



ALABAMA DEPARTMENT OF REVENUE Application to Granting Authority for Abatement of Taxes

Under Chapter 9B, Title 40, Code of Alabama 1975

Noneducational Sales and Use Taxes, Noneducational Property Taxes, and/or Mortgage and Recording Taxes

This form is to be submitted to the granting authority for consideration in granting an abatement of all state and local noneducational property taxes, all construction related transaction (sales and use) taxes, except those local construction related transaction taxes levied for educational purposes or for capital improvements for education, and/or mortgage and recording fees, in accordance with the provisions of Section 40-9B-1 et seq., Code of Alabama 1975.

1a. TYPE OF ABATEMENT APPLYING FOR: <input checked="" type="checkbox"/> Sales & Use Taxes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Mortgage & Recording Taxes	2. PROJECT NAICS CODE: <table border="1" style="display:inline-table; border-collapse: collapse;"> <tr> <td style="width:20px; text-align:center">3</td> <td style="width:20px; text-align:center">1</td> <td style="width:20px; text-align:center">2</td> <td style="width:20px; text-align:center">1</td> <td style="width:20px; text-align:center">2</td> <td style="width:20px; text-align:center"> </td> </tr> </table>	3	1	2	1	2	
3	1	2	1	2			

1b. IS APPLICANT REQUESTING PROPERTY TAX ABATEMENT FOR A PERIOD LONGER THAN 10 YEARS? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3. TYPE OF PROJECT: <input checked="" type="checkbox"/> New Project <input type="checkbox"/> Major Addition To An Existing Facility
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4. DOES MAJOR ADDITION EQUAL THE LESSER OF: (CHECK APPLICABLE BOX)
 \$2,000,000 - OR - 30% of original cost of existing property, original cost \$ _____

5. PROJECT APPLICANT: **BLESSED KETTLE BREWING COMPANY, LLC** DBA: _____

6. ADDRESS OF APPLICANT: **15030 TROON DR.** CITY: **FOLEY** STATE: **AL** ZIP CODE: **36535**

7. NAME OF CONTACT PERSON: **TIM LIPE** EMAIL ADDRESS: _____ TELEPHONE NUMBER: **(251) 228-2264**

8. DATE COMPANY ORGANIZED: **9/14/22**

9. PHYSICAL LOCATION OF PROJECT:
224 E LAUREL AVE

CITY (IF OUTSIDE CITY LIMITS, PLEASE INDICATE): **FOLEY** COUNTY: **BALDWIN** ZIP CODE: **36535**

10. BRIEF DESCRIPTION OF PROJECT (ATTACH A COMPLETE AND DETAILED LISTING OF PROJECT PROPERTY COSTS TO ENABLE A COST/BENEFIT ANALYSIS BY GRANTING AUTHORITY):
BEVERAGE/ALCOHOL/BEER MANUFACTURING FACILITY

11. ESTIMATED DATE CONSTRUCTION WILL BEGIN: 6/2024	12. ESTIMATED DATE CONSTRUCTION WILL BE COMPLETED: 6/2024	13. ESTIMATED DATE PROPERTY WILL BE PLACED IN SERVICE: 1/2026
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14. HAVE BONDS BEEN ISSUED FOR PROJECT: <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, date bonds issued: _____	15. WILL BONDS BE ISSUED FOR PROJECT: <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, projected date of issue: _____
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16. ESTIMATED NUMBER OF NEW EMPLOYEES	17. ESTIMATED ANNUAL PAYROLL OF NEW EMPLOYEES	Estimated Investment for Project	18. COST OR VALUE FOR PROPERTY TAX	19. COST SUBJECT TO SALES TAX
INITIALLY 4	INITIALLY \$ 195,000	a. Land (if donated, show market value)	18a	XXXXXXXXXXXX
YEAR 1 5	YEAR 1 \$ 243,000	b. Existing Building(s) (if any)	18b	XXXXXXXXXXXX
YEAR 2 7	YEAR 2 \$ 336,000	c. Existing Personal Property (if any)	18c	XXXXXXXXXXXX
YEAR 3 9	YEAR 3 \$ 443,000	d. New Building(s) and/or New Additions to Existing Building(s) (19d = building materials only)	18d	19d \$ 1,250,000
This form may be used as the application to the granting authority required by Section 40-9B-6(a), Code of Alabama 1975. The information requested here is required by Section 40-9B-6 and Section 40-2-11(7), Code of Alabama 1975.		e. New Manufacturing Machinery	18e	19e \$ 100,000
		f. Other New Personal Property (non-mfg machinery, office equipment, computers, etc.)	18f	19f \$ 50,000
		g. TOTALS (PROPERTY TAX TOTAL MUST EQUAL TOTAL PROJECT INVESTMENT, SALES TAX TOTAL WILL BE LESS.)	18g	19g \$ 1,400,000
			18g	\$ 1,910,000

