TOWN OF HAMDEN LEGISLATIVE COUNCIL

ORDINANCE AMENDING AND RESTATING SECTION 123.08 FIXED ASSESSMENTS
<u>ECONOMIC DEVELOPMENT INCENTIVE POLICY</u>

Presented by: ____.

WHEREAS, the Legislative Council adopted an Ordinance to Implement the Town of Hamden's Economic Development Incentive Policy pursuant to the Hamden Code of Ordinances §123.01 et seq.; and

WHEREAS, to continue to offer and further promote a diverse program of tax incentives, the Town amended and restated Chapter 123 to reflect changes to the statutes; and

WHEREAS, to clarify subsections (C) and (G) of Section 128.08 of the Ordinance, the Town wishes to amend and restate those subsection as set forth below.

NOW THEREFORE BE IT ORDAINED that subsections (C) and (G) of Section 123.08 of the Code of Ordinances are amended and restated. All other provisions of Chapter 123 shall remain the same.

<u>§ 123.08 FIXED ASSESSMENTS- (CGS §12-65b)</u>.

(A) The Town may, by affirmative vote of the Legislative Council, enter into a written agreement for a period of not more than ten (10) years, with any party (1) owning or proposing to acquire an interest in real property in the Town of Hamden, (2) owning personal property in the Town of Hamden, (3) owning or proposing to acquire an interest in air space in the Town of Hamden, or (4) who is the lessee of, or who proposes to be the lessee of, air space in the Town of Hamden in such a manner that the air space leased or proposed to be leased shall be assessed to the lessee pursuant to section 12-64, fixing the assessment of the personal property, real property or air space which is the subject of the agreement, and all improvements on such real property or in such air space and to be constructed on such real property or in such air space, subject to the provisions of subsection (B) of this ordinance. For purposes of this section, "improvements to be constructed" include the rehabilitation of existing structures for retail business use.

(B) The provisions of subsection (A) of Section 123.08, above, shall apply only if the improvements are for at least one of the following: (1) office use; (2) retail use; (3) permanent residential use in connection with a residential property consisting of four or more dwelling units; (4) transient residential use in connection with a residential property consisting of four or more dwelling units; (5) manufacturing use; (6) warehouse, storage or distribution use; (7) structured multi-leveled parking use necessary in connection with a mass transit system; (8) information technology; (9) recreational facilities; (10) transportation facilities; (11) mixed-use development, as defined in section 8-13m; or (12) use by or on behalf of a health system, as defined in section 19a-508c.

(C) The fixing of the assessment of the personal property, real property or air space which is the subject of the agreement shall be based on the cost of the increase in the personal property, improvements on the real property or air space or to be constructed on such real property or air space and the Assessor shall determine the net increase in assessed value, however for any project where the cost of improvements is fifteen million dollars ($15,000,000) or greater, the Town shall have the option, in its sole discretion, to set forth the amount of the net increase in assessed value in the written agreement prior to the completion of improvements, and without limitation on the Town's determination of the amount of the net increase in assessed value. The increased assessed value shall be the basis of the amount of the deferral.

(D) Payback period. If the owner or lessee receiving the incentive, substantially reduces its operations or reduces its personal property, does not complete the proposed construction activities for which the deferral was based on, attempts to assign its rights under this agreement, or sells or otherwise transfers the real estate during the term of the Agreement, the Town may terminate the agreement and may require full pay back of all deferred taxes. In order to maintain eligibility, the Town may require property owners or lessees to submit eligibility affidavits annually.

(E) Any tax agreement entered into pursuant to this section shall be recorded in the Hamden land records and shall constitute a lien against the property benefited until the conditions of the tax deferral agreement have been fulfilled and the agreement has expired. Upon default under the terms of the agreement, or material misrepresentation in the application, the taxes abated shall immediately become due and payable, with interest as provided by law, and may be liened; and the lien may be foreclosed in the same manner as provided by law for tax property liens generally.

(F) Effective date for deferrals. Assessment deferrals on real property made under this section shall commence on the October 1st Grand List following the issuance of a certificate of occupancy from the Building Department.

(G) Requests for Tax Incentives must be accompanied by a full disclosure of the finances of the proposed project, including, but not limited to, as applicable: real property acquisition costs, pre-development cost estimates, construction cost estimates, financing assumptions, rental or other income assumptions, and post-construction property operating cost estimates. In no event shall the abated tax, in any abatement year, resulting from this program be less than the taxes which were paid on the property prior to the approval by the Council of the Tax Incentive Agreement.

COST OF IMPROVEMENTS	***MAXIMUM PERCENT DEFERRED OF THE INCREASED ASSESSMENT***	***TIME PERIOD***	**PAY BACK PERIOD**
$500,000 to $2,999,999	Year 1 - to maximum of 70% Year 2 - to maximum of 50% Year 3 – to maximum of 30% Year 4 – to maximum of 20% Year 5 – to maximum of 10%	Up to 5 years	5 years
$3 million to 14,999,999	Year 1 - to maximum of 70% Year 2 and 3 - to maximum of 60% Year 4 and 5 - to maximum of 50% Year 6 and 7 - to maximum of 30% Year 8 and 9 - to maximum of 20% Year 10 - to maximum of 10%	Up to 10 years	10 years
$15 million or greater	Year l - to maximum of 70% Year 2 and 3 - to maximum of 60% Year 4 to 6 - to maximum of 50% Year 7 to 9 - to maximum of 30% Year l 0 - to maximum of 10% Or an applicant may request an alternate Tax Fixing Agreement per§ 123.08	Up to 10 years	10 years

REAL PROPERTY TAX INCENTIVES FOR REHABILITATION AREAS.

COST OF IMPROVEMENTS	***PERCENT DEFERRED OF THE INCREASED ASSESSMENT***	***TIME PERIOD***	***PAY BACK PERIOD***
(for businesses located or locating in a Neighborhood Revitalization Zone)			
$500,000 to $2,999,999	Year 1 to 2 - to maximum of 70% Year 3 - to maximum of 60% Year 4 – to maximum of 50% Year 5 – to maximum of 20%	Up to 5 years	5 years
Over $3 million	Year 1 to 2- to maximum of 70% Year 3 to 5 - to maximum of 60% Year 6 to 8 - to maximum of 50% Year 9 to 10 - to maximum of 20%	Up to 10 years	10 years

APPROVED AS TO FORM:

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APPROVED:

____
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DATE: ________________

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