

TOWN OF SEYMOUR TAX INCENTIVE POLICY

EFFECTIVE DATE: December 6, 2022

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, and waterfront development, hospitality, assisted living, warehouse, and distribution.
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 \$100,000.00 (one hundred thousand dollars).
4. Proposed improvements, enlargements, or construction shall comply with all applicable state and local codes.

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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 Selectperson 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 Selectperson's office and on the Town's website. 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 Selectperson for consideration.

The First Selectperson'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 Selectperson will make a recommendation to the Board of Selectpersons for review and action. If approved by the Board of Selectpersons, they shall adopt a resolution authorizing the First Selectperson to enter into an agreement with the applicant.

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

D. FACTORS TO BE CONSIDERED BY THE BOARD OF SELECTPERSONS 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. 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.
3. 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
4. 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 or City & Town Development Act benefits.
5. Impact to grand list and local employment on a case-by-case basis.

E. INCENTIVE LEVELS

Investment	Abatement Range	Abatement Duration
\$8 Million +	70 – 100%	5 – 7 Years
\$4 million - \$7,999,999	(50 – 90%)	3 – 5 Years
\$1.5 million - \$3,999,999	(30 – 70%)	2 – 4 Years
\$750,000 - \$1,499,999	(10 – 50%)	1 – 2 Years

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- If investment is \$8 million or greater, the property tax abatement level established by the Board of Selectpersons shall be no less than 70% 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 \$4,000,000 to \$7,999,999 the property tax abatement level established by The Board of Selectpersons shall be no less than 50% of such investment, and no greater than 90%, and the abatement timeframe shall be for a period of two years.
- If investment is \$1,500,000 to \$3,999,999, the property tax abatement level established by the Board of Selectpersons shall be no less than 30% of such investment, and no greater than 70%, and the abatement timeframe shall be for a period of two years.
- If investment is \$750,000 to \$1,499,999, the property tax abatement level established by the Board of Selectpersons shall be no less than 10% 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 Selectpersons shall set the abatement level and duration based upon the Qualifying Factors established in Section D above.

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 Selectpersons, on a case by case basis, and dependent 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

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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 Selectpersons of the Town of Seymour. Nothing in this policy shall require the Board of Selectpersons 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 offices of the Assessor and the Tax Collector. 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 Selectpersons.

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. A new agreement may be negotiated with a new applicant.

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

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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 Selectpersons.

H. POLICY REVIEW AND MODIFICATIONS

Once enacted, this Business Incentive Program policy shall be reviewed and modified as necessary by the Board of Selectpersons 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.