The abatement of noneducational property taxes is based on the market value of specific assets; therefore, the actual amount of taxes abated is determined each year as the property is assessed and valued. An abatement of noneducational sales and use taxes shall apply only to tangible personal property and taxable services incorporated into private use industrial property, the cost of which may be added to capital account with respect to the property, determined without regard to any rule which permits expenditures properly chargeable to capital account to be treated as current expenses. No abatement of sales and use taxes shall extend beyond the date private use industrial property is placed in service. A verification inspection of qualifying property will be conducted by the Alabama Department of Revenue to insure compliance with Section 40-9B-1 et seq., Code of Alabama 1975, as amended.

I hereby affirm that, to the best of my knowledge and belief, the information in this application and any accompanying statement, schedules, and other information is true, correct and complete.

TIM LIPE
NAME (PRINT)

MANAGING PARTNER
SIGNATURE

04/02/2024
DATE

**Instructions for Preparing Application to Granting Authority
for Abatement of Taxes (Form CO: CAA)
Under Chapter 9B of Title 40, Code of Alabama 1975**

GENERAL INSTRUCTIONS

Chapter 9B, Title 40, *Code of Alabama 1975*, provides for an abatement of all state and local noneducational property taxes, all construction related transaction taxes (sales and use taxes), except those local construction related transaction taxes levied for educational purposes or for capital improvements for education, and/or all mortgage and recording taxes relating to mortgages, deeds, and documents used to issue or secure obligations and convey title into or out of the name of a public authority, county or municipal government.

This form is to be submitted to the granting authority for consideration in granting an abatement of noneducational sales and use taxes, noneducational property taxes, and/or mortgage and recording taxes. **If you have any questions about this form or the abatement of taxes in general, please contact the Alabama Department of Revenue at (334) 242-1175.**

A complete and detailed listing of project costs should be attached to this application in order for the granting authority to make a cost/benefit analysis in accordance with Section 40-9B-6(a).

STATUTORY REQUIREMENTS FOR ABATEMENTS

The following are qualifying business activities under Section 40-9B-3, *Code of Alabama 1975*:

