

Economic Development Commission

To Interested Applicants to the Colchester Tax Incentive Program:

In an effort to foster commercial development within the Town of Colchester, the Town has initiated a program for awarding real property tax incentives to owners of new and expanding commercial and manufacturing enterprises in Colchester.

Applicants for these incentives are required to complete a brief application form and to present their plans to the Town's Economic Development Commission. The members of the Commission will 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 and send a recommended incentive package to the Board of Selectmen. The Selectmen consider the recommendation and present a package to the legislative body of the Town, (the Town Meeting) , for its approval. The Town Meeting is the sole decision-maker regarding the award of incentives.

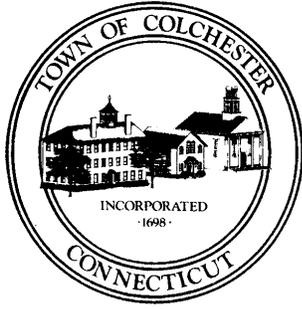
If you are interested in applying for tax incentives, please carefully review this program description and application form and then speak with myself or any member of our commission. We can answer any questions you may have and provide guidance in completing the application. I can be contacted through the First Selectman's office at (860) 537-7220.

The Economic Development Commission thanks you for your interest in Colchester, and we look forward to helping your business grow!

Sincerely yours,

127 Norwich Avenue,
Colchester, CT 06415
(860) 537-7220
Fax: (860) 537-0547

Cathy Pompei, Chairman
Colchester Economic Development Commission



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:

1. encourage new job creation and expansion of existing businesses;
2. attract forms of commercial development not currently offered;
3. foster the development of start-up companies within the Town; and
4. 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

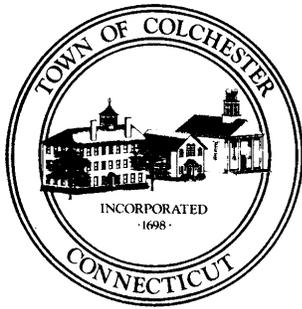
The Economic Development Commission will recommend tax incentives as allowed by state statute after considering the following criteria:

- 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 pro-rate 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.



**Town Of Colchester
Economic Development Commission**

Application for Property Tax Incentive

Date: _____

**Application
Information**

Full Name: _____
First MI Last

Address: _____
Street Number Street Apt#

City State Zip Code

**Relationship to
Project:** _____

Business Name: _____

Business Address: _____
Street Number Street Apt#

City State Zip Code

Telephone # _____
(Days) (Eves)

Email Address: _____

**Business Project
Information**

1. If available, please submit a business plan for the project, including a project income statement and a cash flow projection for five (5) years.

2. **Brief Project Description:** _____

Project Information

Please respond to the following questions and requests, as completely as possible. Complete your answers and attach additional pages, if necessary. Also, attach any additional information you feel is important for the Commission to consider.

1. What is the cost of the Improvements to be constructed? \$ _____

2. What is the target date to begin construction? _____

3. What target of the Connecticut General Statutes constitutes the use of the property?

4. What is the estimated minimum value of the proposed real property to be constructed or renovated for this business? _____

5. What is the estimated timeline? _____

6. Why is the incentive needed? _____

7. What other locations are being considered for this project? _____

8. If you are applying as the lessor of commercial space, please provide the types and names, if possible, of lessees you intend to target. Also, include a statement concerning the extent of control you will exercise over the occupancy of the space.

9. If you are applying as owner of a business, please describe your business, including its proposed hours of operation and the personal property you will install to run the business. _____

Project Information
(Continued)

10. 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 names of the Colchester-based contractors you intend to use and the estimated value of your contracts to them. _____

11. How many jobs, if any, do you expect to create through this project? _____

12. Will your project require any improvements to, or extensions of the Town infrastructure and/or utility systems? If so, please describe.

If you need space for more information, please attach a document with this application

Connecticut General Statutes Available for the Colchester Tax Incentive Program

**Sec. 12-65b.
Agreements between
municipality and
owner or lessee of
real property or air
space fixing the
assessment of such
property or air space.**

- (a) Any municipality may, by affirmative vote of its legislative body, enter into a written agreement with any party owning or proposing to acquire an interest in real property in such municipality, or with any party who is the lessee of, or who proposes to be the lessee of, air space in such municipality in such a manner that the air space leased or proposed to be leased shall be assessed to the lessee pursuant to section 12-64, fixing the assessment of the real property or air space which is the subject of the agreement, and all improvements thereon or therein and to be constructed thereon or therein, subject to the provisions of subsection (b) of this section, (1) for a period of not more than seven years, provided the cost of such improvements to be constructed is not less than three million dollars, (2) for a period of not more than two years, provided the cost of such improvements to be constructed is not less than five hundred thousand dollars, or (3) to the extent of not more than fifty per cent of such increased assessment, for a period of not more than three years, provided the cost of such improvements to be constructed is not less than twenty-five thousand dollars.
- (b) The provisions of subsection (a) of this section shall only apply if the improvements are for at least one of the following: (1) For office use; (2) for retail use; (3) for permanent residential use; (4) for transient residential use; (5) for manufacturing use; (6) for warehouse, storage or distribution use; (7) for structured multilevel parking use necessary in connection with mass transit system; (8) for information technology; (9) for recreation facilities; or (10) for transportation facilities.

**Sec. 12-65c. Deferral
of increased
assessments due to
rehabilitation:
Definitions.**

As used in sections 12-65c to 12-65f, inclusive:

- (a) "Rehabilitation area" means any municipality, or a part thereof, which is deteriorated, deteriorating, substandard or detrimental to the safety, health, welfare or general economic well-being of the community;
- (b) "Rehabilitation" means the improvement or repair of a structure or facilities appurtenant thereto, exclusive of general maintenance or minor repairs.

(P.A. 73-558, S. 1.)

Tax Incentive Options As Per Connecticut State Statute 12-65B:

Amount of Construction and Renovations	Number of Years	% Of Fixed Assessment
\$3,000,000	7	Negotiable
\$500,000	2 or less	Negotiable
\$25,000	3 or less	Up to, but not more that 50%