

Town of Warsaw Development Incentive Program

Application:

This program applies to all business owners located within the Central Business and Highway Business zones of the Town of Warsaw. Eligible properties must be within the corporate limits of the Town of Warsaw, or have been petitioned for voluntary annexation within the Town of Warsaw.

Purpose:

The purpose of the Warsaw Development Incentive Program is to encourage investment in key business areas of the Town by using local tax incentives and applicable state grants when said grants are available and apply.

Overview:

The program is essentially a delayed taxing or deferment program. When buildings and site improvements are made, the value of said property increases and at times these improvements can and do result in sizeable increases on the tax burden to the property owner. The argument is sometimes made that redevelopers and or property owners are penalized for improving their property to the extent that in some cases it may not seem economically feasible to redevelop the property. This is especially true in those areas that seem to be in blighted and/or stagnant condition in terms of commercial investment.

When structural and site improvements are made within the incentive zones, the Town will rebate the town taxes based on the improved tax value amount to the approved applicant for a period of five years, upon meeting certain requirements.

The applicant must agree to perform improvements that would total at least twenty (20) percent (%) of the total value of the property being redeveloped (building only or building + property). For example, if the applicant desires to redevelop an existing building only (and make no additional site improvements), then the total improvements must be at least 20% of the building's tax value. If an applicant desires to make improvements to a building **and** the site, then the improvements must total 20% of the total tax value of the building and property. All proposed projects must be tied to improvements to an existing building located on the property, or the construction of a new building on the property.

When an incentive application (approved by the Warsaw Board of Commissioners) is granted approval, an assessment of the current value of the property will then be made prior to improvements. When improvements to the site are complete, another appraisal will be made to determine the difference in tax value due to applicant's reinvestment in the property. The improved tax value amount would be rebated to the property owner at 100% of the improved tax value difference for a period of five years. A summary of the program particulars is listed below:

- Program only available for properties within the corporate limits of Warsaw, or for those properties that have petitioned for annexation into the corporate limits of Warsaw.
- Appraised tax value of site and building before construction/renovations begin is determined by County Tax Assessor.
- Appraised tax value of site and building is determined after construction/improvements are completed upon issuance of a certificate of occupancy.
- Grant amount is based on the difference between the pre-construction tax value and the post construction tax value as determined by Duplin County Tax Assessor. (Ex. \$500,000 building at first assessment prior to construction and \$1,250,000 valuation after. Incentive rebate grants would be based on the improvement difference. In this case, \$750,000). The increased town taxes based on the \$750,000 improvements would be rebated on an annual basis as funding permitted upon payment of the full tax amount by property owner. In this scenario, with \$750,000 in additional value, the annual town tax rebate to the property owner will be \$4,125 based on the Town's current tax rate of \$0.55 per \$100 valuation.
- The rebate of town taxes would occur each year for five years.
- Eligible projects must provide improvements totaling at least 20% of building value or building plus site value, depending on proposed improvements. Example, a \$100,000 building would need to do at least an estimated \$20,000 of improvements to qualify for the program.
- At least part of the improvements would have to be tied to a building structure in order to qualify. For example, simply creating a new parking lot or repaving an existing one would not.
- All applications are processed/screened by staff to determine eligibility; however, all applicants are subject to approval by the Warsaw Board of Commissioners.
- All grant awardees must ensure continuous compliance with all Town codes, laws, etc. If a property is found to be in violation of any ordinances during the 5 year period, the Town maintains the option of discontinuing the grant prior to the expiration of the 5 year period.

Please complete the following application and return to:

**Town of Warsaw
ATTN: Town Manager
PO Box 464
Warsaw, NC 28398**

TOWN OF WARSAW DEVELOPMENT INCENTIVE PROGRAM

Information

Date of Application: _____

Property Owner Name: _____
Business Owner Name (if different): _____
Business Name: _____
Phone #: _____
Email Address: _____
Street Address: _____
Business Mailing Address: _____

Use of Building

Current Use of Building: _____
Proposed Use of Building (if different from current use): _____

Description of Proposed Project
(Attach drawing, sketch, or photo of proposed renovations, specifically identifying changes and paint color for each detail of the building, along with a copy of a current business plan): *Use additional sheets if necessary*

Total Estimated Cost of Project (lowest bid quote, attach additional quotes and invoices):

Checklist for Complete Application

- 1) I have read the Town of Warsaw Development Incentive Program and fully understand the program. _____
- 2) The owner’s written permission is attached, if applicable _____
- 3) An approved Town of Warsaw Zoning Permit is attached _____
- 4) At least two itemized project invoices are attached _____

I understand the Town of Warsaw Development Incentive Program must be used in the manner described in the program summary, and the application must be reviewed and approved by the Warsaw Board of Commissioners prior to commencement of any project. I understand that failure to comply with the approved application may result in a discontinuation of the applicant in the program.

Property Owner Name (if applicable): _____
Property Owner Signature (if applicable): _____ Date: _____

Applicant Name: _____
Applicant Signature: _____ Date: _____