

## **TOWN OF ORANGE**

### **TAX INCENTIVE POLICY FOR DEVELOPERS**

**Whereas**, the Town of Orange desires to attract high quality corporate concerns, which will have a low impact on the Town's infrastructure, and will produce a viable tax revenue stream, and

**Whereas**, Connecticut General Statutes annotated, section 12-65b, authorizes towns and cities in the State of Connecticut to enter into written tax abatements with any party owning or proposing to acquire an interest in real property in its jurisdiction, or with any party owning or proposing to acquire an interest in air space in its jurisdiction, or with any party who is the lessee of, or who proposes to be the lessee of air space in its jurisdiction, pursuant to the guidelines and parameters set forth in CGSA section 12-65b.

**NOW THEREFORE, THE BOARD OF SELECTMEN OF THE TOWN OF ORANGE DO HEREBY ADOPT THE FOLLOWING RESOLUTIONS AS A POLICY OF THE TOWN OF ORANGE:**

1. If a quality corporate concern is willing to locate its office, manufacturing or retail facilities on property in the Town of Orange, or to improve such existing facilities located on property in the Town of Orange, and in either event (new construction or improvement of existing facilities) is willing to engage in construction or improvements and if this new construction or these improvements increase the gross taxable assessment of its real property from these improvements by an equal amount to or greater than four million dollars (\$4,000,000), then the Town of Orange is willing to offer the following tax abatement incentives to such corporations and businesses:
  - a. Such tax abatement plan shall in no event exceed five (5) years in length;
  - b. If said corporation or business meets the conditions listed in paragraph 1, the Town of Orange will be willing to enter into a five (5) year tax abatement plan with such corporation or business, such that real estate

taxes on the increase on the gross taxable assessment from improvements to real property will be abated by:

- 50% in the first year;
- 40% in the second year;
- 30% in the third year;
- 20% in the fourth year;
- 10% in the fifth year;

2. If a quality corporate concern is willing to locate its office, manufacturing or retail facilities on property in the Town of Orange, or to improve such existing facilities located on property in the Town of Orange, and in either event (new construction or improvement of existing facilities) is willing to engage in construction or improvement improvements and if this new construction or these improvements increase the gross taxable assessment of its real property from these improvements by an amount equal to or greater than fifteen million dollars (\$15,000,000) then the Town of Orange is willing to offer the following tax abatement incentives to such corporations or businesses:

- a. Such tax abatement plan shall in no event exceed seven (7) years in length;
- b. If said corporation or business meets the conditions listed in paragraph 2, the Town of Orange will be willing to enter into such a seven (7) year tax abatement plan with such corporation or business, such that real estate taxes on the increase in gross taxable assessment from improvements to real property will be abated by:
  - 70% in the first year;
  - 60% in the second year;
  - 50% in the third year;
  - 40% in the fourth year;
  - 30% in the fifth year;
  - 20% in the sixth year;
  - 10% in the seventh year;

3. There shall be no abatement of taxation on any personal property owned by said corporation or business;
  
4. In the event, however, that such corporation or business, within ten (10) years after entering into such a tax abatement agreement with the Town of Orange: (1) substantially reduces its operations on its real property in the Town of Orange; (ii) attempts to assign its rights under this agreement; or (iii) sells or otherwise transfers the Real Estate, said corporation or business shall rebate to the Town of Orange a portion of the Tax Savings realized under the agreement, in accordance with the following schedule:
  - On or before the fifth anniversary: 100%
  - On or before the sixth anniversary: 90%
  - On or before the seventh anniversary: 80%
  - On or before the eighth anniversary: 70%
  - On or before the ninth anniversary: 60%
  - On or before the tenth anniversary: 50%
  
5. All tax abatement agreements entered into pursuant to this ordinance shall; (a) comply with all Connecticut State laws and statutes; and (b) be reduced to a written agreement; the terms of which shall be agreed upon by the corporation or business and the Town of Orange, acting through its First Selectman.