

Economic Development Incentive Program (EDIP) Road Construction, Utility Extension and Improvement Assistance

The Town of Suffield may contribute to the cost of public roads proposed for construction and/or utilities proposed for extension and/or improvements to serve targeted businesses and industries where it's Economic Development Commission (EDC) and Board of Selectmen determines that such actions would be in the best interests of the Town, and subject to availability of funds. The Town and the applicant shall enter into an agreement which shall set for the terms and conditions based upon the following guidelines:

- In the case of new road construction, the property on both sides of the new road must be zoned for industrial uses.
- The new road must, when completed, connect at one end with an existing highway system of the Town. The title to the land on which such road is to be constructed shall be conveyed to the Town by Warranty Deed, for a nominal consideration, upon completion and approval, before any contribution is made by the Town. The plan for such road and associated site development must have received the appropriate approvals required of any and all existing Town agencies or commissions.
- Applications for reimbursement shall be limited to public road construction, utility extension and/or improvement of storm water drainage, sanitary sewer, natural gas, water and railroad sidings.
- Water and sewer utilities will only be considered when existing Town utilities or the ability to contract for them, make it feasible.
- The applicant's reimbursement shall be based on the difference between the tax revenue collected before improvements and issuance of the Certificate of Occupancy and the tax revenues after such events. The taxes are those attributable to real estate and personal property. (*See examples attached hereto*)
- Subject to the foregoing and following conditions, the Town may reimburse the applicant for up to 100% of the costs of eligible public improvements upon receipt and approval of documentation of expenses incurred. The reimbursement period shall extend for a period of not to exceed seven (7) years or until 100% of the costs have been reimbursed, whichever comes first. Each installment will not be greater than 100% of the additional tax revenues generated by the improvements for that year. The reimbursement period shall begin once public improvements are completed to the satisfaction of the Town, and when a Certificate of Occupancy is issued for any building(s) benefiting from such improvements. Reimbursement shall be due sixty (60) days after the first tax payment is received from the facilities that generated the increase in the assessment. Payments shall be annual and as specified in the agreement.
- The EDC and Board of Selectmen reserve the right to include in any agreement under the guidelines any additional requirements pertaining to the road construction, utility expansion/improvement or site development as agreed to by the developer.

Application Requirements and Procedures

The application for Town reimbursement shall be approved prior to construction start up on the project. The applicant shall bear all costs for the planning, engineering, and construction of such facilities.

Any applicant who is delinquent in any taxes that are otherwise due to the Town of Suffield shall be ineligible to enter into such agreement with the Town.

The applicant shall provide documentation, which demonstrates that the Town's sharing in the costs of public improvements is necessary to allow the applicant to develop and sell property at a price which is competitive in the marketplace.

Application shall be made to the Director of Economic and Community Development, and shall be in such form and contain such information as prescribed by the Economic Development Commission. Information required shall include, but not be limited to, site plans, itemization of improvements by category, quantity and costs, construction schedules, projected additional employees, identification of any public incentives, financial or otherwise, which are included in the project financing, and a comprehensive business plan. (*See sample of application form attached hereto*).

The Director shall review the application and present the request to the Economic Development Commission after conferring with the First Selectman, Finance Director, Tax Assessor, and the Superintendent of the Water Pollution Control Authority (when appropriate). After its review, the Economic Development Commission shall make a report to the Board of Selectmen. The Board of Selectmen shall take final action on the application.

If the application is approved, the development or expansion must be completed within two (2) years from the date of Board of Selectmen approval or said approval becomes null and void, unless a written extension is requested and approved by the First Selectman and the review committee.

Any Construction Reimbursement Agreement with the Town shall include the provision that their reimbursement from the Town shall be terminated, and previous reimbursements shall be refunded to the Town: 1) if the applicant becomes delinquent in any taxes due to the town or 2) may be terminated at the sole discretion of the Town, if the applicant is in non-compliance with Town, state or federal regulations.

These guidelines may be changed, in whole or in part, or repealed in their entirety, at any time, by resolution of the Board of Selectmen only after notification to the Economic Development Commission.

Approved:

**TOWN OF SUFFIELD
ECONOMIC DEVELOPMENT INCENTIVE PROGRAM
APPLICATION FORM**

Date: _____

Applicant: _____

Address: _____ Telephone # _____

Agent: _____

Address: _____ Telephone # _____

Property Description: Assessor's Map # _____ Parcel # _____ Vol. _____ Page _____

Total Acreage _____ Number of lots Proposed _____

Does this project require a subdivision? _____ (Yes/No)

If yes, have appropriate approvals been obtained? _____ (Yes/No)

If no, has the Town Engineer and Public Works Director reviewed the engineering plans? _____ (Yes/No)

The application for assistance shall include the following:

1. Two (2) copies of a completed application form.
2. Two (2) copies of a plan showing the proposed development and the improvements to be funded by the program; including location key map.
3. Five (5) copies of a written report containing the following sections:
 - a) a brief description of the project;
 - b) evidence which demonstrates that the Town's participation in this project is necessary to allow the applicant to develop and sell property or lease buildings at prices competitive in the market area.
 - c) A proforma analysis which itemizes all costs necessary to complete the development, showing costs which are reimbursable under the program, and showing a per acre sales price with and without Town participation (quantities of materials must be shown where appropriate).
 - d) A tax revenue analysis which shows the before improvement revenues to the Town and the after improvement revenues projected over a seven (7) year period (all assumptions used must be stated).
 - e) A statement describing what other sources of public financing or other public improvement incentives will be sought by the applicant.
 - f) Documentation or copies of correspondence from appropriate Town staff or commissions responsible for review and approval of plans stating the status of their review or their action.
 - g) Other information required by the Board of Selectmen or the EDC

Applicant's Signature

Date

Owner's Signature

Date

EXAMPLE #3

PROJECT: Firm C has proposed a project, which includes the construction of a new building at a cost of \$2,500,000. The Firm has applied to the Town for assistance for the construction of 1,100 linear feet of sanitary sewers required for this project at a cost of \$150,000.

TOWN ASSISTANCE:

Additional tax revenue - \$2,500,000 x 70% = \$1,750,000 x tax rate .02443 = \$42,750/year

Reimbursement Period = $\frac{\text{Project Cost}}{\text{Additional Town Revenue}}$ = $\frac{\$150,000}{\$42,750/\text{yr.}}$ = 3.5 years

Maximum Period – 7 years

Annual Reimbursement = \$42,750 (\$21,750 in 4th year)

Tax Revenue/Reimbursement Schedule

<u>YEAR</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>TOTAL</u>
Tax Revenue	\$42,750	\$42,750	\$42,750	\$42,750	\$42,750	\$42,750	\$42,750	\$299,250
Reimbursement	\$42,750	\$42,750	\$42,750	\$21,750	0	0	0	\$150,000