Ordinance #93

Town of Wolcott

Business Incentive Tax Abatement Ordinance

Purpose:

The purpose of the tax incentive program is to attract new firms to the Town of Wolcott and to promote expansion of existing businesses and industry. It is the intent of the Town to provide and create jobs for local and area residents; to create long-term tax base growth through the replacement, reconstruction, expansion and remodeling of existing business and industrial facilities, where appropriate and environmentally sound; to encourage the construction of new facilities, when necessary, and to create the potential for generating new demands for existing local businesses through a “spin off” effect of major employers’ business decisions. It is further the intent of the Town of Wolcott to encourage substantial investment in new equipment and other personal property subject to taxation within the Town.

Section 1 Repeal of Prior Policy

This ordinance once approved hereby repeals and supersedes any prior policy or motion previously enacted by the Town of Wolcott.

Section 2 Qualifying Businesses

The following types of businesses, consistent with Town Codes, shall receive priority consideration for development incentives:

1) Manufacturing firms as defined in the Economic Development and Manufacturing Assistance Act of 1990, as amended;

2) Facilities designed for the management and administrative support of business activity located elsewhere;

3) High technology firms;

4) Wholesale /distribution firms;

5) New retail businesses.

Notwithstanding the listing of the priority businesses, all companies shall meet the following standards:

6) Possession of a good, recent environmental “track record”; or, through relocation to an area with appropriate infrastructure, begins meeting its environmental responsibilities;

7) Construction cost of one hundred thousand dollars ($100,000.00) or more in new or rehabilitated facilities;

8) Creation of at least three (3) new permanent, full time jobs for new construction and/or remodeling and renovation of 5,000 square feet or less, in addition there must be at least one
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(1) new permanent, full time job for each additional 1,500 square feet; (Example: 6,500 sq. ft. = 4 new jobs, 8,000 sq. ft. = 5 new jobs, etc.)

9) Provision of a solid financial base and growth potential through the preparation of a business plan which demonstrates possessing the capital necessary for reasonable business growth;

10) The Applicant will be the sole occupant of the percent of the total square footage of the Improvement for which the abatement is requested for the full term of the abatement.

Section 3 General Requirements

Applicants for tax incentives under this program will be considered under the following circumstances:

1) The proposed project must be located in an appropriate zone as defined in the Town of Wolcott’s Zoning Regulations, subject to approval of the land use boards and commissions;

2) If the applicant is a tenant, the tax benefits must be reflected in the lease and the lease must be for at least the term of the tax abatement period. The lease must be on file in the Land Records of the Wolcott Town Clerk’s Office (CGS 12-64);

3) There is no delinquency in any taxes or service charges due the Town of Wolcott. The applicant must be in compliance with Town of Wolcott Ordinance #92;

4) The project should have a clear economic benefit to the Town of Wolcott as follows: The benefits derived to the Town shall exceed the total cost from the Town over the economic life of the investment or project, not to exceed seven (7) years.

Section 4 Local Employment considerations

To the extent feasible, the applicant shall commit to the utilization of Town based businesses and Town residents during both the construction and operation phases. The following guidelines are offered to assist in achieving these goals:

1) To the extent feasible, the applicant shall commit to hire Town residents for new positions created as a result of the development project;

2) Applicants shall estimate the number of anticipated new hires, the skills required and the timing of such new hires;

3) Applicants shall provide a copy of its affirmative action/hiring statement or plan.

Section 5 Application Procedure

All tax abatement requests shall be made in writing on a form prescribed by the Town of Wolcott. Two (2) copies of the application must be submitted simultaneously, one to the Mayor and the other to the Planning and Zoning office.
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The application for tax abatement shall first be referred to the Tax Incentive Committee. This committee shall consist of the following: Mayor or his/her designee; Member of the Development and Industrial Commission; Representative of the Planning and Zoning Commission; Assessor; Tax Collector; Town Council liaison (non-voting member of the committee).

Said committee shall review the application to determine if the application conforms to and complies with the Town’s requirements. Each completed application shall be considered on an individual basis. Within thirty (30) days of the receipt of the application, the committee shall forward a recommendation to the Town Council.

Section 6 Tax Abatement Agreement

Pursuant to section 12-65b of the Connecticut General Statutes, as amended, the Town may enter into a written agreement with the owner or lessee of real property, fixing the assessment of the real property and all improvements thereon or therein to be constructed. Within the parameters of section 12-65(b) of the Connecticut General Statutes, as amended, a business may be granted partial exemption from real property taxation for a term of years which may vary in accordance with the scale and/or economic impact of the new development.

The fixed assessment period shall commence with the first fiscal year of the Town of Wolcott for which a tax list is prepared on October 1st immediately following the issuance of a Certificate of Occupancy for any construction. The assessment of the real property for the period prior to the affixed assessment period shall be determined in the normal course pursuant to state and local laws and ordinances.

