

**St. Louis Development Corporation (SLDC)
Tax Abatement Process for Projects Under \$1 Million
Within Chapter 99 (LCRA) Areas**

Once an Area is blighted and a Chapter 99 Redevelopment Plan is approved by ordinance, properties within the approved Area can be granted tax abatement by the following process:

1. Prospective redeveloper or owner submits the attached form to LCRA, 1520 Market St., Suite 2000, St. Louis, MO 63103, together with a preliminary set of drawings, including a site plan for the project for preliminary approval, **and an application fee (see attached fee schedule).**
2. SLDC staff provides prospective redeveloper or owner with a preliminary approval letter and a tax abatement affidavit for 10-year abatement to be signed and sent back to LCRA when the project is substantially completed. If the authorized abatement is for other than 10-years, SLDC staff will provide sample documents to transfer title through a redevelopment corporation to initiate tax abatement.
3. When the project is substantially completed, the redeveloper signs the tax abatement affidavit and sends it to LCRA along with photos of the completed project and an occupancy permit for processing of 10-year Tax Abatement or makes an appointment to transfer title to implement tax abatement for other than 10-years. **NOTE: Unless SLDC receives the final affidavit, photos, and occupancy permit before the property is reassessed, tax abatement will not be initiated.**

It should be noted that Tax Abatement freezes the assessed value of the improvements (buildings) on the property for a period of up to 10 years. Therefore, if the improvements will not result in a significant increase in the property's assessed value, tax abatement will not be of assistance. Gut rehabilitation or room additions may result in an increase in assessed value, but deferred maintenance such as replacing the existing roof, electrical, plumbing, heating, air conditioning, kitchen or bath would probably not significantly change your assessment.

TAX ABATEMENT PROCESSING FEES

The fee LCRA/PIEA charges to process tax abatements is as follows:

COMMERCIAL OR MIXED-USE PROJECTS

Commercial or Mixed-use projects with expected development costs of less than \$1 million - \$500 plus 0.1% of all costs associated with the new improvements to the property including soft costs but not including Furniture, Fixtures and Equipment (F, F & E).

Commercial or Mixed-use projects with expected development costs of more than \$1 million - \$1,000.00 plus 0.1% of all costs associated with the new improvements to the property including soft costs but not including Furniture, Fixtures and Equipment (F, F & E)

RESIDENTIAL PROJECTS

Residential projects with expected development costs of less than \$500,000 - \$200

Residential projects with expected development costs between \$500,000 and \$1 million - \$500

Residential projects with expected development costs of more than \$1 million - \$1,000 plus 0.05% of all costs associated with the new improvements to the property including soft costs but not including F, F & E.

The initial portion of the fee (\$200, \$500 or \$1,000) as outlined above is due with the Tax Abatement Application – the Balance of the fee for all commercial projects and for residential projects of more than \$1 million is due at substantial completion of the project when tax abatement is initiated. In addition, the cost of recording will be charged for all projects requiring transfer of title to initiate abatement. All checks should be made to the order of the Land Clearance for Redevelopment Authority (LCRA).