

TOWN OF NEWTOWN **BUSINESS INCENTIVE PROGRAM**

PREAMBLE AND PURPOSE

The purposes of the Business Incentive Program are to encourage private investment, improve the physical appearance of our commercial and industrial properties, expand the local economic base, support strategic economic growth, encourage job creation and foster a healthy business climate within the Town of Newtown.

A focus on the improvement of properties within the business and industrial areas is found and declared to be in the best interest of the Town of Newtown. Therefore, the Town of Newtown hereby broadens a Business Incentive Program pursuant to CT General Statutes Sections 12-65b and 12-65h, meant to promote sustainable and strategic economic growth that will benefit and improve the overall quality of life in our community. This program is declared to be consistent with the Plan of Conservation and Development and the Strategic Plan for Economic Development of the Town of Newtown.

Economic development efforts will focus on new business development within the industry clusters of technology, communications and bioscience, the retention and expansion of existing businesses and the continued revitalization and enhancement of Newtown's business centers and corridor including, but are not limited to, the Borough of Newtown, Sandy Hook Center, Botsford, Dodgingtown, Hawleyville and the South Main Street Village District. Efforts will focus on job creation, promoting the redevelopment or reuse of abandoned or underutilized commercial and industrial properties and streetscape improvements within the commercial areas of Newtown.

APPLICATION AND ELIGIBILITY

Eligibility Requirements

1. The applicant may not be delinquent in taxes owed to the Town of Newtown.
2. Only those properties located within a village or design district, a commercial, mixed use or industrial zone are eligible for this program.
3. The provisions of this program shall apply only if the improvements expand production and / or the capacity of a business involved in at least one of the following uses:
 - a. Office
 - b. Retail
 - c. Manufacturing
 - d. Warehouse, storage or distribution
 - e. Information technology
 - f. Recreational facilities
 - g. Research and Development

4. Proposed improvements, enlargements, or construction shall comply with all applicable state and local codes.
5. The applicant must provide appropriate estimates of cost of improvements and/or construction and compliance 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.

Application Procedure

Following initial discussions with the First Selectman and/or the Economic and Community Development Director, the prospect will be invited to submit an application for participation in the Business Incentive Program. Application forms are available online and in the Economic and Community Development office. Completed forms should be returned to the Economic and Community Development Director.

The Economic and Community 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 Selectman for consideration.

The First Selectman'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, consultation with the Town Attorney and if anticipated tax abatement exceeds \$25,000 per annum, review by the Board of Finance, the First Selectman will make his/her recommendation to the Board of Selectmen for review and action.

On approval by the Board of Selectmen, the application will be submitted to the Legislative Council.

If approved by the Council, it shall adopt a resolution authorizing the First Selectman to enter into an agreement with the applicant.

General Conditions of Business Incentive Approvals

1. After final approval of any Business Incentive Agreement, including fixing the assessment of the real property, work on the approved project must begin within twelve (12) months and shall be completed within twenty-four (24) months. Any variation from this must be approved by the First Selectman upon approval by the Board of Selectmen.
2. 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 the full amount of the tax that would otherwise be due the Town of Newtown shall become due and payable.
3. Should payment for taxes to the Town of Newtown become delinquent at any time during the agreement period, the Business Incentive Agreement shall immediately terminate and the full amount of the tax that would otherwise be due shall become due and payable.

BUSINESS INCENTIVES

Consideration requested by the applicant may include physical improvements to the property and/or the fixing of assessment of real property pursuant to the schedule outlined below. The Town of Newtown may consider alternatives to the schedule as allowed by the CT General Statutes, Section 12-65b and may consider fixing the assessment of personal property in a manufacturing facility as allowed by CT General Statutes, Section 12-65h.

1. Physical improvement consideration may include the following; the one time Town subsidizing, whole or in part of:
 - a. The paving of driveways or parking areas;
 - b. Site preparation including tree/branch removal, grading, earth moving or removal;
 - c. Street or road improvement including drainage;
 - d. Hook-ups to water, sewer, other utilities;
 - e. Infrastructure engineering;
 - f. Correction of other physical problems, i.e., brooks, rock ledge, etc.
 - g. Streetscape specific areas where specs are in place

2. Agreements to fix the assessment of real property will be based on the estimated cost of improvements and the resulting increase in assessment of the property after improvements. 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.
 - a. The Business Incentive Agreement shall be in effect as long as the property use remains as authorized in the agreement.
 - b. The Agreement is no longer valid upon the sale or transfer of the property. A new Agreement may be negotiated with a new applicant.
 - c. The Town Assessor shall have the sole responsibility of determining the value of the assessment which is the subject of the Agreement.
 - d. The Agreement shall be filed in the land records and a copy filed in the office of the Assessor.

3. Business Incentive Schedule: The Agreement for fixing the assessment of the real property and all improvements thereon or therein and to be constructed thereon and therein, may utilize the following schedule for determining the maximum amount and maximum period of time for which such agreement may be given. However, the Town has the option to consider the alternatives allowed pursuant to CGS Section 12-65b.

Assessed Value of increase in Real Property	Maximum Percentage that may be Fixed for Three Years
\$0 to \$100k	0%
\$100k to \$250k	20%
\$250k to \$500k	25%
\$500k to \$1mil	30%
\$1mil to \$2mil	35%
\$2mil to \$3mil	40%
Over \$3mil	45%

If the project entails a large amount of personal property to be added, an additional incentive (multiplier to above figures) will be considered as follows:

Assessed Value of Personal Property	Multiplier for Three Years
\$0 to \$50k	0.00
\$50k to \$100k	1.10
\$100k to \$250k	1.15
\$250k to \$500k	1.20
Over \$500k	1.25

**Town of Newtown
Business Incentive Program Application**

Negotiations of Business Incentives will be conducted by the First Selectman. The findings and conclusions of the First Selectman will be submitted to the Board of Selectmen for acceptance or denial. Board approved applications will be forwarded to the Finance Board and Legislative Council for consideration and action.

Name of Company: _____

Address: _____

Company Contact: _____

Phone Number: _____

Types of Products Manufactured or Distributed: _____

Project Description: _____

Estimated Cost of Proposed Improvements: _____

(Attach itemized list of these costs and improvements)

Number of Jobs To Be Retained in Newtown: _____

Number of Jobs To Be Created: _____

Date

Signature of Company Representative

Completed applications should be returned to the First Selectman's Office or the office of the Director of Economic and Community Development.

APPROVED

Donald W. Sharpe, Chairman
Economic Development Commission

Date _____

APPROVED

E. Patricia Llodra,, First Selectman
Town of Newtown

Date _____

APPROVED

Jeffrey Capeci, Chairman
Legislative Council

Date _____
