

BOROUGH OF NAUGATUCK

ORDINANCE # 132

Chapter 17, Taxation, Article II. Fixed Assessments, §§ 17-21 – 17-29 of the Code of Ordinances of the Borough of Naugatuck, Connecticut is hereby to read as follows:

Sec. 17-21. Purpose.

- a) The Borough of Naugatuck (the “Borough”) is committed to the promotion of economic and commercial development and an ongoing improvement in the quality of life for Naugatuck residents. These objectives are enhanced by the expansion and growth of business in Naugatuck. In an effort to attract, retain and expand businesses, the Borough has adopted this Tax Incentive Policy in accordance with Connecticut General Statutes Sections 12-65b and 12-65h. This Policy establishes a tax incentive program for the Borough and allows the Borough to enter into written agreements with the owners and/or lessees of certain real and/or personal property located within the Borough of Naugatuck in order to fix tax assessments of real and/or personal property in the manner set forth by this Policy.
- b) The purpose of this Tax Incentive Policy is to:
 1. Encourage the strategic development of properties located within specific areas of Naugatuck.
 2. Attract new business and retain and encourage the expansion and growth of existing business and industry in Naugatuck.
 3. Encourage private investment, improve the physical appearance of the Borough, expand the local economic base, support strategic economic growth, and foster a healthy and vibrant business climate in Naugatuck.
 4. Encourage economic development efforts that will concentrate on the development, redevelopment and rehabilitation of abandoned and underutilized commercial and industrial properties in Naugatuck, and attract new companies that will create employment opportunities, expand the tax base, and improve the quality of life for the greater Naugatuck community.
 5. Encourage the type of development and redevelopment that will have a minimal impact on municipal services, while producing a viable tax revenue stream for Naugatuck.

Sec. 17-22. Specific Programs and Eligibility.

- a) Real Property Assessments. In accordance with the provisions of Section 12-65b of the Connecticut General Statutes, the Borough, upon the affirmative vote of the Board of Mayor and Burgesses (the “Board”), may enter into a written agreement, for a period of not more than ten years, with any eligible party owning or proposing to acquire an interest in eligible real property or air space in the Borough of Naugatuck, fixing the assessment of such real property or air space, and all improvements thereon or to be constructed thereon. The fixing of real property assessments shall only apply if the improvements are for at least one of the following uses:
 1. Manufacturing;
 2. Warehouse, Storage, or Distribution;
 3. Transportation Facilities;
 4. Office;
 5. Retail;
 6. Structured Multilevel Parking Use necessary in connection with a mass transit system;

7. Information Technology;
8. Recreation Facilities;
9. Mixed-Use Development, as defined in Conn. Gen. Stats. § 8-13m; or
10. Use by or on behalf of a health system, as defined in Conn. Gen. Stats. § 19a-508c.

An application for a Fixed Assessment Agreement involving real property must be approved by the Borough prior to the commencement of the construction and/or rehabilitation work for such real property.

- b) **Personal Property Assessments.** In accordance with the provisions of Section 12-65h of the Connecticut General Statutes, the Borough, upon the affirmative vote of the Board of Mayor and Burgesses, may enter into a written agreement with any eligible party owning or proposing to acquire an interest in real property or air space in the Borough of Naugatuck, upon which is located or proposed to be located in a manufacturing facility, as defined in Conn. Gen. Stats. § 12-81(72), or a wholesale and retail business, as defined in Conn. Gen. Stats. § 12-81(54), fixing the assessment of the personal property located in such facility or business, as follows:

1. For a period of not more than seven years, provided the increase in assessed value of such personal property is not less than three million dollars (\$3,000,000.00);
2. For a period of not more than two years, provided the increase in the assessed value of such personal property is not less than five hundred thousand dollars (\$500,000.00);

An application for a Fixed Assessment Agreement involving personal property must be approved by the Borough prior to the installation of such personal property in such manufacturing facility or such wholesale and retail business.

Sec. 17-23. General Requirements and Program Guidelines.