- Industrial or Research Enterprise – Any trade or business in the 2007 North American Industrial Classification System (NAICS), promulgated by the Executive Office of the President of the United States, Office of Management and Budget as: Sectors 31 (except National Industry 311811), 32, 33, 55 (if not for the production of electricity), Subsectors 423, 424, 482, 493, 511, 517, 518, 927, Industry Groups 1133, 2121, 4862, 4882, 4883 (other than 48833) 5121 (other than 51213), 5415, 5417, Industries 22111, 48691, 48699, 48819, 51221, 51913, 52232, 54133, 54134, 54138, 56291, 56292, 92811, National Industries 115111, 221330, 541614, 561422 (in bound call centers only), 562213, and 611512.
- Subsector 493, Industry Number 488310, or 488320 when such trade or business is conducted on premises in which the Alabama State Port Authority has an ownership, leasehold, or other possessory interest and such premises are used as part of the operations of the Alabama State Port Authority. These projects require written approval of the Governor, Finance Director, and the Director of the Alabama State Port Authority.
- Headquarters Facility – Any trade or business in the 2007 North American Industrial Classification System (NAICS), promulgated by the Executive Office of the President of the United States, Office of Management and Budget as National Industry 551114 at which at least 50 new jobs are located.
- Data Processing Center – An establishment, at which at least 20 new jobs are located, engaged in the provision of complete processing and specialized reports from data, the provision of automated data processing and data entry services, the provision of an infrastructure for hosting or data processing services, the provision of specialized hosting activities, the provision of application service provisioning, the provision of general time-share mainframe facilities, or some combination of the foregoing, without regard to whether any other activities are conducted at the establishment.
- Research & Development Facility – An establishment engaged in conducting original investigations undertaken on a systematic basis to gain new knowledge and/or applying research findings or other scientific knowledge to create new or significantly improved products or processes.
- Renewable Energy Facility – Any plant, property, or facility that either:
 1. Produces electricity or natural gas, in whole or in part, from biofuels as such term is defined in Section 2-2-90(c)(2) or from renewable energy resources as such term is defined in Section 40-18-1(30) with the exception that hydropower production shall be excluded from such definition; or
 2. Produces biofuel as such term is defined in Section 2-2-90(c)(2).
- Alternative Energy Resources Electricity Production Project - A project owned by a utility described in Section 37-4-1(7)a, Code of Alabama 1975, or owned by a company which is itself owned by a utility, at which the predominant trade or business activity conducted will be the production of electricity from alternative energy resources (coal gasification or liquefaction, nuclear and/or advanced fossil-based generation), the capital costs of which are not less than \$100,000,000.
- Hydropower Electricity Production Project - A project owned by a utility described in Section 37-4-1(7)a, or owned by a company which is itself owned by a utility, at which the predominant trade or business activity conducted will be the production of electricity from hydropower production as defined in Section 40-18-1(16), the capital costs of which are not less than \$5,000,000.
- Tourist Destination Attractions – A commercial enterprise which is open to the public not less than 120 days during a calendar year and is designed to attract visitors from inside or outside of the State of Alabama, typically for its inherent cultural value, historical significance, natural or man-made beauty, or entertainment or amusement opportunities. The term shall include, but not be limited to, a cultural or historical site; a botanical garden; a museum; a wildlife park or aquarium open to the public that cares for and displays a collection of animals or fish; an amusement park; a convention hotel and conference center; a water park; or a spectator venue or arena.
- Any of the 11 targeted business sectors under the Accelerate Alabama Strategic Economic Development Plan adopted in January 2012 by the Alabama Economic Development Alliance, created by Executive Order Number 21 of the Governor on July 18, 2011, which include Advanced Manufacturing in Aerospace/Defense, Automotive, Agricultural Products/Food Production, Steel/Metal, Forestry Products and Chemicals; Technology in Biosciences, Information Technology, Enabling Technologies; Distribution/Logistics and Corporate Operations.

LINE BY LINE INSTRUCTIONS

Item 1a. Indicate the type(s) of abatement(s) being requested.

Sales and Use Taxes – Chapter 9B, Title 40, *Code of Alabama 1975*, provides for the abatement of certain noneducational sales and use taxes imposed by Chapter 23 of Title 40, *Code of Alabama 1975*. The abatement applies to the tangible personal property and taxable services incorporated into the project, the cost of which may be added to the capital account with respect to the project. However, only the state and local noneducational sales and use taxes may be abated. No sales and use tax abatement shall extend beyond the date the project is placed in service.

Property Taxes – Chapter 9B, Title 40, *Code of Alabama 1975*, provides for the abatement of noneducational property taxes imposed by the state, counties, municipalities and other taxing jurisdictions in Alabama. Only industrial property not previously placed in service in Alabama by the user or a related party may be eligible for an abatement of noneducational property taxes.

Mortgage And Recording Taxes – Chapter 9B, Title 40, *Code of Alabama 1975*, provides for the abatement of all taxes imposed by Chapter 22 of Title 40 of the *Code of Alabama 1975*, relating to mortgages, deeds, and documents used to issue or secure obligations and convey title into or out of the name of a public authority.

Item 1b. Indicate if applicant is requesting abatement of property taxes for a period longer than 10 years. For any property tax abatement that is granted for over 10 years, the noneducational municipal taxes can only be abated by the City Government, noneducational county taxes can only be abated by the County Government, and state taxes can only be abated by the Governor. The governing body of the municipality and county can authorize a public industrial authority to provide by resolution for such consent on its behalf.

Item 2. If the predominant business activity is a headquarters facility, an industrial or research enterprise as defined in *Code of Alabama 1975* Section 40-9B-3(10)(a) or a state docks project as defined in Section 40-9B-3(10)(b), enter the 2007 North American Industrial Classification System (NAICS) code for the project.

Item 3. Indicate if project is a new project or a major addition.

New Project – Any new business in Alabama at which the predominant trade or business activity conducted will constitute an industrial or research enterprise or other qualifying business activity as described above. If new project, skip Item 4.

