

CITY OF MOOSE JAW TAX PHASE-IN POLICY

POLICY TITLE <i>Tax Phase-In Policy</i>	ADOPTED BY: <i>City Council Resolutions #694 and #695</i>	EFFECTIVE DATE <i>September 25, 2007</i>
ORIGIN <i>Economic Development Commission</i>	PREPARED BY: <i>City Manager</i>	PAGE NUMBER 1 of 4

1. PURPOSE & OBJECTIVE

The purpose of this policy is to attract and retain business through the re-use of existing infrastructure and new construction.

2. ELIGIBILITY REQUIREMENTS

The following criteria must be met in order to be eligible for a tax phase-in:

- (a) The applicant/business must be a legally incorporated corporation.
- (b) The applicant/business must meet a minimum of *one* of the following criteria:
 - i. Create a minimum of 15 full time, or full time equivalent, jobs by the start of year three, including five new, or five full time equivalent, jobs at start-up.
 - ii. Re-develop an existing building, including structural reconstruction, updating mechanical and electrical, in a manner that will extend the commercial economic life of the building by at least 25 years, and increase the assessment on the property by at least 30% excluding additions. Conversions to condominiums or apartment blocks qualify providing the building has been vacant or used for another purpose for the past five years.
 - iii. Conversion of building with a municipal heritage designation from a residential to commercial use, and an increase to the taxable assessment by at least 30%.
 - iv. Applicants for the Replacement Housing Incentive Program must demonstrate they are demolishing an existing house and constructing an entirely new house on the same location.

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The construction of a new home to replace an older home (minimum 60 years old) destroyed by fire qualifies if constructed by the owner of the property at the time of the fire.*

Home construction methods must conform to the National Building Code, including Ready-to-Move homes. Demolition and building permits must normally be approved simultaneously and construction must be substantially completed within twelve months. In order to receive maximum benefits under the program, supplementary taxes incurred in the first year will be levied and are the responsibility of the property owner.

- v. Development of upper floor(s) of existing vacant space in buildings for the purpose of residential accommodation within the Moose Jaw Downtown Business Improvement District.**
- (c) The applicant/business must be involved in at least **one** of the following markets as their primary business to qualify under the Job Creation category:
- i. Manufacturing – making a product by machinery or large-scale fabricating.
 - ii. Processing – the subjecting of objects or things to a series of actions on a continuous operation or treatment.
 - iii. Communication and Research – includes data processing, call centres, software development, and research and development.
 - iv. Tourism – the development of a tourism destination project.
 - v. Transportation Warehousing Distribution
- (d) The applicant shall not commence renovation/construction prior to submitting a tax phase-in application and final disposition of the application. Retroactive applications will not be considered.

*Added October 6, 2009

** In order to provide further clarification, this section was re-worded June 8, 2009.

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3. TAX PHASE-IN

The tax exemption is by calendar year beginning on January 1 of the year immediately following substantial completion.

(a) Job Creation

Five-Year Phase-In

- | | | |
|----|---------------|--------------------------|
| i. | 15 – 29 jobs* | 100 – 80 – 60 – 40 – 20 |
| | 30 - 44 jobs | 100 – 100 – 75 – 50 – 25 |

Tax phase-in applied to increased taxable assessment only.

- | | | |
|-----|--------------|-----------------------------|
| ii. | 45 - 59 jobs | 100 – 100 – 100 – 100 – 50 |
| | Over 60 jobs | 100 – 100 – 100 – 100 – 100 |

The incentive provided is the greater of the tax phase-in applied to the increased assessment or 50% of the total tax bill.

*Jobs are defined as full time (40 hours/week) or full-time equivalent.

(b) Re-Use of Existing Buildings

Five-Year Phase-In

- | | |
|---|-----------------------------|
| 30-49% increase in taxable assessment | 100 – 80 – 60 – 40 – 20 |
| 50-99% increase in taxable assessment | 100 – 100 – 75 – 50 – 25 |
| 100-149% increase in taxable assessment | 100 – 100 – 100 – 75 – 50 |
| 150% + increase in taxable assessment | 100 – 100 – 100 – 100 – 100 |

Note: Tax phase-in is applied on the increased taxable assessment.

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(c) *Conversion of Buildings with Municipal Heritage Designation*

30-49% increase in taxable assessment 100 – 80 – 60 – 40 – 20
 50-99% increase in taxable assessment 100 – 100 – 100 – 50 – 50
 100% + increase in taxable assessment 100 – 100 – 100 – 100 – 100
Note: Conversion must be for a commercial use

(d) *Neighbourhood Renewal/Replacement Housing Program*

Five Year 100% tax exemption applied to the total tax bill.

(e) *Living Over The Shops (LOTS)*

Five Year 100% tax exemption is applied to the increased taxable assessment relating to the development of existing vacant upper floors of downtown buildings to residential accommodation.*

4. APPROVAL PROCESS

- (a) The applicant/business must complete the tax phase-in application form and submit the form and all supporting documentation to the City Manager.
- (b) The City Administration will process the application and advise the applicant of their tax phase-in eligibility as per the approved Tax Phase-In Policy.
- (c) A tax exemption agreement will be entered into with the approved applicants.
- (d) The Financial Services Department will manage the Tax Exemption Agreements, and will also ensure the applicant/business maintains their eligibility during the term of the tax phase-in period.