

**TOWN OF THOMASTON**

**ORDINANCE ESTABLISHING THE THOMASTON TAX INCENTIVE PROGRAM**

**Section 1. Authorization**

The Thomaston Tax Incentive Program is established pursuant to Connecticut General Statutes, Sections 12-65b and 12-65h, as may be amended, and shall be administered by the Board of Selectmen in cooperation with the Thomaston Economic Development Commission, with support from the Planning and Zoning Commission, Assessor and Tax Collector.

**Section 2. Statement of Purpose**

The purpose of the Thomaston Tax Incentive Program (the "Program") is to attract, retain and expand qualified businesses, to create employment opportunities, and to promote responsible economic growth to ensure Thomaston's future as a desirable community in which to live and work.

**Section 3. Eligibility**

A. The Town of Thomaston may enter into written tax agreements with the owners and/or lessees of real property adjusting the assessments of real property improvements to be dedicated and used for any of the following purposes:

1. Manufacturing, including research and development facilities;
2. Retail, wholesale, warehouse and distribution facilities;
3. Information technology facilities;
4. Recreation, including sports and tourism facilities;
5. Office and business facilities;
6. Transportation and mass transit facilities; and
7. Downtown properties in need of rehabilitation.

B. Only legally existing uses and facilities, or facilities approved for such uses by the Planning and Zoning Commission, are eligible to participate in the Program. Home occupations, most residential uses, and other uses which do not fall within the above categories are not eligible to be considered for the Program.

**Section 4. Tax Incentive Schedule**

The Board of Selectmen may enter into a tax agreement with any party owning or proposing to acquire an interest in real property in the Town of Thomaston, adjusting the assessment of the real property, which is the subject of the agreement, and all improvements thereon or therein and to be constructed thereon or therein, subject to any of the following limitations:

| <b>Real Property Tax Incentive Options</b>     |                        |                       |
|--|------------------------|-----------------------|
| <b>Cost of construction and/or renovations</b> | <b>Number of Years</b> | <b>% of Abatement</b> |
| More than \$3,000,000                          | Up to 7                | Up to 100%            |
| \$500,000 - \$3,000,000                        | Up to 2                | Up to 100%            |
| \$25,000 - \$499,999                           | Up to 3                | Up to 50%             |

This table lists the minimum value of an improvement that qualifies a project for an abatement, the maximum abatement amount, and the maximum abatement period. The Board of Selectmen shall determine the specific abatement for each project based upon the benefits to the Town. The final valuation shall be determined by the Town of Thomaston Assessor.

## **Section 5. Application**

A. Any eligible owner and/or lessee may apply under the Program in writing to the Economic Development Commission by filing the "Application for Tax Abatement under the Tax Incentive Policy." The applicant shall provide all required information in sufficient detail to allow the Economic Development Commission to determine costs and benefits associated with the implementation of the requested tax agreement. Personal or confidential financial information shall be submitted on a "Confidential Addendum" which, together with tax returns, financial statements, trade secrets or other proprietary information shall not be subject to public inspection or disclosure under the "Freedom of Information Act," Connecticut General Statutes, Chapter 14.

B. On the recommendation of the Economic Development Commission, the Board of Selectmen may enter into a tax agreement under this policy only if the proposed agreement will:

1. Cause a business to locate in Thomaston, or
2. Cause a business to replace, expand or remodel existing buildings, or
3. Cause a business to construct new buildings, or
4. Cause an increase in or preserve existing employment opportunities, or
5. Cause a substantial investment in new equipment or other personal property subject to taxation, or
6. Cause a business to utilize a distressed or abandoned property, or
7. Cause a property owner to make a significant rehabilitation investment within the Downtown Development District, or provide a product, need or service to the local community, or
8. Improve or renovate historic structures.

C. In addition to the foregoing, the Board of Selectmen may consider the following factors:

1. Compatibility of the proposed project with the Town's resources, infrastructure, including roads and utilities, and
2. The proposed project developer's / owner's business, zoning, safety, and environmental "track record."

D. Within the uses specified in Section 3, priority will be given to those applications which are or propose to locate in the Downtown Development District as shown on the Thomaston zoning map and/or which propose to use or rehabilitate existing commercial and industrial buildings.

E. If the applicant is a lessee, or if an owner is applying on behalf of a lessee, tax benefits shall accrue to the benefit of the lessee, shall be reflected in a recorded lease with a term equal to, or greater than, the period for which benefits shall accrue, and shall be so demonstrated to the Board of Selectmen.

