

# EXEMPTION FOR THE ENLARGEMENT OF EXISTING INDUSTRIAL BUILDINGS

The *Development Charges Act* provides that where the gross floor area of an existing industrial building is enlarged by **50% or less**, City, Region, and education development charges are not payable, subject to the following criteria:

1. For the purpose of the exemption for enlargement of existing industrial buildings the use of a building is deemed to be industrial if a minimum of 50% of the gross floor area of the existing building or structures has an industrial tax class code for assessment purposes under the Assessment Act. On the tax bill an industrial classification is generally identified by the letter "I" (ie. IT). If a property is assessed at any rate other than an industrial rate, such as the commercial tax rate (CT) an exemption credit is not available, with exception of the uses listed in #2.

The zoning of the property has no significance in the determination of whether a property is used for industrial purposes.

If the City is advised that an existing use is industrial, while being taxed at a non-industrial rate, the City will request the Municipal Property Assessment Corporation to re-assess the property. If the property is re-assessed as industrial, the property will then be eligible for the exemption credit. Please note that the industrial tax rate is higher than the commercial tax rate.

The determination as to whether a building is used for industrial purposes is made by the City of Mississauga.

2. Distribution centres, warehouses, the bulk storage of goods and truck terminals are considered to be industrial uses for the purpose of qualifying for the industrial expansion credit, notwithstanding that they are taxed at a commercial rate.
3. The gross floor area of an existing industrial building shall be calculated as it existed prior to the first enlargement in respect of that building for which an exemption is sought

**Example:**

Existing Gross Floor Area: 100 000 sq. metres  
50% of Existing GFA 50 000 sq metres

Addition #1: 65 000 sq. metres (50 000 sq. metres exempted)

Total New GFA: 165 000 sq. metres

Addition #2 10 000 sq. metres NO EXEMPTION CREDIT

No exemption credit for the 10 000 sq. metres addition, as the 50% exemption (50 000 sq. metres) is based on the GFA that existed at the time of the first building permit and

not the GFA that exists at the time that a subsequent building permit is applied for.

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4. The addition must be attached to an existing industrial building. The existing building and the addition must share a common wall. The addition cannot be attached by means only of a tunnel, bridge, passageway, shared below grade connection, foundation, footing or parking facility.
5. The addition must be for a use in connection with an industrial purpose.
6. Any expansion beyond 50% of the existing gross floor area of an industrial building is subject to payment of full development charges.

### Example #1

Existing Gross Floor Area:	100 000 sq. metres
50% of Existing GFA	50 000 sq metres
Addition:	65 000 sq. metres

Development charges would be payable with respect to only 15 000 sq. metres of the addition. No development charges would be payable on 50 000 sq. metres.

### Example #2

Existing Gross Floor Area:	100 000 sq. metres
50% of Existing GFA	50 000 sq metres
Addition:	30 000 sq. metres

Development charges would not be payable on the 30 000 sq. metre addition. The balance of 20 000 sq. metre expansion credit can be applied to future building permits.

For further information please call Melissa Bruno at 905-615-3200 x5523 or Carmen Gucciardi at 905-615-3200 x5517.