



Town of Wallingford, Connecticut

A PROGRAM ESTABLISHING A REAL PROPERTY TAX INCENTIVE FOR MANUFACTURERS

Section 1. Purpose.

To establish a real property tax incentive program in accordance with Section 12-65b of the Connecticut General Statutes for the Town of Wallingford in order to attract and retain manufacturing companies to locate or expand in Wallingford through the temporary fixing of real property assessments on property improvements costing at least \$1 million and resulting in an increased assessed valuation of the property of at least \$1 million. Upon the approval of this program by the Town Council, the Mayor is authorized to enter into agreements with qualified manufacturing companies.

Section 2. Program.

- (a) The Town of Wallingford, acting by its Mayor, may enter into a written agreement(s), providing for the temporary fixing of real property assessments, subject to the requirements as set forth below.
1. The applicant is a manufacturing company and not currently benefiting from any other real or personal property tax incentive program, for the property that is the subject of the application, offered by the Town of Wallingford. Manufacturing is the activity of converting or conditioning tangible personal property by changing the form, composition, quality or character of the property. The Town will utilize the NAIC System as its guide.
 2. The manufacturing building is located or will be located in a zone that is approved for such use and is in compliance with the Zoning Regulations.
 3. The applicant(s) is current in the payment of any taxes, water-sewer charges or other obligations due to the Town of Wallingford and shall remain current as a condition of the agreement.
 4. The minimum total investment required for this program is \$1 million or more of one of the following:
 - Real property improvements to an existing manufacturing/industrial facility;
 - Real property improvements to an existing facility being repurposed for a manufacturing use;
 - newly built manufacturing/industrial facility.

- (b) 1. Taxes will be abated on the net increase in the assessed value of improvements to real property with a minimum required net increase in assessed value of \$1 million. Tax abatement will be for a period of up to seven (7) years as follows:
 - (a) Years 1 – 5 will be a 50% abatement; and
 - (b) Years 6 – 7 will be a 25% abatement.
 - 2. Total investment does not include the value of land or personal property improvements. It is the development of the building(s).
 - 3. Net increase is the actual increase in assessed value determined by subtracting the prior year's assessment, after the allowance for all other qualifying Town grants or exemptions.
- (c) Applicant shall be required to provide documentation of the investment, improvements made and the value of the improvements. Town, in its sole discretion, shall determine if the applicant meets the criteria.
 - (d) The period of benefit commences with the first Grand List following the issuance of a Certificate of Occupancy. Any agreement entered into pursuant to this program shall not be subject to assignment, transfer or sale without the Town's consent. If it is done without consent, the agreement shall be terminated.
 - (e) If an applicant(s) receiving incentive benefits substantially reduces its operations in its real property during the term of the agreement, the Town may terminate the agreement and may require full repayment of all abated taxes. Substantially reduced operations shall include a reduction in square feet occupied within the facility by 20% or more, a reduction in workforce by 20% or more; failure to construct agreed upon additional phases of construction; or other actions deemed to be a substantial reduction in operations as determined by the Town.
 - (f) The purpose of the benefit is to support manufacturing. If the applicant receiving the benefit changes the use of the facility during the term of the agreement, the agreement shall terminate and the Town may require full repayment of all abated taxes.

Section 3. Terms.

This incentive program is available for the Grand List of October 2023 through and including the Grand List of October 2025. The program expires on September 30, 2026.

Note: The Assessor's Grand List is due for completion by January 31 of each year. Administrative and Town Council action is required on any Real Property Tax Incentive Agreement. Completion of the Agreement for Town Council action is desirable by November 15.



Town of Wallingford, Connecticut

**Town of Wallingford
Real Property Tax Incentive Program Application
For Manufacturers**

Please be advised that the completion of this application does not constitute a formal approval for a Real Property Tax Incentive. In accordance with § 12-65b of the General Statutes, the Town of Wallingford may enter into a written agreement to provide for the temporary fixing of real property assessments with qualified manufacturers.

Name: _____

Title: _____

Company: _____

Address: _____

Telephone: _____ Fax: _____

Email: _____

Company Wholly Owned: Yes _____ No _____ or a Subsidiary: Yes _____ No _____

Name of Parent Company (if applicable): _____

Address: _____

Name of Entity who will Own the Building: _____

Address: _____

Name of Entity who will Own the Land: _____

Address: _____

Name of Manufacturer(s) who will Lease/Occupy the Facility, Term of Lease(s), NAICS Code #, Type(s) of Product(s) Manufactured, and Number of Full Time Employees in Wallingford:

Project Description including Square Footage of Building, Estimated Date of Completion (if expansion, provide before and after square footage), Budget Details:

Cost of Real Estate Improvements: \$ _____

Please attach a Certification of Costs from a
Licensed Architect, General Contractor or
Certified Public Accountant

The undersigned affirms under penalty of false statement that the information provided herein
is true and accurate.

Date

Signature of Company Representative

Title

Return Application to: Economic Development Commission
45 South Main Street
Wallingford, CT 06492
Telephone: 203-294-2062
Email: edc@wallingfordct.gov



Town of Wallingford, Connecticut

**REAL PROPERTY TAX
INCENTIVE AGREEMENT WITH
MANUFACTURERS**

The Town of Wallingford and _____ (Manufacturer) hereby agree to the terms and conditions set forth herein:

1. _____'s application for this program is attached hereto and incorporated herein as a part of this Agreement. All representations made in the application shall remain true and accurate as a condition of this Agreement.
2. _____ shall remain current in the payment of any taxes, water-sewer charges or other obligations owed to the Town of Wallingford throughout the term of this Agreement.
3. Based upon the representations made by _____ and the submittal of requested documentation of all Program requirements, including proof of at least \$1 million in real property improvements, the Town agrees to provide _____ with the following benefit:

Taxes will be abated on the net increase in the assessed value of the improvements to the real property with a minimum required net increase in the assessed value of \$1 million.

The tax abatement shall be for seven (7) years as follows:

Years 1 through 5 will be a 50% abatement; and
Years 6 through 7 will be a 25% abatement.

4. The net increase in the assessed value of the real property will be calculated by subtracting the prior year's assessment after the allowance for all other qualifying grants or exemptions. The Assessor shall verify the reduction allowed under this Agreement.
5. This Agreement shall not be assigned, transferred or sold without the Town's consent. If it is, the Agreement shall terminate as of the date of such action, and the Town may require the repayment of all abated taxes.

A breach of this Agreement shall result in the termination of this Agreement and the Town may require the repayment of all abated taxes.

6. If _____ substantially reduces its operations at the real property, the Town may terminate the Agreement and require repayment of all abated taxes. Substantially reduced operations shall include, among other things, a reduction in the square feet utilized within the building by 20% or more; a reduction in workforce by 20% or more; failure to complete additional phases of construction; other actions evidencing a substantial reduction in operations as determined by the Town. Upon request, _____ shall provide the Town with documentation regarding this issue or other Program requirement compliance.

7. If _____ has not obtained a Certificate of Occupancy by _____, the Town may, in its sole discretion, terminate this Agreement.

8. If the real property is no longer being used for manufacturing, this Agreement shall terminate and the Town may require full repayment of abated taxes.

Owner

Date: _____

Town of Wallingford

Date: _____