## **Section 6. Procedure**

A. The Economic Development Commission, with the advice of the Assessor and the Planning and Zoning Commission, shall review and evaluate each tax incentive application and shall refer the application with its analysis and recommendation to the Board of Selectmen. The Board of Selectmen shall review the application and may approve, reject or modify the application; provided, however, any application which results in a property tax abatement of twenty thousand dollars (\$20,000.00) or more in any one list year shall be approved by a Town meeting.

B. The approval of any application shall be contingent on execution of a tax agreement between the owner and the Town to complete, occupy, and use the improvements as set forth in the owner's application, to pay all municipal taxes and sewer fees assessed against the property, and to comply with the requirements of the Thomaston Tax Incentive Program. The Board of Selectmen may modify, amend or waive the terms of the agreement in keeping with the intent and purpose of the program and in the best interest of the Town of Thomaston.

C. There is no right of appeal under this Article. A property owner may not appeal the assessment of the property under C.G.S. §12-117a or § 12-119 while a tax agreement is in effect with respect to that property.

### **Section 7. Conditions of Approval**

A. After approval and signing of any such tax agreement, improvements shall commence within twelve (12) months of signing of the tax agreement and shall be completed within twenty-four (24) months. In the event that improvements are not commenced and/or completed within the specified time frame, then any agreement entered into pursuant to this policy shall immediately terminate and the full amount of the tax, including accrued interest that would otherwise be due shall immediately become due and payable, unless alternative arrangements are authorized in writing by the Board of Selectmen.

B. If an applicant fails to comply with the payment of taxes upon the due date determined by the Board of Selectmen, then any agreement entered into pursuant to this policy shall immediately terminate and the full amount of the tax, including the accrued interest that would otherwise be due shall immediately become due and payable.

C. Any person or firm who is delinquent in any taxes and/or fees due the Town of Thomaston or the State of Connecticut at the time of application shall be ineligible to enter into any such tax agreement under this policy.

D. No zoning or wetland violations shall exist with respect to the subject property.

E. Any tax assessed and levied upon motor vehicles shall not be subject to any such agreement pursuant to this policy.

F. The applicant agrees to maintain and make available upon request to the Assessor supporting documentation, including, but not limited to, income tax returns, business records, invoices, bills of sale, and bills of lading pertaining to the improvements for which the applicant is claiming exempt status.

### **Section 8. Tax Assessment Agreement**

A. Any tax agreement entered into pursuant to this policy shall not be subject to assignment or transfer without the prior written consent of the Board of Selectmen. In the event that any such agreement is assigned or transferred without the written consent of the Board of Selectmen, the agreement shall terminate as of the effective date of assignment or transfer, and the full amount of the tax that would otherwise be due the Town of Thomaston shall immediately become due and payable.

B. Any tax agreement entered into pursuant to this policy shall be recorded in the Thomaston land records and shall constitute a priority lien against the property benefited until the conditions of the tax abatement have been fulfilled and the agreement has expired. Upon default under the terms of the agreement, or material misrepresentation in the application, the taxes abated shall immediately become due and payable, with interest as provided by law, and may be lienied; and the lien may be foreclosed in the same manner as provided by law for tax property liens generally.

C. Any tax agreement will commence when a Certificate of Occupancy is granted.

### **Section 9. Miscellaneous**

A. Nothing in this policy shall require the Town of Thomaston to enter into a tax agreement. The final decision as to any tax abatement is at the sole discretion of the Town of Thomaston.

B. The Board of Selectmen may terminate an abatement granted hereunder prior to the expiration thereof in the event a fraud or misrepresentation by an applicant regarding any statements or representations contained in the application, addendum, or any supporting documentation.

C. A tax agreement shall expire and terminate as provided herein or as set forth in the agreement.

D. The Economic Development Commission is authorized to develop the application, addendum, agreement, promotional and program materials, and to develop policy regulations and guidelines, subject to approval by the Board of Selectmen.

#### **Section 10. Effective Date**

This Ordinance shall take effect fifteen (15) days after publication of a summary of its provisions in a newspaper having a general circulation in the Town of Thomaston pursuant to Connecticut General Statutes, §7-157(b).

ADOPTED AT TOWN MEETING ON: May 29, 2007

PUBLISHED: Republican-American on June 3, 2007

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AMENDED AT A TOWN MEETING ON: March 24, 2010