

BE IT RESOLVED: That the Suffield Ordinances are hereby amended to include a new section titled "Tax and Business Incentive Program Ordinance".

Tax and Business Incentive Program Ordinance

271-1. Tax and Business Incentive Program; Authority.

Subject to Connecticut General Statutes ("CGS") Sec. 12-65b and Sec. 12-65h, the Town of Suffield (sometimes referred to herein as the "Town") may, by affirmative vote of its Board of Selectmen (BOS), enter into a written agreement with any party owning or proposing to acquire an interest in real property in the Town in order to fix the assessment of the real property and all improvements to be constructed thereon, which is the subject of the agreement in accordance with provisions of this Ordinance.

271-2. Purpose

The purpose of the Tax and Business Incentive Program (the "Program") is to attract new businesses to the Town, promote expansion of existing businesses (including home based businesses relocating into commercial and industrial zones), and to encourage rehabilitation and reuse of vacant commercial and industrial buildings. It is the intent of the Town: (1) to assist in the creation of jobs for local area residents, (2) to create long term tax base growth through the replacement, reconstruction, expansion and remodeling of existing business facilities where appropriate and not injurious to the surrounding environment , (3) to encourage construction of new commercial and industrial facilities, and (4) to encourage substantial investment in new machinery, equipment and other personal property subject to taxation within the Town.

271-3. Economic Development Commission.

The Suffield Economic Development Commission (EDC) acting through the Director of Planning and Development, shall provide any property owner with general information concerning the Program, prepare and supply interested parties with a fact sheet about the Town, an application to participate in the Program and any other information that may be reasonably requested by an interested party.

- A. For purposes of this ordinance, an "interested party" is one who owns or proposes to acquire an interest in real property in Suffield or otherwise meets the definition of an owner of real property as defined in CGS Sec. 12-65b and who is considering replacement, reconstruction, expansion or remodeling of existing business facilities located or to be relocated in Suffield.

B. The EDC, or its designee, may perform research about any party applying to participate in the Program and may request of such party any relevant information that in the opinion of the EDC or the Board of Selectman (BOS) bears upon consideration of the application. The EDC, or its designee, shall obtain from the Tax Assessor an opinion of the impact of any proposed abatement of taxes on the applicable Grand List and on future Grand Lists.

271-4. Qualifying Businesses.

All business uses enumerated in subdivision (b) of CGS Sec. 12-65b, provided that the business use is consistent with Town ordinances, regulations, rules and codes and with the Suffield Plan of Conservation and Development, may apply under the provisions of this ordinance. However, applicant applying for Tax and Business Incentive Program will not be eligible if they have already been approved for the Town Center Tax Increment Financing District or the Bradley Development Zone tax abatement program and receiving multiple incentives at any time for same project is strictly prohibited.

All applicants should have no fines or violations assessed against the applicant or its subsidiaries by state or federal agencies regarding environmental or health codes, and be able to demonstrate adequate documentation on the proposed capital investment being proposed for the improvements and expansions to the real property that would be the subject of the agreement. Applicants shall apply for New Business Development or Expansion Abatement as set forth in this ordinance.

271.5 General Requirements.

- A. Applications filed with the Town will be granted provided:
 - a. The applicant is seeking either a New Business Development or a Business Expansion Abatement, as defined herein.
 - b. The proposed use is located in an appropriate zone as defined in Suffield's Zoning Regulations.
 - c. The proposed use receives all necessary approvals, licenses and permits from the Suffield Planning and Zoning Commission and any other Town, State of Connecticut and federal agencies, boards, commissions and officials having jurisdiction with respect to the project, if such approvals, licenses or permits are required under applicable laws, regulations, rules ,codes and as the application may further require.
 - d. No real estate property tax or other tax or fee or municipal charge due Suffield is unpaid at the time the Application is submitted or at any time thereafter.
 - e. If the applicant is relocating its business to Suffield, the applicant shall provide a maximum of five year history of tax assessments and payments to the municipality or municipalities and/or other political subdivisions in which its business was operated, as

is available, and as determined by the Town. The project should have a clear economic benefit to Suffield.

- B. The applicant shall submit in writing with the Application a list of benefits, such as new jobs and growth of the Town grand list, to be realized by Suffield if the applicant receives tax incentives under the Program. Applicants are encouraged to provide Suffield residents with the opportunity to apply for open positions and businesses the opportunity to bid for construction jobs and projects and be accorded priority provided such applicants meet all of the criteria of established job requirements or are competitive and qualified bidders.

271-6. Application Procedures.

- A. All tax incentive requests shall be made in writing on a form referred to as Tax and Business Incentive Application (the "Application") published and provided by the EDC and approved by the BOS as it may be amended from time to time.
- B. The Application, fee and all accompanying documentation required hereunder or voluntarily provided shall be submitted in triplicate at Planning and Development Office. Upon receipt by the Director of Planning and Development, one copy of the Application shall be provided to the EDC for preliminary review and one Application shall be provided to the First Selectman for Review.
- C. For purposes of this ordinance, "receipt by the Director of Planning and Development" means an Application and all accompanying documentation required in accordance with all applicable provisions of this Ordinance is submitted. The following time periods for review of the Application and action are not mandatory, nonetheless, the EDC and the BOS shall try to meet the time limits stated hereafter: From date of receipt by the Director of Planning and Development of the Application the EDC and the Director of Planning and Development will review the Application for completeness, request additional information and meet with the property owner or the property owner's representatives. Provided the property owner has provided all information required in the Application, by this Ordinance and by the EDC, or its designee, the Director of Planning and Development will approve the application thereafter report its findings to the BOS. The BOS will place the application on the agenda of the next regularly scheduled BOS meeting for discussion and will take action on the application within thirty (30) days. If the BOS approves the application, the First Selectman and the property owner shall enter into a written agreement.
- D. The approval of this ordinance by Town Meeting shall provide the BOS with authority to enter into such agreements as set forth by Connecticut General Statutes Sec. 12-65b and Sec. 12-65h.

