

Tax Abatement Policy & Decision Guidelines

The Town of Enfield is committed to the promotion of high quality development in all parts of the Town; and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the Town of Enfield will, on a case-by-case basis, give consideration to providing tax abatement as an economic tool to encourage balanced economic development in Enfield.

In general, the Town of Enfield will make available tax abatement for both new facilities and for the expansion or modernization of existing buildings and structures; for increasing the employment base

Projects that represent a relocation from another municipality located in the Capitol Region of Connecticut may not be considered unless the applicant provides justification for the relocation based on the availability of property, *etc.*

It is the policy of the Town of Enfield that said consideration will be provided in accordance with the procedures and criteria outlined in this document.

Nothing herein shall imply or suggest that the Town of Enfield is under any obligation to provide tax abatement to any applicant.

The Town of Enfield may grant tax abatement which meets the economic development goals and objectives of the Town of Enfield, based on the increment in value added to a property by a specific development proposal. For the purpose of this policy, the term "investment" is defined as capital expenditures on property and/or equipment.

Tax abatements are granted to the owners of real property; for projects where property is leased, special terms and conditions may be set in the agreement governing each specific tax abatement.

This Town of Enfield Policy Statement for Tax Abatement should be reviewed on even numbered years to evaluate and make adjustments to ensure the economic needs of our Town are being met in order to promote a strong and balanced economy.

The applicant must submit documentation which outlines in very specific terms why, without a tax abatement being granted, the company cannot expand or locate in Enfield. Documentation supporting the reasons why a tax abatement is needed in order for a company to either expand or locate in Enfield shall also be reviewed and verified by the economic development staff.

Criteria for Tax Abatement Approvals. To be considered for a tax abatement, the proposed project and/or property must meet at least three (3) of the following criteria:

- A. Project involves a minimum increase in property value shown below under “Value of Incentives”.
- B. Project makes a substantial contribution to the TOE Plan of Conservation and Development, redevelopment efforts or small area plans.
- C. Project stimulates concentrations of employment and/or commercial activity.
- D. Project commits to the purchase and use of services based in Connecticut.
- E. Project employment exceeds 50 new jobs with 60% of salaries at, or above, the TOE median of \$67,773. (US Census Bureau data at www.factfinder.census.gov) and where 6% or more employees reside in Connecticut.
- F. Project includes the reuse of brownfield sites; sites with buildings that vacant or underutilized.

~~**Speculative Construction.** Tax abatement shall be considered for speculative manufacturing, warehousing, and distribution facilities. Real property tax abatement on speculative projects shall be granted for time periods Abatement 5 years.~~

Value of Incentives

The subjective criteria outlined in "Application for Tax Abatement" will be used by the Town in determining whether or not it is in the best interests of the Town to recommend that tax abatement be offered to a particular applicant. Specific consideration will include the degree to which the individual project furthers the goals and objectives of the community, as well as the relative impact of the project. The impact of the project will allow the council to modify the agreement terms on a case- by-case basis. Once a determination has been made that a tax abatement should be offered, the value and term of the abatement will be determined by referencing the following table:

New Investment – Industrial	Maximum	
Minimum Investment Value	Abatement	Term
\$1 - 3 million	100%	3 yr.
> \$3 - 5 million	100%	5 yr.
> \$5 - 10 million	100%	7 yr.
> \$10 million	100%	10 yr.
Retention of Existing Businesses	Maximum	
Minimum Investment Value	Abatement	Term

\$1 - 5 million	100%	5 yr.
> \$5 - 10 million	100%	7 yr.
> \$10 million	100%	10 yr.
Commercial	Maximum	
Minimum Investment Value	Abatement	Term
\$1 - 10 million	50%	3 yr.
> \$10 - 25 million	50%	5 yr.
> \$25 - 50 million	50%	7 yr.
> \$50 million	100%	10 yr.

Designated Redevelopment Areas	Maximum	
Minimum Investment Value	Abatement	Term
\$250,000 - \$500,000	50%	3 yr.
\$500,000 - \$750,000	60%	5 yr.
\$750,000 - \$1,250,000	70%	7 yr.
>\$1,250,000	80%	10 yr.

Existing Industrial Parks/Zone	Maximum	
Minimum Investment Value	Abatement	Term
\$500,000 - \$1,000,000	50%	3 yr.
> \$1,000,000 - \$3,000,000	60%	5 yr.
> \$3,000,000 - \$7,500,000	70%	7 yr.
> \$7,500,000	80%	10 yr.

The Town reserves the right to vary the term and percent of abatement where the applicant shows unique circumstances.