A business which has been granted a tax abatement will report to the Tax Incentive Committee and the Town Council annually on or by April 30th on a form prescribed by the Town of Wolcott to ensure that they are in compliance with the terms of the Tax Abatement Agreement.

Pursuant to the Manufacturers Assistance Act, the Town will assist all qualified businesses to obtain tax relief from the State on equipment or personal property used in manufacturing as defined in section 12-65h of the Connecticut General Statutes, as amended. Machinery and equipment must qualify for five or seven year depreciation for federal tax purposes. New tangible personal property acquired by lease or purchase must be used predominantly in the manufacture or production of goods, research or development design and engineering of manufactured products.

Section 7 Tax Abatement Tables

Within the parameters of C.G.S. Section 12-65b, as amended, a business will be granted partial exemption from real estate taxation on improvements for a term of years which will vary in accordance with the scale of development. The number of years of partial exemption will be determined in accordance with Table A. The percentage of partial exemption for each fiscal year following the Certificate of Occupancy for the new improvement will be determined in accordance with Table B.
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Table A

Number of Years of Partial Tax Abatement based on the Value of Real Estate Improvements

<table>
<thead>
<tr>
<th># of Years</th>
<th>Value of Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>$100,000 - $2,999,999</td>
</tr>
<tr>
<td>5</td>
<td>$3,000,000 - $5,999,999</td>
</tr>
<tr>
<td>6</td>
<td>$6,000,000 - $9,999,999</td>
</tr>
<tr>
<td>7</td>
<td>$10,000,000 &amp; over</td>
</tr>
</tbody>
</table>

Table B

<table>
<thead>
<tr>
<th>Value of Improvements</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000 - $999,999</td>
<td>50%</td>
<td>30%</td>
<td>10%</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>$1,000,000 - $1,999,999</td>
<td>50%</td>
<td>35%</td>
<td>20%</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>$2,000,000 - $2,999,999</td>
<td>50%</td>
<td>40%</td>
<td>25%</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>$3,000,000 - $5,999,999</td>
<td>70%</td>
<td>60%</td>
<td>45%</td>
<td>30%</td>
<td>15%</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>$6,000,000 - $9,999,999</td>
<td>80%</td>
<td>70%</td>
<td>60%</td>
<td>45%</td>
<td>30%</td>
<td>15%</td>
<td>None</td>
</tr>
<tr>
<td>$10,000,000 and over</td>
<td>90%</td>
<td>80%</td>
<td>70%</td>
<td>60%</td>
<td>45%</td>
<td>30%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Section 8 Agreement Termination

All agreements shall contain a provision that any business granted tax incentive abatement shall repay the Town the dollar amount of any incentive contained in such agreement if such business does not meet obligations contained in such agreement.

Any agreement entered into pursuant to this program shall not be subject to assignment, transfer or sale. In the event that any such property whose Owner or Lessee is entered into an agreement with the Town of Wolcott is assigned, transferred or sold, then and in that event, the agreement shall terminate as of the effective date of said assignment, transfer, or sale, and the full amount of the tax that would otherwise be due to the Town of Wolcott shall immediately become due and payable.
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Section 9 Construction Schedule

After approval of any application by the Town Council, construction shall commence within six (6) months and shall be completed and a Certificate of Occupancy issued within twenty-four (24) months. Any extension from this requirement must be approved by the Tax Incentive Committee and the Wolcott Town Council.

Section 10 Town Council Authority

Any and all decisions to grant an incentive, pursuant to the terms of this ordinance, shall be within the sole and absolute discretion of the Town Council of the Town of Wolcott.

The Wolcott Town Council is not required by this program to grant tax abatement. Each applicant will be considered on an Individual basis.

Section 11 Invalidation

In the event any section or provision of this ordinance shall be declared invalid for any reason whatsoever, it shall not affect the other sections or provisions hereof.

This ordinance was adopted at a Regular Meeting by the Wolcott Town Council on October 6, 2009 and becomes effective on November 2, 2009.

[Signatures]

Thomas G. Dunn, Mayor
Town of Wolcott

Mark Wagner, Chairman
Wolcott Town Council

10-07-09
10-06-09
Date
Date

CERTIFICATION

I, Dolores C. Slater, Town Clerk for the Town of Wolcott, do hereby certify that the foregoing is a true and correct copy of Ordinance #93 adopted by the Town Council at its regular meeting on October 6, 2009, in which a quorum was present and acting throughout.

Dolores C. Slater, Town Clerk

10-7-2009
Date

{seal}
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Public Hearing Date: **October 6, 2009**

Adopted by Town Council: **October 6, 2009**

Date Published: **October 12, 2009**

Effective Date: **November 2, 2009**

(21 days after publication)