BILOXI, MISSISSIPPI AS FOLLOWS:

Section One: The findings, conclusions, and statements of fact contained in the preamble of this resolution are hereby adopted, ratified, and incorporated herein.

Section Two: The City of Biloxi, Mississippi ("City") hereby declares its intent to enter definitive agreements with Biloxi Capital, LLC, to provide the following incentives to induce private equity and lenders to finance Biloxi Capital's proposed \$700 Million Hotel Resort project, with mutually acceptable terms and conditions of the definitive agreements to be determined and executed within thirty (30) days after Biloxi Capital obtains site approval from the Mississippi Gaming Commission for a gaming establishment on the Tivoli site for the project, with the incentives being as follows, to wit:

- A. The City expresses its intent to grant a tax exemption of fifty percent (50%) of the annual ad valorem taxes levied on the increment of value

of property added by all real and personal property improvements caused by the project, for a period of five (5) years as authorized under the TAX EXEMPTION ACT; and

- B. The City expresses its intent to pledge ten percent (10%) of its share of the annual local government gaming license fees generated from the casino element of the project pursuant to Sections 75-76-195 and 75-76-197, Mississippi Code of 1972, to finance eligible infrastructure improvements for the project, as authorized under the TIF ACT and the REDA ACT for a period of five (5) years, unless otherwise amended.

Section Three: This Resolution shall take effect and be in force from and after adoption.