271-7. Assessment of the Property Subject to the Agreement.

The Suffield Assessor shall determine the assessment of the real property and any and all improvements constructed or to be constructed on or in the real property which is the subject of the agreement and report those findings to the BOS before any final approval is voted on by the Board of Selectmen.

271-8. Specific Requirements of the Tax Incentive Agreement.

Pursuant to CGS Sec. 12-65b(a) the assessment of real property and all improvements in or on or to be constructed in or on said real property may be abated for a period of not more than five years. The level of abatement shall be dependent upon the value of the applicant's investment into the property as defined below.

- a. New Business Development or Expansion Abatement: For commercial real property investments, expansions, and new construction. New Business Development shall be defined as an eligible project involving real property, new construction, or renovation, for either a new to town business, or the relocation of town business to new project site. Business Expansion shall be defined as an eligible project involving an addition, renovation, of the applicant's existing property and/or facilities.
 - i. New Business Development Applicants making an investment of \$100,000 shall receive an abatement of 50% of their increased tax assessment.
 - ii. Applicants making an investment of \$500,000 shall receive an abatement of 50% of their increased tax assessment.
 - iii. Applicants making an investment of \$1,500,000 shall receive an abatement of 55% of their increased tax assessment.
 - iv. Applicants making an investment of \$3,000,000 shall receive an abatement of 60% of their increased tax assessment. Additionally, such applicants shall also receive a 15% discount on all required Building Permits.
 - v. Applicants making an investment of \$6,000,000 shall receive an abatement of 65% of their increased tax assessment. Additionally, such applicants shall also receive a 25% discount on all Building Permits.

- b. In the case of new construction or improvements to an existing facility, such construction shall commence within six months of approval of the Agreement by the

Town Meeting and shall be completed no later than twenty-four months from date of approval by the Town Meeting. The times for commencement and completion of the construction are mandatory except owner performance may be excused when the owner is prevented from performing by causes beyond owner's control including natural disasters, fires or other calamities or a state or national declared state of emergency.

271-9. Default by the Owner.

- A. Under the Terms of the Agreement In the event the owner of the real property:
- a. Fails to pay real estate and/or personal property taxes when such taxes are due and payable; or
 - b. Fails to commence or complete on time the construction of all improvements upon the property which is the subject of the agreement; or
 - c. Becomes insolvent or bankrupt or files any debtor proceedings or others file such debtor proceedings against the owner, in any court, in any jurisdiction, state or federal, and does not withdraw such filing within ninety (90) days or such other proceedings have not been dismissed or withdrawn by such other parties within ninety (90) days or makes an assignment for the benefit of creditors or if the property is taken under any writ of execution or becomes the subject of foreclosure proceedings; or
 - d. Abandons the real property without the express consent of the Town as set forth in Section J of this Ordinance; or,
 - e. Fails to perform any obligation under the terms of the agreement.
- B. Then such event shall constitute a material default of the agreement and the Town may terminate the agreement on the giving of written notice whereupon (i) the right of the owner to receive tax abatements and any other considerations granted to the property owner under the terms of the agreement shall cease and come to an end; and, (ii) the property owner shall be obligated to repay the Town the amounts of all tax abatements retroactive to the due date of the first abated tax payment plus interest at the rate set and payable pursuant to provisions of CGS Sec. 12-146, all waived fees, if any, and all actual costs of the Town in providing in kind considerations to the property owner.
- C. In the event of failure to pay a tax when due and if such delinquency continues for six months and one day, the Town shall terminate the agreement whereupon (i) the right of the owner to receive the tax abatement and any other considerations granted to the property owner under the terms of the agreement shall cease and come to an end; and, (ii) the property owner shall be obligated to repay the Town the amounts of all tax abatements retroactive to the due date of the first abated tax payment plus interest at the rate set and payable pursuant to provisions of CGS Sec. 12-146, all waived fees, if any, and all actual costs of the Town in providing in kind considerations to the property owner.

271-10. Assignment of the Agreement.

The agreement between the Town and the owner of real property shall not be assigned by the owner to any person(s) or business organization or entity or estate or trust without the express consent of the BOS. A conveyance of the real property or a transfer of ownership of the business or substantially all of the assets of the business, which is the subject of the agreement, to a person or business organization or entity that is not owned or controlled by the owner of the real property and/or the owner of the business who are parties to the agreement with the Town, shall not constitute a valid assignment of the agreement or vest any rights under the agreement in the grantee of the real property or transferee of the business or of the assets of the business or allow for enforcement of any obligations of the Town against the Town by the grantee of the real property or transferee of the business or of the assets of the business including but not limited to any remaining tax abatements under terms of the agreement. For purposes of this section a "controlled entity" means a business which is eighty or more percent owned by the grantor or transferor, as the case may be.

271-11. Amendments to Applicable Statutes.

All references to CGS Sec. 12-65b or Sec. 12-65h or Sec. 12-81 or any other section of CGS made herein shall include all amendments to such statutes enacted and signed into law subsequent to the effective date of this ordinance.

271.12 Effective Date.

This ordinance shall take effect fifteen (15) days after publication of a summary of its provisions pursuant to Connecticut General Statutes, §7-157(b).