



**TOWN OF ROCKY HILL**  
761 OLD MAIN STREET  
ROCKY HILL, CT 06067

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## **BUSINESS DEVELOPMENT INCENTIVE POLICY**

ADOPTED May 3, 2004

The Town of Rocky Hill, Connecticut recognizes the need for encouraging appropriate commercial growth in our community. Through the use of tax abatements, the Town may provide incentives to individual projects which demonstrate long term commitment to the town through the provision of jobs, extraordinary site development costs to protect the environment, revitalization of underutilized properties and expansion of existing business. All abatements will be consistent with State Statutes and projects must demonstrate a special benefit to the community for consideration. All abatements must be approved by the Town Council.

### ***Tax Incentives***

Projects creating significant real property improvements for the following uses will be considered under Connecticut General Statutes, Sec. 12-65b:

- Office
- Manufacturing
- Warehouse, Storage or Distribution
- Information Technology
- Recreation Facilities

Manufacturing also has incentives for personal property tax available under CGS Sec. 12-65h.

### ***Evaluation of the Project***

To be eligible for these incentives, a project must meet certain criteria established by the Town of Rocky Hill.

- The project must increase the local tax base.
- The project must create and/or retain jobs within the town.
- The project may utilize extraordinary investments in the infrastructure to protect the environment and reduce sprawl in the town.
- The project must represent a long term partnership with the Town of Rocky Hill.

In addition to the listed criteria, other elements will be considered in the evaluation process:

- Strategic value to the community.
- Demonstrated need for assistance.
- Is there any other investment that is required by the town to accommodate this development.
- Conformance to the Rocky Hill Plan of Conservation and Development.
- Conformance to Zoning Regulations
- Conceptual site/master development plan.
- Amount of assistance required – return on the town’s investment.
- Duration of project construction phase.
- Experience and resources of the applicant.
- Ability to commit to the site for the long term.
- Long Range Impacts on Town Infrastructure. The Town may request an impact analysis to be conducted at the developer’s expense.

### ***Process for Approval***

- 1) An applicant must fill out an application for Tax Abatement. This form is available on the Town Website and from the Economic Development Coordinator. This form should be submitted to the Economic Development Coordinator with all required attachments. Those attachments include: Site plan, architectural drawing with detailed cost estimate; itemized personal property schedule and a narrative outlining the need for assistance with any supporting documentation.
- 2) The Economic Development Commission will evaluate the application and make recommendations to the Town Council.
- 3) The Town Council votes on the application for Tax Abatement. If approved, the Town Manager will enter into a contract with the applicant. Approval of any application is at the sole discretion of the Town Council. Nothing contained in this policy or application process shall obligate the Town Council to enter into a Tax Agreement.

### ***Conditions of Approval***

1. ***Commencement of Construction:*** Once a Tax Agreement is executed, construction shall begin within 12 months. Failure to commence construction within this timeframe shall result in immediate termination of the Tax Agreement Contract entered into pursuant to this Policy and the full amount of the tax, including accrued interest that would otherwise be due, shall immediately become due and payable. The Town Council may authorize an extension of no more than 12 months in addition to the original 12-month period. The Town Council is under no obligation to authorize such an extension but may do so if warranted.
2. ***Completion of Construction:*** Project completion shall occur within 24 months of the execution of a Tax Agreement. Failure to commence construction within this timeframe shall result in immediate termination of the Tax Agreement Contract entered into pursuant to this Policy and the full amount of the tax, including accrued interest that would otherwise be due, shall immediately become due and payable. The Town Council may authorize an extension of no more than 12 months in addition to the original 24-month period. The Town Council is under no obligation to authorize such an extension but may do so if warranted.
3. ***Tax Payments:*** If the applicant fails to comply with the payment of taxes upon the due date, the Tax Agreement shall immediately terminate and the full amount of the tax, including accrued interest shall become due and payable.
4. ***Delinquent Payment:*** Any person, firm, or entity that is delinquent in payment on any taxes, interest on taxes, has any liens including water and sewer user fees that are due to the Town or local utility provider shall be ineligible to enter into any such agreement pursuant to this Policy.

5. **Assignment:** Any Tax Agreement entered into pursuant to this policy shall not be subject to assignment, transfer or sale without the consent of the Town Council. In the event that any such agreement is assigned, transferred or sold without the Town's Council's consent, then the Agreement shall terminate as of the effective date of any such assignment, transfer or sale, and the full amount of the tax, including any accrued interest, that would otherwise be due to the Town shall immediately become due and payable.
6. **Provisions for Assignment of Tax Agreements:** Any request for the assignment of a Tax Agreement to a new owner or lessee of the same facility for which the original Tax Agreement was executed shall at be the sole discretion of the Town Council. The Town Council shall consider the financial capacity of the proposed owner or lessee and require that all conditions of the original Tax Agreement remain in effect. Failure or inability of a new owner or lessee to comply with the conditions of the Tax Agreement and this Policy in general shall result in immediate termination of the Agreement and all taxes, including accrued interest, otherwise due to the Town shall immediately become due and payable.
7. **Provision for Recovery of Losses by the Town:** In the event that the conditions of the Tax Agreement are not fulfilled with respect to capital investment, employment estimates, personal property estimates and all other provisions of the Agreement, recovery by the Town of cost incurred including rebated tax payments, interest on rebated tax payments, legal expenses or any other associated costs shall be required from the Applicant.