

## East Haddam Tax and Business Incentive Program Fact Sheet June 20, 2012

Business growth is vital to the long term sustainability of the Town of East Haddam. In 2010 the Town of East Haddam created a Tax and Business Incentive Program to attract new businesses, promote the expansion of existing businesses and to support the rehabilitation and reuse of vacant commercial property. The tax credit program will: (1) help businesses create new jobs for local residents; (2) promote growth of the town's tax base; (3) to encourage new construction; and (4) to support business investment in new machinery, equipment and other personal property to expand their operations.

### Qualifying Businesses:

1. Commercial Office
2. Retail
3. Permanent residential
4. transient residential (hotel, country inn, bed & breakfast)
5. Manufacturing
6. Warehouse, storage or distribution
7. Information technology businesses
8. Recreational facilities
9. Resorts and other tourist attractions
10. Other business uses

### Program benefits:

The qualified business and project will receive a graduated local property tax abatement for a period of up to seven years. For the three tiers of qualifying projects, see table below, project values include the assessed value of the real property and all construction costs of the improvements.

<b>Tax and Business Incentive Program</b>			
Graduated Abatement			
Project Value			
Year	\$ 3,000,000.00	\$ 500,000.00	\$ 25,000.00
1	80%	80%	50%
2	70%	70%	50%
3	60%		50%
4	50%		
5	40%		
6	30%		
7	20%		

The Town may abate real estate property taxes based on increased real property tax assessments up to but not more than the percentage of abatement as shown in the chart printed above.

Abatement begins on the first fiscal year based on the grand list for the year of issuance of the project Certificate of Occupancy.

## **General Requirements**

1. The proposed use received all applicable Federal, State and local approvals, licenses and permits.
2. All applicants should possess a good environmental practices history and be able to demonstrate adequate financial strength to undertake the proposed capital improvements
3. Applicant who are tenants operating under a written lease
  - a. the term of the lease must be for not less than the applicable term of the tax abatement period
  - b. The agreement and the tax incentives must be clearly recited in said
  - c. A copy of said lease should be submitted with the application
4. Applicant should be in good standing with the state and town, i.e. no fines, unpaid taxes, etc.
5. Applicants relocating to East Haddam should provide a five year history of tax assessments and payments to the current municipality or municipalities.
6. The project should have a clear economic benefit to East Haddam.
7. Applicants are encouraged to provide East Haddam residents and businesses with priority consideration for employment or contracts for services, i.e. construction contracts or service/material supply contractions.

## **Other Town Incentives**

The Town may provide additional incentives in support of the project such as

1. waiver of building permit fees
2. waiver of filing fees with land use agencies
3. Construction of Public works infrastructure in support of the project, i.e. public roadway construction, storm drainage, sidewalks, etc.

## **Project Schedule**

Construction shall commence within six months of approval and shall be completed within eighteen months from the start of construction.

## **Tax and Business Incentive Program Authority**

Connecticut General Statutes (CGS) Sec. 12-65b and Sec. 12-65h

## **Contact**

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