

TAX STABILIZATION POLICY, INDUSTRIAL AND COMMERCIAL

I. STATEMENT OF PURPOSE

One major objective of the Board of Selectmen is to encourage a strong economy that provides satisfying and rewarding opportunities to meet the needs of the Town's residents, while prohibiting incompatible and uncoordinated development. Tax stabilization is a mechanism by which to realize this objective.

Since stabilization represents a community subsidy of an industry, and the intent of a subsidy is to encourage that which is a public benefit, it should be granted only after full consideration of its advantages and disadvantages.

Tax stabilization should be used with a particular economic development purpose in mind and not granted on a broad scale. However, in consideration of each stabilization request, the principles of uniformity, fairness and objectivity will be followed as closely as possible.

The Board of selectmen, in service of these principles, adopts this policy of the use of tax stabilization for industrial and commercial property.

II. GENERAL CRITERIA OF ELIGIBILITY

1. Stabilization shall apply only to industrial and commercial buildings. Equipment and machinery used in conjunction with buildings stabilized under the policy may also be stabilized at the discretion of the Board.
2. Stabilization shall only be considered for new construction and additions that exceed 2,000 square feet or serve to double the floor space of the original building.
3. All applications for tax stabilization shall be made prior to the start of construction.
4. All additions to stabilized or non-stabilized buildings for which stabilization applications are received shall be handled as new construction with only the addition considered.

III. GENERAL CRITERIA FOR GRANTING CONTRACTS

1. Initial expense to the town.
2. Potential future expense to the Town.
3. Total initial capital investment by the applicant.
4. Initial and potential new employment.
5. Environmental effect of applicant's operation on the community.

6. Effect on existing taxpayers.
7. Existing level of unemployment.

IV. CONTRACT TERMS.

1. The length of a contract is five (5) years.
2. The following formula will be used:

First year :	50% of Fair Market Value
Second year :	60% of Fair Market Value
Third year :	70% of Fair Market Value
Fourth year :	80% of Fair Market Value
Fifth year :	90% of Fair Market Value
3. A rollback clause shall be included in the contract, providing for repayment of all taxes, with 18% interest per annum, exempt by contract. This clause shall become effective in the event of the closing of the business, by transfer of the business to a new owner, forced closing of the business, or bankruptcy. In the event of this clause becoming operative, the real property may not be sold, and the personal property may not be sold or removed from the premises until all tax obligations have been paid.
4. In the event of multiple ownership of a business, representatives of the parent companies and the subordinate organizations must be signatories to the contract.
5. The first year of the stabilization contract shall officially begin on the April 1st which follows the official date of completion of construction.
6. In cases of protracted construction, normal taxation procedures shall apply during the construction period.

V. APPLICATION PROCESS

1. Applications for stabilization may be made in writing to the Chairman of the Board of selectmen, C/o Town Manager's Office. The application should be clearly marked "Stabilization Application."
2. Besides a cover letter, applications should include:
 - A. Basic information on nature and location of site as well as construction, including:
 - (a) Site plan showing building(s)

- (b) Scale drawing of construction showing square foot area, height and number of stories, and rough idea of planned usage of space.
 - (c) Estimated construction costs.
 - (d) In cases where maps and plans are not readily reproducible, three (3) copies of large maps are requested.
- B. Copy of all State and Local permits.
 - C. Employment date, immediate and projected.
 - D. Basic data to establish need for stabilization.
 - E. After preliminary review, more data can be required.

VI. ADMINISTRATION OF APPLICATIONS

1. All applications shall be formally received and referred at a Board of Selectmen's Meeting.
2. Initial referrals shall be as follows:
 - A. One copy to Board of Listers for review as to eligibility and analysis of impact.
 - B. One copy to Town Manager for review as to eligibility and analysis of impact, as well as for file purposes.
 - C. One copy to Superintendent of Schools for review as to impact.
3. The Town Manager shall inform the Chairman of the Board of selectmen in writing whether basic eligibility criteria have been met. At this point, the Town Manager will make any desired recommendations on the application for stabilization and transmit all information to the Board of selectmen.
4. Upon this notice, the Chairman shall place the item on the agenda for a Board of Selectmen's Meeting.

5. Applicants shall be notified in writing of all meetings and it shall be to their advantage to be represented.
6. Upon action by the Board, the Chairman of the Board of Selectmen shall direct a stabilization contract to be drafted, in duplicate, to be signed by the Board of Selectmen and the applicant.

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- * The above policy was discussed under ART. 9 and ART. 14 at Town Meeting, March 2, 1981 and is recorded for reference only. The Policy was not adopted by vote of Town at this time.
ADOPTED - March 10, 1981 Selectmen's Meeting. AMENDED - April 24, 1984

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