



WALLINGFORD ECONOMIC DEVELOPMENT COMMISSION

45 SOUTH MAIN ST. • WALLINGFORD, CT 06492

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January 7, 2002

William W. Dickinson, Jr., Mayor
Town of Wallingford
45 South Main Street
Wallingford, Connecticut 06492

Dear Mayor Dickinson:

In early 2002 the Town's Personal Property Tax Incentive Program, which was first adopted by the Town Council on September 28, 1993, expired. Before returning to the Town Council with a request for extension of this program as has been done in the past, the Economic Development Commission thought it best to conduct a more thorough program review, particularly in light of recent legislative changes to the statute that provide more options to municipalities. This also included a review of other municipalities' incentives programs and consideration of the role that incentives continue to play in the site selection/expansion process. Indeed, bordering communities continue to offer an array of incentives to companies as part of the business recruitment/expansion/retention process.

Attached are the guidelines that are recommended for the program. Several changes to the program are envisioned. The program would still only apply to manufacturers and there would still be an incentive to use existing vacant space over new construction. It is proposed, however, that the cap be lowered to \$3,000,000, the level of eligibility be standardized to a two-year time period and the percentage of reduction be standardized at 50% when locating in an existing building and at 40% when locating in new construction. These changes in effect reduce the benefits that were available under the past program guidelines, which are attached for ease of comparison.

The EDC recommends that the Town continue to make available a program. The EDC views this as a valuable marketing and promotional tool. Therefore, the Commission requests that this program be forwarded to the Council and that approval be sought for a program term that covers the Grand List of October, 2002, to and including the Grand List of October, 2005.

Sincerely,

Richard A. Nunn

Richard A. Nunn, Chairman
Economic Development Commission

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Attachments

PPTaxIncTCRenewRev

3. The applicant is current in the payment of any taxes or other obligations due to the Town of Wallingford and shall remain current in order to receive the benefit of this program.
 4. The applicant completes the Schedule of Eligible Personal Property.
- (c) The period of benefit commences with the first applicable grand list subject to prior receipt of a completed application. Any agreement entered into pursuant to this program shall not be subject to assignment, transfer or sale. In the event that any such agreement is assigned, transferred or sold, then and in that event, the agreement shall terminate as of the effective date of said assignment, transfer or sale.

(d) Schedule:

<u>Amount of Net Increase In Assessed Value Of Personal Property</u>	<u>Time Period</u>	<u>% Reduction In Net Increase When Locating In Existing Building</u>	<u>% Reduction In Net Increase When Locating In New Construction</u>
\$100,000 to \$3,000,000	2 years	50%	40%

Net increase is defined as the actual growth or increase in assessed value as calculated by subtracting the prior year's assessment after the allowance for all other qualifying grants or exemptions.

Section 3. Term

This incentive program is available for the Grand List of October 2002 to and including the Grand List of October 2005.

**A PROGRAM ESTABLISHING A
PERSONAL PROPERTY TAX INCENTIVE
FOR THE
TOWN OF WALLINGFORD**

Section 1. Purpose

The purpose is to establish an incentive program for the Town of Wallingford, in order to attract and retain manufacturing companies to locate or expand in Wallingford through the temporary fixing of personal property assessments in such facilities in accordance with the Connecticut General Statutes 12-65b - 12-65h.

Section 2. Program

- (a) The Town of Wallingford, acting by its Mayor, may enter into written agreements with the owner(s) and/or lessee(s) of certain property located within the Town, which agreements may provide for the temporary fixing of the personal property assessments, subject to the requirements as set forth in this document.
- (b) Any applicant for such benefit shall be eligible to enter into a written agreement with the Town provided it complies and conforms with the following requirements.
 - 1. The applicant is a manufacturing company as defined by Connecticut General Statutes and not currently benefiting from any other real estate or personal tax incentive program offered by the Town of Wallingford.
 - 2. The applicant is located in a commercial/industrial property that is approved for such use by the Wallingford Planning & Zoning Commission.

(d) Schedule:

<u>Amount of Net Increase In Assessed Value Of Personal Property</u>	<u>Time Period</u>	<u>% Reduction In Assessment When Locating In Existing Building</u>	<u>% Reduction In Assessment When Locating In New Construction</u>
\$100,000 to \$499,999	3 years	50%	50%
\$500,000 to \$1,000,000	2 years	50%	25%
\$1,000,000 to \$2,000,000	2 years	55%	30%
\$2,000,000 to \$2,999,999	2 years	60%	40%
\$3,000,000 to \$5,000,000	7 years	65%	50%

Net increase is defined as gross assessment less exemptions granted under Connecticut General Statute 12-81 (72).

Section 3. Term

This incentive program is in effect for two years from date of approval by the Town Council.

Adopted by Town Council on 9/28/93
 Approved by Town Council for 2 years on 9/23/97
 6-month Extension by Town Council on 9/28/99
 Approved by Town Council for 2 years on 2/22/00