

TOWN OF SEYMOUR TAX INCENTIVE POLICY

EFFECTIVE DATE: March 7, 2012

A. PREAMBLE AND PURPOSE

The strategic development of properties within the general business and industrial areas of the Town of Seymour to encourage job creation and business expansion is found and declared to be in the best interest of the community. Therefore, the Town of Seymour hereby establishes a Business Incentive Program to promote sustainable economic growth that will benefit and improve the overall quality of life in the community consistent with the Plan of Conservation and Development for the Town.

The purposes of the Business Incentive Program are to encourage private investment, improve the physical appearance of the community, expand the local economic base, support strategic economic growth and foster a healthy business climate. Economic development efforts will concentrate on the growth of existing businesses, retention of jobs, redevelopment or rehabilitation of unused and underutilized commercial and industrial properties to return them to productive use, and attraction of new companies to enhance and expand our tax base and improve quality of life in the community.

B. ELIGIBILITY REQUIREMENTS AND PROGRAM GUIDELINES

1. Eligible investment shall be for the purpose of creating or expanding a business in one of the following industry segments: manufacturing, retail, commercial office, information technology, research and development, restaurants, family entertainment, recreation, commercial marina and waterfront development, hospitality, assisted living, warehouse, distribution, or storage.
2. The proposed project must be located in an appropriate zone as defined in the Town of Seymour's Zoning Regulations, subject to approval of the land use boards and commissions.
3. Incentives, if granted, shall apply only to the value of qualifying investment in excess of \$50,000.00 (fifty thousand dollars).

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4. Proposed improvements, enlargements, or construction shall comply with all applicable state and local codes.
5. The applicant may not be delinquent in taxes owed to the Town of Seymour, nor shall the applicant be in dispute with respect to any Town of Seymour assessment or tax levy.
6. The applicant must provide appropriate estimates of the cost of improvements and/or construction and must comply with all requirements herein stated. The Town Building Inspector, or his designee, shall verify that construction costs are properly stated in the application for a building permit, and not in violation of any Town codes, including the fire code.

C. APPLICATION AND APPROVAL PROCESS

Any person or entity seeking a property tax incentive under this program shall first meet with the First Selectman and/or the Economic Development Director to discuss the proposed investment. If the project appears to qualify for incentives, the person or entity will be invited to submit an application for participation in the Business Incentive Program. All tax incentive requests shall be made in writing on a form prescribed by the Town of Seymour.

Application forms will be available in the Selectman's office. Completed forms should be returned to the office of the Economic Development Director. The Economic Development Director will review the application and present it to the Economic Development Commission for comments and recommendations. Following these reviews, the Economic Development Commission will forward the application, comments and recommendations to the First Selectman for his consideration.

The First Selectman's office will inform the applicant of the status of the application and the incentives being considered in this specific and individual case. Following discussion, possible negotiation, and if necessary consultation with the Town Attorney, the First Selectman will make his recommendation to the Board of Selectmen for review and action. If approved by the Board of Selectmen, they shall adopt a resolution authorizing the First Selectman to enter into an agreement with the applicant.

All tax abatement agreements entered into pursuant to this program shall (a) comply with all Connecticut State laws and statutes; and (b) be reduced to a written agreement, the terms of which

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shall be agreed upon by the corporation or business and the Town of Seymour, acting through its Board of Selectman.

D. FACTORS TO BE CONSIDERED BY THE BOARD OF SELECTMEN IN GRANTING TAX INCENTIVES UNDER THIS PROGRAM

1. The adequacy of the business plan supporting the investment, as well as availability of necessary capital and management resources to complete the project within the allotted schedule
2. Companies that submit a qualified and accepted application, in accordance with the provisions of Section C, within calendar year 2012 shall receive the highest possible incentives based upon the criteria listed herein.
3. Potential for expanded economic benefits in the area surrounding the project due to new workforce and services requirements for the applicable project, including the ability for the project to serve as an “anchor tenant” or to otherwise draw in additional business investment because of its location in Seymour.
4. The use of local contractors, service providers and workforce :
 - a. Companies investing \$500,000 or more, and utilizing at least \$25,000 per annum in new services provided by Seymour based entities, whether for initial construction or for ongoing operations and maintenance, shall receive an additional abatement level of up to 10% beyond the tax incentive otherwise granted under this program.
 - b. Companies investing \$1.5 million or more, and spending at least \$100,000 per annum in base wages for newly hired employees residing in Seymour, shall receive an additional abatement level of up to 10% beyond the tax incentive otherwise granted under this program.
 - c. The Board of Selectmen, in coordination with the Economic Development Director, shall establish the annual reporting guidelines necessary to capture and review information needed to administer the provisions of D(4)(a) and D(4)(b) above.
 - d. In no event shall the cumulative incentive levels in any one year exceed the maximum levels allowed under this program and under state law.