Major Addition – Pursuant to Section 40-9B-3(11), a major addition is an addition to an existing facility in which the addition equals the lesser of thirty (30) percent of the original cost of the existing land, buildings, and equipment (industrial development property), or \$2,000,000, and at which the predominant trade or business activity conducted in Alabama will constitute an industrial or research enterprise or other qualifying business activity as described above. Capitalized repairs, rebuilds, maintenance, replacement equipment, or costs associated with the renovating or remodeling of existing facilities of industrial development property previously placed in service in Alabama by the Company are not eligible for abatement under Chapter 9B.

Item 4. Indicate if major addition is in accordance with Section 40-9B-3(11) requirement as denoted above. If major addition does not meet threshold requirement, project is not qualified to receive abatement. Original cost should include the total cost of existing facilities as of the date of application.

Item 5. Enter the name of the private user requesting abatement. If project is doing business under another name, also enter the name of the company under "Doing Business As (DBA)."

Item 6. Enter the address of the private user requesting abatement.

Item 7. Enter the name, email address and telephone number of the person to which all correspondence should be directed regarding the abatement.

Item 8. Enter the date the company was organized.

Item 9. Enter the physical location of the project. Please include a detailed location, including the City, County and Zip Code.

Item 10. Describe the type of business that the project will be engaged in. For projects that do not require a NAICS code, provide a detailed description that will identify the activities as qualifying activities. Attach additional sheets if necessary.

Item 11. Enter the estimated date the construction of the project will begin.

Item 12. Enter the estimated date the construction of the project will be completed. A data processing center project's completion date will be the maximum exemption period allowed pursuant to Section 40-9B-3(12)b.

Item 13. Enter the estimated date the project will be placed in service. If revenue bonds are issued, "placed in service," for property tax purposes, is determined as of the date of the initial issuance of such bonds. Otherwise, with the exception of a data processing center project, "placed in service" for sales and use tax and property tax purposes is determined as the later of 1) the date on which title to the property was acquired by or vested in a county, city, or public authority, or 2) the date on which the property is or becomes owned, for federal income tax purposes, by a private user. A data processing center project's placed in service date will be the maximum exemption period allowed pursuant to Section 40-9B-3(12)b.

Item 14. Indicate if bonds have been issued in financing the project. If bonds have been issued, enter the issuance date.

Item 15. Indicate if bonds will be issued for financing the project. If bonds will be issued, enter the projected issuance date.

Column 16. Enter the estimated number of new employees to be hired at the project. The law requires the number of employees to be employed at the project initially and in each of the succeeding three years.

Column 17. Enter the estimated annual payroll for employees at the project. The law requires the estimated payroll of new employees initially and in each of the succeeding three years.

Column 18.

18a. Enter all costs or value for project land. If land is donated, enter the market value of the land.

18b. Enter all costs or value for existing building(s), if any.

18c. Enter all costs or value for existing personal property to be incorporated into project. Only personal property not previously placed in service in Alabama by the private user or a related party can be included. If a private user is including existing equipment from outside of Alabama, the existing equipment should be entered here at its original cost.

18d. Enter the total cost for new building(s) and/or new additions to existing building(s). Total cost includes building materials, construction costs, engineering costs, etc. Costs associated with renovating or remodeling existing facilities of an operating industrial or research enterprise do not qualify for abatement.

18e. Enter the total cost for new manufacturing equipment to be incorporated into the project. Replacement equipment does not qualify for abate-

ment under Chapter 9B. New equipment that is defined as upgraded equipment may qualify. Upgraded equipment is equipment that replaces existing equipment, and performs not only the same functions, but also an additional function.

18f. Enter the total cost for all other new personal property. Other new personal property may include, but is not limited to, non-manufacturing machinery, office equipment, computers, vehicles, etc. Only personal property that is a depreciable item can be included.

18g. Add 18a through 18f and enter total here. This is the total amount on which the initial property taxes will be based. This total must be the total value of the cost or investment in the project. This total must agree with the total investment amount in the abatement resolution and the total investment amount in the abatement agreement.

Column 19.

19d. Enter the cost of the building materials (subject to sales tax) that become a part of realty for new building(s) and/or new additions to existing building(s). Other building costs (labor, engineering) are not subject to sales tax.

19e. Enter the cost of new manufacturing equipment for the project. For sales tax purposes, manufacturing equipment is taxed at a lower rate. Equipment that is purchased used from another company in an isolated transaction is not subject to sales tax and should not be included.

19f. Enter the cost of all other new personal property.

19g. Add 19d through 19f and enter total here.