

**TOWN OF PLAINVILLE**  
**ECONOMIC DEVELOPMENT AGENCY**  
**TAX AND BUSINESS INCENTIVE PROGRAM POLICY**

**PURPOSE:**

The purpose of the Tax Incentive Program is to attract new business and industry to the Town of Plainville 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. It is further the intent of the Town of Plainville to encourage substantial investment in new equipment and other personal property subject to taxation within the Town.

In addition to the incentives provided hereunder, the applicant may also be eligible for incentives allowed under other ordinances of the Town of Plainville and provisions of the General Statutes of the State of Connecticut including Section 12-65h and Section 12-127a, as amended.

**QUALIFYING BUSINESSES:**

**The following types of businesses, consistent with Town regulations and ordinances shall receive priority consideration for development incentives:**

1. Manufacturing firms.
2. Medical offices.
3. Financial offices.
4. Facilities designed for the management and administrative support of business activity located elsewhere.
5. High Technology Firms including research and development.
6. Wholesale/Distribution Firms providing new employment not less than one (1) job per each 1,000 square feet of gross building area.
7. New retail and commercial business.
8. Restaurants.

**Notwithstanding the listing of priority businesses, all proposals shall be measured against the following standards as may be applicable:**

1. Possession of a good, recent environmental “track record.”
2. Investment of \$100,000 or more in new or rehabilitated facilities and/or equipment.
3. Creation of permanent, full-time jobs.
4. Provide a solid financial base and growth potential through the preparation of a business plan, which demonstrates the capital necessary for reasonable business growth.

## **GENERAL REQUIREMENTS:**

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

1. The proposed project must be in full compliance with all applicable local regulations and requirements, subject to approval of applicable land use boards.
2. All tax benefits realized through participation in this program are transferable to tenants if applicable.
3. Applicant has no delinquency of any taxes or services charges due the Town of Plainville.
4. The project should have a clear economic benefit to the Town of Plainville as follows: the benefits derived to the Town shall exceed the total cost to the Town over the economic life of the investment or project, not to exceed five (5) years. This provision may be modified for investments exceeding \$10,000,000.00.

## **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 the new positions created because of any development project.
2. Applicants shall estimate the number of anticipated new hires, the skills required, and the timing of such new hires.
3. To the extent feasible, the applicant shall commit to utilize town based businesses for materials and supplies in connection with construction and operation of any facility and equipment benefiting from this assistance.

## **APPLICATION PROCEDURE:**

All tax incentive requests shall be made in writing on a form prescribed by the Town of Plainville. The applicant must explain why its new investment would not occur without the tax incentive requested.

The application for tax incentives shall first be referred to the Plainville Economic Development Agency. The Economic Development Agency shall review the application to determine if it is in compliance with this policy. Each completed application shall be reviewed on a case-by-case basis. Within thirty (30) days of receipt of the application, the Agency shall forward a recommendation to the Town Council for its action.

## **TAX ABATEMENT AGREEMENT:**

Pursuant to Section 12-65b of the Connecticut General Statutes, as amended, the Town may enter into a Memorandum of Understanding with the owner or lessee of real property, defining the terms of any subsequent Tax Fixing Agreement to fix the assessment of the real property and all the improvements thereon or therein to be constructed.

Within the parameters of C.G.S. Section 12-65b, 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 written Tax Fixing Agreement fixing the assessment shall be executed upon completion of the improvements upon satisfactory documentation that the stated investment level has been reached to within 15% of the original estimate and within the completion timeframe provided by the applicant as memorialized in the Memorandum of Understanding. The Tax Fixing Agreement will fix the assessment for forthcoming assessment years as stated within the Memorandum of Understanding following the issuance of a Certificate of Occupancy or certification of completion by the building official and fire marshal as may be applicable. The Town, in its sole discretion, shall determine the assessment of the property with the improvements to which the percentage provided for in the statute for fixing the assessment will be applied.

#### **CLAW BACK PROVISION:**

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

#### **ABATEMENT SCHEDULE:**

For investments equal to or exceeding \$10,000,000.00, the EDA may recommend a tax abatement to be determined based upon the significance of the project to the Town of Plainville, but shall never exceed that allowed by State Statute.

For investments equal to or exceeding \$5,000,000.00 to \$9,999,999.99, the EDA may recommend a tax abatement of up to 40% of the increased tax assessment for a period of up to 5 years.

For investments equal to or exceeding \$3,000,000.00 to \$4,999,999.99, the EDA may recommend a tax abatement of up to 30% of the increased tax assessment for a period of up to 4 years.

For investments equal to or exceeding \$500,000.00 to \$2,999,999.99, the EDA may recommend a tax abatement of up to 20% of the increased tax assessment for a period of up to 4 years.

For investments equal to or exceeding \$25,000.00 to \$499,999.99 the EDA may recommend a tax abatement of up to 20% of the increased tax assessment for a period of up to 3 years.

The EDA may recommend increased benefits when in their judgment there is increased, significant and beneficial economic impact to the Town of Plainville. In no instance may the EDA recommend benefits in excess of that allowed under Conn. General Statute §12-65b.

### **CONSTRUCTION SCHEDULE:**

After approval of any application by the Economic Development Agency, the Town Council, and any land use applications required by law, construction shall commence and shall be completed within the period specified in the Agreement(s). Any extension to this requirement must be approved by the EDA and the Plainville Town Council.

### **TOWN COUNCIL AUTHORITY**

In accordance with Section 12-65b of the CT General Statutes, all decisions to grant an incentive, pursuant to the terms of this policy and State Statutes, shall be within the sole discretion of the Town Council of the Town of Plainville.