- a) **Specific Locations.** Any proposed project for which a real property or personal property assessment fixing agreement (“Fixed Assessment Agreement”) is sought must be located in an area approved by the Borough, and shall be subject to the approval of all applicable land use boards and commissions of the Borough.
- b) **Fixed Assessment Agreement Goals.** Agreements with the following goals are encouraged:
1. Cause a business to locate in the Borough;
 2. Reuse of brownfield sites and/or sites with vacant or underutilized buildings;
 3. Increase to the employment base or in job opportunities; and,
 4. Increase in value of non-manufacturing personal property in Naugatuck.
- c) **Compliance with Law.** Any proposed project for which a Fixed Assessment Agreement is sought shall comply with all applicable state and local laws, regulations, ordinances, and codes.
- d) **Taxes and Fees.** Any applicant seeking a real property or personal property Fixed Assessment Agreement must be current on all taxes and fees owed to the Borough and shall not be engaged in any appeal or lawsuit of any tax assessment or levy of the Borough.
- e) **Estimates and Documentation.** The applicant must provide appropriate estimates of the value of existing improvements, and the cost of improvements to be constructed and/or personal property to be installed, together with supporting documentation, and all other documentation that may be required by the Borough to determine the eligibility of the applicant with respect to the applicable tax incentive program.

- f) Assessor's Verification. The Assessor or the Assessor's designee shall verify estimated costs and values provided by any such applicant.
- g) No Borough Obligation. The Borough is not required to enter into a Fixed Assessment Agreement. The Borough reserves the right to vary the requirements of an abatement where the applicant shows unique circumstances.

Sec. 17-24. Application and Approval Process.

- a) Applications for the fixing of either real property or personal property assessment(s) shall be made in the manner and on the forms prescribed by the Borough.
- b) Applications shall be submitted to the Office of the Mayor, located at 229 Church Street, 4th Floor, Naugatuck, CT 06770.
- c) Each application shall be reviewed for appropriateness by the Assessor, the Borough Planner and the Borough's designated legal counsel.
- d) The Mayor shall use reasonable efforts to determine the eligibility of the application and the terms of the tax incentive arrangement, if applicable, within thirty (30) days of the Mayor's receipt of the reviewed application. The Mayor's determination shall be based upon the Connecticut General Statutes, the information provided in the application package, and the recommendation(s) from the Assessor and the Borough's designated legal counsel.
- e) Once a determination has been made as to the eligibility of the application and the terms of the tax incentive arrangement, the Mayor shall refer the Fixed Assessment Agreement to the Board of Mayor and Burgesses for its consideration and approval.

Sec. 17-25. Agreement.

- a) Pursuant to the Board's decision, the Borough will enter into a Fixed Assessment Agreement with the owner or lessee of real and/or personal property, fixing the assessment of the real and/or personal property for the terms of the agreement. The amount and duration of the fixing of any real property or personal property assessment(s) shall be in the sole discretion of the Borough.
- b) After approval of any such Fixed Assessment Agreement, the construction, rehabilitation, and/or installation of such property shall commence within six (6) months and shall be completed within eighteen (18) months of such construction, rehabilitation, and/or installation, unless the projected time frame to complete the project is stated to be more than eighteen (18) months at the time of application. In the event that construction, rehabilitation, and/or installation of such property is not commenced and/or completed within the specified time frame, then any Fixed Assessment Agreement entered into pursuant to this Policy shall immediately terminate, and the full amount of the tax (including accrued interest) that would otherwise be due shall immediately become due and payable, unless alternative arrangements are authorized by the Board of Mayor and Burgesses.
- c) During the term of the Fixed Assessment Agreement, the applicant, at the request of the Borough, shall furnish the Borough with information substantiating the satisfaction of the terms and conditions of the Fixed Assessment Agreement.

Sec. 17-26. Transferability.

Any Fixed Assessment Agreement entered into pursuant to this policy shall not be subject to assignment, transfer or sale unless approved by the Board of Mayor and Burgesses.

Sec. 17-27. Tax abatement agreement authority.

Nothing in this policy shall require Naugatuck Economic Development Corporation and the Naugatuck Board of Mayor and Burgesses to enter into a Fixed Assessment Agreement.

Sec. 17-28. This policy shall not be retroactive.

Sec. 17-29. Reserved.