

## **FARMINGTON'S BUSINESS DEVELOPMENT INCENTIVE POLICY**

It is the policy of the Town of Farmington to encourage the development and expansion of quality businesses, especially those of particular types. In an effort to attract these select businesses, the Town may offer applicants temporary tax abatement pursuant to C.G.S. §12-65b or other economic incentives if the Economic Development Commission and the Town Council deem such action to be in the best interest of the Town.

It is the policy of the Economic Development Commission to review specific business development incentives on a case-by-case basis but will base the decision to grant incentives on the general requirements of this policy. In the event of unusual or extraordinary circumstances, the Economic Development Commission may alter or otherwise waive any and all requirements contained herein so long as the project is consistent with the goals and objectives of the Town of Farmington Strategic Plan.

### **TYPES OF BUSINESSES or INDUSTRIES TARGETED**

The Business Development Incentive Policy Program will be used to target the following types of quality businesses that generate substantial tax revenue to the Town of Farmington:

1. Corporate headquarters
2. Corporate satellite offices
3. Campus-style office development
4. Research and development facilities
5. Manufacturing facilities
6. Existing business expansion

The Town is interested in attracting businesses that will:

1. Generate additional tax revenue through real estate and/or personal property taxes
2. Provide employment opportunities
3. Provide high quality goods and services
4. Improve the aesthetics of the community or a particular area

The following types of enterprises shall receive priority in consideration for incentives:

1. Those within targeted locations as identified in the current Strategic Plan
2. Those proposing a project that forwards a stated goal or objective that will bring a positive, substantial impact on the Grand List. For new businesses a substantial impact will be defined as contributing an additional 3.5 million dollars in real estate value to the grand list.
3. Those that are expanding and meet the above criteria as defined as contributing a minimum of \$1.75 million in real estate value to the grand list or 50% of the current real estate value, whichever is greater.

## **BUSINESS DEVELOPMENT INCENTIVE GUIDELINES**

**Overview and Background:** The objective of offering a business development incentive is to encourage the expansion of specific types of businesses through the establishment of a public/private partnership, which results in growth expansion consistent with the Town's Strategic Plan.

The Economic Development Commission, in adopting these incentive guidelines establishes the following objectives consistent with the Strategic Plan:

1. Creation of high-quality long term tax base growth
2. Stimulation of the local economic conditions for existing businesses, and the development of future industry groups
3. Accomplishment of community goals as stated in the current Strategic Plan

As per Town Ordinance Chapter 20 any proposed incentives are subject to approval by the Town Council upon recommendation by the Economic Development Commission.

## **TYPES OF ASSISTANCE AVAILABLE**

### **1) TAX ASSESSMENT REDUCTION UNDER C.G.S. SECTION 12-65B**

The assessment of the real property and all improvements thereon to be constructed thereon may be reduced for a period of time and under the conditions set forth in C.G.S. Section 12-65b, as amended. The period of reduced assessment shall commence with the Grand List immediately following the issuance of a final certificate of occupancy for the new construction and the execution of an agreement that will set for the terms and conditions based upon established guidelines.

### **2) WAIVING OR REDUCTION OF ANY TOWN PERMIT FEES**

The Town of Farmington may waive any Town permit fees or a portion of such fee to encourage the development and expansion of quality businesses, especially those of particular types. The waiving of fees would be after the Economic Development Commission determines that such action would be in the best interest of the Town, and meets the criteria set forth in this Policy. The Town and the applicant shall enter into an agreement which will set forth the terms and conditions based upon established guidelines.

**MINIMUM CRITERIA AND INFORMATION REQUIRED:**

- 1) Applicant must not be in violation of any law, regulation or agreement with town, state or federal government, notwithstanding any tax lien with governmental forbearance.
- 2) Applicants must be committed to make a significant investment in new or rehabilitated real or personal property.
- 3) Applicant's project must provide new employment or enhance the tax base or encourage technological innovation investment and address a goal or objective identified in the Town's Strategic Plan.
- 4) A statement as to the ownership structure of both the real property and operating company including information as to the ownership of any applicable subsidiary companies.
- 5) The proposed project is located in an appropriate zone as defined in the Town of Farmington zoning regulations.
- 6) There is a commitment to remain in the Town beyond the length of the abatement or other incentive period if applicable.
- 7) All tax obligations to the Town by the applicant must be current except in the case when the applicant is seeking approval to purchase existing tax liens.
- 8) The project must meet goals and objectives identified in the Strategic Plan.
- 9) If the end user of the proposed facility is a lessee, new construction or addition, then the tax benefits created by this abatement must be clearly reflected in the lease as accruing to the Applicant Company and the lease must be at least for the term of the abatement period.
- 10) An agreement entered into pursuant to this Policy shall not be subject to assignment, transfer, or sale without the written consent of the Farmington Town Council.
- 11) After approval of an application by the Town Council and approval of a site plan by the Town Planning and Zoning Commission, construction shall commence within six months and shall be completed within twenty-four months unless otherwise extended by the Town in its sole discretion.
- 12) In the event that the applicant, during the period of its participation in this program:
  - a. relocates its business from Farmington,
  - b. becomes delinquent in taxes or fees,
  - c. closes its operation, or
  - d. declares bankruptcy,

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.

If benefits were obtained fraudulently, the town may pursue any recourse allowed by law including prosecution and obtaining penalty fees.

## **APPLICATION REQUIREMENTS AND PROCEDURES (1/15/08)**

### **STEP 1:**

Applicant will submit a written report, application and Economic Development Impact Statement to the Town Manager/Economic Development Staff, which will request a Business Development Incentive, based on the overall Business Development Policy. The request should include at least the following types of information:

- 1) Specific Assistance Requested.
  - a) Tax assessment reduction
  - b) Waiving or reduction of any Town permit fee
- 2) Description of the project including an estimate of the number of jobs to be created and their wages.
- 3) Description of the applicant and its products or services, including a listing of its officers.
- 4) An estimate of the value of the proposed improvements.
- 5) A construction schedule.
- 6) Identification of any other public incentives, financial or otherwise, which are included in the project financing.
- 7) A statement of the benefits to the Town for granting an incentive including an estimate of local taxes to be paid.
- 8) All other information requested per the Minimum Criteria/Information of this Policy.

### **STEP 2:**

After review of applicant's submittal by the planning department and other appropriate staff the Town Manager will refer the submittal with comments to the Economic Development Commission for review and recommendation.

### **STEP 3:**

If endorsed by a 2/3-membership vote\* of the Economic Development Commission the Town Manager will forward the EDC recommendation to the Town Council for initial review and action.

### **Step 4:**

Upon preliminary approval of the Town Council the Town Manager will work with the applicant, and the Town Attorney for a legal contract that assures that all provisions of the Business Development Incentive program are being met. Contract will be on a case-by case basis.

### **STEP 5:**

The Economic Development Commission must approve the final business development incentive in contract form by a 2/3-membership vote and then forward it through the Town Manager to the Town Council for final approval.

### **STEP 6:**

The Town Council must authorize the Town Manager to sign a contract at a Town Council meeting. The Town Council, at its sole discretion, shall approve, or deny the application.

\* NOTE: The 2/3-membership vote is based on the full-commission (7 members), which means that there need to be five affirmative votes to make a recommendation to the Town Council.