

# Town Of Colchester Tax Incentive Program

## A. Purpose and Philosophy of the Tax Incentive

The Colchester Tax Incentive Program ("the C-TIP") attracts new businesses and commercial interests to Colchester and encourages existing businesses and interests to expand by offering partial relief from local property tax burdens.

The C-TIP developed pursuant to a directive from the members of the Colchester Board of Selectmen, who have made economic development a priority for the Town. The Town has experienced a tremendous amount of residential growth over the past few years, and C-TIP is intended to foster the commercial development that is necessary when such growth occurs. With residential growth comes the need for jobs and many types of commercial development. Also needed is growth in the Town tax base, for as a community grows so too does the demand for Town services.

Specifically, the goals of the Colchester Tax Incentive Program are to:

- Encourage new job creation and expansion of existing businesses
- Attract forms of commercial development not currently offered
- Foster the development of start-up companies within the Town
- Grow the Town tax base and more equitably distribute tax burdens

## B. Qualifying Applicants

Applications to C-TIP will be accepted from any individual, group or entity that pays or will pay real estate taxes in the Town, provided: (i) the applicant is not delinquent in the payment of any taxes or service charges to the Town; (ii) the applicant plans to invest at least \$25,000 for either the construction of a new facility or the expansion of a current operation; and (iii) the applicant evidences a solid financial base and potential for growth.

## C. The Application and Approval Process

Qualified applicants for tax incentives are required to present their application to the Town's Economic Development Commission. The members of the Commission review each application and make a determination as to whether incentives are appropriate, based on certain criteria established annually by the Commission. If they determine that incentives are appropriate, Commission members will further determine the appropriate amount and duration for the incentive.

From this review by the Economic Development Commission, the application and recommended incentive package is sent to the Board of Selectmen. The Selectmen consider the recommendation and may adjust the package, as they deem appropriate. After the Selectmen's review, the package is brought before the legislative body of the Town, (the Town Meeting), for approval. The Town Meeting is the sole decision-maker regarding the approval of the incentive package. The members of the Economic Development Commission and the Board of Selectmen simply develop recommendations

for the package. Only those in attendance at the Town Meeting can actually award the incentives to the applicant.

#### D. Criteria for Incentive Recommendations

The Economic Development Commission will recommend tax incentives as allowed by state statute after considering the following criteria:

- Need for incentives
- Potential for new job creation
- Providing a product, need or service to the local community
- Appropriateness of the business to its proposed location
- Possibility for the business to spawn other new businesses
- Planned use by the business of other Colchester vendors
- Compatibility of the project with the environment and town resources
- Contribution to the Town's infrastructure, including roads and utilities
- Net gain provided to the Town tax base
- Improvement or renovation to historic structures

These are not exclusive criteria, and the members of the Commission may consider other issues when appropriate to do so. Each application presents a unique set of circumstances, and should those circumstances require the consideration of additional factors, the applicant should make the Commission so aware.

#### E. Incentive for Developers of Commercial Real Estate

In the event a developer of commercial real estate applies to C-TIP, the members of the Commission may award tax incentives to the developer, provided the developer covenants to pass through to tenants, on a prorated basis, the benefit of the incentive award. The commission may award tax incentives to developers prior to full occupancy. Applications from developers will be reviewed subject to the same criteria as in "C." above.

# Application for Property Tax Incentive

## Date & Applicant Information

Full Name:

Address:

Relationship to Project:

Business Name and Address:

Telephone and Email:

## Business Project Information

Please provide the following information. Use additional pages to provide more detail and attach any relevant documents as needed

1. Background information on yourself, other key members of your management team and your company
2. A brief project description and include how you feel the Town of Colchester and its residents would benefit from your business or project.
3. Attach your business plan for the project or business including any capital improvements, projected income and hiring plans, including what type of jobs, for the next five years.
4. The estimated cost of the proposed real property to be constructed/renovated for this business?
5. Will your project require any improvements to, or extension of the Town infrastructure and/or utility systems? If so, please describe.
6. To what extent do you plan to employ Colchester-based vendors in the planning, design, and construction of this project? If possible, please provide the Colchester-based contractors you intend to use and the estimated value of your contracts to them.
7. How many jobs, if any, do you expect to create as a result of this business?
8. What is the planned start up and completion dates of this project? Are there multiple phases to this project?
9. What other locations besides Colchester are being considered for this project?

If you are applying as the lessor of commercial space:

10. Please provide the type of lessees you are targeting (types of business tenants)

11. Are these new tenants to Colchester or existing businesses?
12. If you have signed tenants and/or leases in process, please share the percentage of open lease space you currently have.