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5. With regard to investments in excess of \$3 million, applicant's agreement to extend its "length of stay" commitment to ten full years will allow increased abatement levels in years six and seven as applicable.
6. The base incentive level will take into account the overall net benefits derived by the Town over both the tax abatement period and the projected economic life of the investment project, including the ability of existing town infrastructure assets to service the project without need for costly expansion that results in a net negative impact to the Town
7. Any Business Incentives shall be calculated and offered after allowing for, and preventing any duplication of, all Enterprise Corridor Zone benefits applicable to the project

E. INCENTIVE LEVELS

- If investment is \$3 million or greater, the property tax abatement level established by the Board of Selectmen shall be no less than 60% of such investment, and no greater than 100%, and the abatement timeframe shall be no less than five years and no greater than seven years.
- If investment is \$1,500,000 to \$2,999,999, the property tax abatement level established by the Board of Selectmen shall be no less than 75% of such investment, and no greater than 100%, and the abatement timeframe shall be for a period of two years.
- If investment is \$500,000 to \$1,499,999, the property tax abatement level established by the Board of Selectmen shall be no less than 50% of such investment, and no greater than 75%, and the abatement timeframe shall be for a period of two years.
- If investment is \$50,000 to \$499,999, the property tax abatement level established by the Board of Selectmen shall be no less than 30% of such investment, and no greater than 50%, and the abatement timeframe shall be for a period of three years.
- In all cases, the Board of Selectmen shall set the abatement level and duration based upon the Qualifying Factors established in Section D above.

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No tax incentive agreement shall take effect until construction is complete and the facility is occupied according to the terms of the abatement agreement.

Additionally, the Board of Selectmen, on a case by case basis, and dependant on the Qualifying Factors, may waive building permit and other application fees, in whole or in part, and may provide “in kind” services, such as road widening, storm drainage improvements, sewer hookups, or similar improvements related to the development project, at reduced or no cost to the applicant.

F. ADMINISTRATION

Any and all decisions to grant an incentive, pursuant to the terms of this policy, shall be within the sole and absolute discretion of the Board of Selectmen of the Town of Seymour. Nothing in this policy shall require the Board of Selectmen to enter into a Business Incentive Agreement.

The Town Assessor shall have the sole responsibility of determining the value of the assessment which is the subject of the Agreement. The Agreement shall be filed in the land records and a copy filed in the office of the Assessor. Agreements to abate the assessment of real and personal property will be based on the estimated increase in assessment of the property after improvements. In the event that completion of physical improvements and/or construction and costs thereof are less than those considered in negotiations, the Agreement will be appropriately adjusted.

After final approval of any Business Incentive Agreement, including fixing the assessment of the real property, work on the approved project must begin within six (6) months and shall be completed within twenty four (24) months. Any variation from this must be approved by the Board of Selectmen.

The Business Incentive Agreement shall be in effect as long as the property use remains as authorized in the agreement. 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

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business does not meet obligations contained in such agreement. The Agreement is no longer valid upon the sale or transfer of the property. A new Agreement may be negotiated with a new applicant.

In the event that 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.

G. OTHER FACTORS

The applicant recognizes that he or she is making a commitment to the Town of Seymour in participating in this tax incentive program. In the event that any applicant moves his or her business without sale or assignment of said business or declares bankruptcy during the period of his or her participation in this tax incentive program, then any tax incentive benefit enjoyed by the applicant under this program shall be forfeited and the applicant shall be required to pay back all taxes that would have been assessed had the applicant not participated in this program.

In the event that any term of the Agreement is disregarded by the applicant, including construction schedules, the Business Incentive Agreement including the fixing of the assessment shall terminate and the full amount of the tax that would otherwise be due the Town of Seymour shall become due and payable.

Should payment for taxes to the Town of Seymour become delinquent for more than sixty (60) days during the period in which an incentive program participant is receiving tax incentive benefits, such participant shall be notified in writing by the Seymour Tax Collector of such delinquency. Such notice shall be by first class mail, certified with return receipt requested, and shall apprise the participant that it may forfeit its rights under this tax incentive policy if such delinquency is not corrected within thirty (30) days of the date of said notice. All correspondence under this section shall be directed to the Board of Selectmen.

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H. POLICY REVIEW AND MODIFICATIONS

Once enacted, this Business Incentive Program policy shall be reviewed and modified as necessary by the Board of Selectmen no less than once in every five years.

Upon any change in the governing Connecticut General Statutes, specifically Sections 12-65b and 12-65h, as amended, this Business Incentive Program will be reviewed immediately and modified as necessary to ensure continued compliance with such statutes.