

**TOWN OF NEWTOWN**  
**BUSINESS INCENTIVE PROGRAM**

**PREAMBLE AND PURPOSE**

The strategic development of properties within the general business and industrial areas of the Town of Newtown to encourage job creation and business expansion is found and declared to be in the best interest of the community. Therefore, the Town of Newtown hereby establishes a Business Incentive Program to promote sustainable economic growth that will benefit and improve the overall quality of life in the community consistent with the Plan of Conservation and Development for the Town of Newtown.

The purposes of the Business Incentive Program are to encourage private investment, improve the physical appearance of the community, expand the local economic base, support strategic economic growth and foster a healthy business climate.

Economic development efforts will concentrate on the growth of existing businesses, retention of jobs, redevelopment or rehabilitation of unused and underutilized commercial and industrial properties to return them to productive use, attraction of new companies within the industry clusters of technology, communications and bioscience and the revitalization of Newtown's existing business centers in the Borough of Newtown and Sandy Hook Center.

**APPLICATION AND ELIGIBILITY**

*Eligibility Requirements*

1. The applicant may not be delinquent in taxes owed to the Town of Newtown.
2. Eligible property must be located within a commercial or industrial zone.
3. Proposed improvements shall be for the purpose of expansion of production and/or capacity of the business: retail, office or manufacturing.
4. Proposed improvements, enlargements, or construction shall comply with all applicable state and local codes.
5. The applicant must provide appropriate estimates of cost of improvements and/or construction and compliance with all requirements herein stated. The Town Building Inspector, or his designee, shall verify that construction costs are properly stated in the application for a building permit.

### *Application Procedure*

Following initial discussions with the First Selectman and/or the Community Development Director, the prospect will be invited to submit an application for participation in the Business Incentive Program. Application forms will be available in the Selectman's office. Completed forms should be returned to the office of the Community Development Director.

The Community Development Director will review the application and present it to the Economic Development Commission for comments and recommendations. Following these reviews, the Economic Development Commission will forward the application, comments and recommendations to the First Selectman for his consideration.

The First Selectman's office will inform the applicant of the status of the application and the incentives being considered in this specific and individual case. Following discussion, possible negotiation, consultation with the Town Attorney and if anticipated tax abatement exceeds \$25,000 per annum, review by the Board of Finance the First Selectman will make his recommendation to the Board of Selectmen for review and action.

On approval by the Board of Selectmen, the application will be submitted to the Legislative Council.

If approved by the Council, they shall adopt a resolution authorizing the First Selectman to enter into an agreement with the applicant.

### *General Conditions of Business Incentive Approvals*

1. After final approval of any Business Incentive Agreement, including fixing the assessment of the real property, work on the approved project must begin within twelve (12) months and shall be completed within twenty-four (24) months. Any variation from this must be approved by the Board of Selectmen.
2. In the event that any term of the Agreement is disregarded by the applicant, including construction schedules, the Business Incentive Agreement including the fixing of the assessment shall terminate and the full amount of the tax that would otherwise be due the Town of Newtown shall become due and payable.
3. Should payment for taxes to the Town of Newtown become delinquent at any time during the agreement period, the Business Incentive Agreement shall immediately terminate and the full amount of the tax that would otherwise be due shall become due and payable.

## **BUSINESS INCENTIVES**

Consideration requested by the applicant may include physical improvements to the property and/or the fixing of assessment of real property pursuant to the schedule outlined below .

1. Physical improvement consideration may include the following; the one time Town subsidizing, whole or in part of:
  - a. The paving of driveways or parking areas;
  - b. Site preparation including tree/branch removal, grading, earth moving or removal;
  - c. Street or road improvement including drainage;
  - d. Hook-ups to water, sewer, other utilities;
  - e. Infrastructure engineering;
  - f. Correction of other physical problems, i.e., brooks, rock ledge, etc.
  
2. Agreements to fix the assessment of real property will be based on the estimated increase in assessment of the property after improvements. In the event that completion of physical improvements and/or construction and costs thereof are less than those considered in negotiations, the Agreement will be appropriately adjusted.
  - a. The Business Incentive Agreement shall be in effect as long as the property use remains as authorized in the agreement.
  - b. The Agreement is no longer valid upon the sale or transfer of the property. A new Agreement may be negotiated with a new applicant.
  - c. The Town Assessor shall have the sole responsibility of determining the value of the assessment which is the subject of the Agreement.
  - d. The Agreement shall be filed in the land records and a copy filed in the office of the Assessor.
  
3. Business Incentive Schedule: The Agreement for fixing the assessment of the real property and all improvements thereon or therein and to be constructed thereon and therein, may utilize the following schedule for determining the maximum amount and maximum period of time for which such agreement may be given.

<b>Assessed Value of increase in Real Property</b>	<b>Maximum Percentage that may be Fixed for Three Years</b>
\$0 to \$100k	0%
\$100k to \$250k	20%
\$250k to \$500k	25%
\$500k to \$1mil	30%
\$1mil to \$2mil	35%
\$2mil to \$3mil	40%

Over \$3mil 45%

If the project entails a large amount of personal property to be added, an additional incentive (multiplier to above figures) will be considered as follows:

<b>Assessed Value of Personal Property</b>	<b>Multiplier for Three Years</b>
\$0 to \$50k	0.00
\$50k to \$100k	1.10
\$100k to \$250k	1.15
\$250k to \$500k	1.20
Over \$500k	1.25

**Town of Newtown**  
**Business Incentive Program Application**

Negotiations of Business Incentives will be conducted by the First Selectman. The findings and conclusions of the First Selectman will be submitted to the Board of Selectmen for acceptance or denial. Board approved applications will be forwarded to the Legislative Council for consideration and action.

Name of Company: \_\_\_\_\_

Address: \_\_\_\_\_

Company Contact: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Types of Products Manufactured or Distributed: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Project Description: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated Cost of Proposed Improvements: \_\_\_\_\_

(Attach itemized list of these costs and improvements)

Number of Jobs To Be Retained in Newtown: \_\_\_\_\_

Number of Jobs To Be Created: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Company Representative

Completed applications should be returned to the First Selectman's Office or the office of the Director of Community Development.

APPROVED and Signed on March 22,2005 by  
Chet Hopper, Chairman, Newtown Economic Development Commission  
Herbert C. Rosenthal, First Selectman, Town of Newtown  
William Rodgers, Chairman, Newtown Legislative Council

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