

## AS-OF-RIGHT TAX ABATEMENTS INCENTIVE

As-of-right tax abatements aim to activate real estate development and job creation in traditionally underserved areas by offering a simplified and streamlined process, for qualified projects. Temporary tax abatements of net new real property or business personal property taxes are available for job creation projects and real estate development projects that advance the City's economic development goals. Eligible applicants can choose either a 10-year, 90% real property abatement or a 5-year, 90% business personal property abatement.

## BENEFITS

The as-of-right tax abatement incentive promotes real estate development and job creation in traditionally underserved areas by offering a streamlined application and approval process, while fulfilling a public purpose of creating Living Wage jobs and/or growing the City tax base.

## REQUIREMENTS

As-of-right projects must meet the following requirements:

- Located in the [Target Area](#) (and not in a TIF district)
- Total project budget of \$25 million or less
- Capital Expenditures of at least \$2 million or creation of 10 jobs or retention of 25 jobs
- Jobs must pay living wage ([MIT Living Wage Calculator](#))
- Construction projects must comply with [City's MWBE participation goal of 32%](#)
- No residential displacement or demolition without a plan to rehouse or relocate the displaced

## PROCESS

The as-of-right tax abatements are intended to be awarded by administrative action, so no Economic Development Committee review or City Council approval is required. Contracts are standardized forms, so no negotiation with the City Attorney's Office is required.

All tax abatements begin on January 1 of the calendar year that immediately follows execution of the agreement. Each project will be reviewed annually to ensure ongoing compliance with the abatement agreement requirements.