

CITY OF MOOSE JAW

TAX PHASE-IN POLICY

POLICY TITLE: <i>Reconstruction of Existing Buildings</i>	EFFECTIVE DATE: April 1, 2003 AMENDED: December 13, 2004 March 14, 2005
SECTION: Economic Development Commission	APPROVED BY: <hr/> Garry McKay City Manager

1. PURPOSE AND OBJECTIVE

The purpose of this policy is to encourage the reconstruction and reuse of existing buildings within the city of Moose Jaw through the application of a phase-in of property taxes.

The objective of this policy is to encourage owners and investors of property in the city of Moose Jaw to undertake extensive structural reconstruction, to restore all long-lived items to the equivalent of new, and to remove the functional inadequacies of the building or structure.

2. ELIGIBILITY REQUIREMENTS

- (a) The building must undergo extensive renovation and/or structural reconstruction. Structural items will be upgraded, where necessary, to the extent that the remaining life of the building increases by at least 25 years.
- (b) Upon completion of the renovation, the building must be used either for one or more of the designated purposes that include commercial, condominiums or apartments.
- (c) The net increase in building assessment must exceed 30 percent. That is, the taxable assessment of a building previously assessed at \$100,000 must increase by at least \$30,000 (to \$130,000).
- (d) Single-family detached dwellings used for residential purposes do not qualify under this program.
- (e) Renovations to buildings previously used as condominiums or apartment blocks, within the last five years, do not qualify under this program.

3. TAX PHASE-IN GUIDELINES

- (a) Maximum tax phase-in allowed for reconstruction of existing buildings is 100% for the first full year following reconstruction, 80% for the second year, 60% for the third year, 40% for the fourth year, and 20% for the fifth and final year. Depending on the extent of the renovation, the EDC may recommend lesser amounts.
- (b) The tax phase-in shall be applied to the net change in assessment for the building. The land portion shall continue to attract 100 percent taxation.
- (c) The tax phase-in shall be applied to the net increase in the building assessment. For example, if after renovation the assessment increased from \$20,000 to \$200,000, the tax phase-in is applied to the \$180,000 increase in assessment.

4. APPLICATION PROCESS

The first step of the application process for reconstruction of existing buildings is to request a building permit. Following the approval of the building permit, the applicant can submit an application in the attached format. The application will be reviewed by the Administration to determine eligibility. The application and administrative analysis will be submitted to the Economic Development Commission (EDC) who, in turn, will make a recommendation to City Council relative to the level of tax exemption. All tax exemption approvals will be subject to substantial completion of the work to be determined by the City's Building Inspector (i.e., the building or facility is ready for occupancy other than for seasonal deficiencies).

The tax exemption is by calendar year, beginning on January 1 of the year immediately following substantial completion of the renovation. In order to receive maximum benefits, supplementary taxes incurred during the first year will be levied and are the responsibility of the property owner.

Once applications have been pre-approved by the Economic Development Commission, subject to substantial completion, no further consideration will be required by the EDC. The tax exemption agreement will be prepared and signed by the Administration based upon certification of substantial completion by the Administration.

**APPLICATION FOR TAX PHASE-IN
RECONSTRUCTION OF EXISTING BUILDINGS**

1. DESCRIPTION OF APPLICANT

a. Name: _____

b. Municipal Address: _____

c. Legal Description of Property: _____

d. Contact Information:

Office #: _____ Home #: _____

Cell #: _____ Fax #: _____

E:mail: _____

2. BACKGROUND INFORMATION – Describe nature of renovations:

a. Intended use following renovations:

b. Total investment contemplated in renovating the facility:

3. PLEASE ATTACH BLUEPRINTS, DRAWINGS AND SPECIFICATIONS

Signature

Date