

## Policy on Fixing Real Property Assessments

### A. Goal

The Town of Portland seeks to encourage the growth and expansion of commercial and industrial parcels. To accomplish this goal, the Town establishes a policy to take advantage of available economic development incentives found in the Connecticut General Statutes (CG). The following policy is in accordance with State Law.

### B. Availability

Per CGS Sec. 12-65b, The Town of Portland may enter into a written agreement, as approved by the Board of Selectmen, with a party owning (or proposing to acquire) an interest in real property in the Town of Portland to fix the assessment of such real estate, provided the party is proposing substantial improvements to the real property and otherwise meets the requirements set forth below.

An agreement to fix the assessment per CGS Sec. 12-65b on real property is only allowed if the improvements made or proposed 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 multilevel parking use necessary in connection with a mass transit system; (8) information technology; (9) recreation 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.

Notwithstanding the foregoing, an applicant seeking a tax fixing agreement hereunder, must also satisfy the Board that it meets one or more of the following additional criteria:

- a) Causes a new business to locate to the Town of Portland.
  - b) Causes a Portland business to replace, expand or remodel existing buildings.
  - c) Causes a Portland business to construct new buildings.
  - d) The improvements proposed will increase employment opportunities in Town.
  - e) The improvements proposed will preserve existing employment opportunities in Town.
- a) The tax fixing agreement shall be calculated per the following formula. If the cost of improvements is not less than **\$100,000**, then the assessment (or increase in the assessment) may be fixed for a period not greater than two **(2) years** as outlined below.

Year 1	Up to 50% of increased assessment
Year 2	Up to 35% of increased assessment

- b) If the cost of improvements is not less than **\$500,000**, then the assessment (or increase in the assessment) may be fixed for a period not greater than three **(3) years** as outlined below.

Year 1	Up to 50% of increased assessment
Year 2	Up to 35% of increased assessment
Year 3	Up to 30% of increased assessment

- c) If the cost of improvements is not less than **\$1,000,000**, then the assessment (or increase in the assessment) may be fixed for a period not greater than **4 years** as outlined below.

Year 1	Up to 50% of increased assessment
Year 2	Up to 35% of increased assessment
Year 3	Up to 30% of increased assessment
Year 4	Up to 25% of increased assessment

- d) If the cost of improvements is not less than **\$5,000,000**, then the assessment (or increase in the assessment) may be fixed for a period not greater than five **(5) years**.
- e) If the cost of improvements is not less than **\$10,000,000**, then the assessment (or increase in the assessment) may be fixed for a period not greater than seven **(7) years**.
- f) If the cost of improvements is not less than **\$30,000,000**, then the assessment (or increase in the assessment) may be fixed for a period not greater than ten **(10) years**.

### C. Guidelines

1. The applicant shall submit an application and supporting documentation as required by the Town for entering into a fixed assessment agreement to the Office of the First Selectman of the Town of Portland. Applications are available at [www.portlandct.org](http://www.portlandct.org)
2. Applications must be submitted **before** building permits are issued for consideration and must include building plans and a cost breakdown structure (including estimated labor, raw material and subcontracting costs).
3. Town staff will review the application and submissions and submit a review to the Board of Selectmen should all of the requirements of the application be met. The staff in charge of reviewing applications are the First Selectman, Assessor, and Town Planner.
4. Should the Board of Selectmen approve the fixed assessment, the Town and the applicant shall enter into a written agreement to be filed on the Portland land records.
5. The Board of Selectmen shall have final authority over any and all fixed assessment schedules and any associated terms and conditions.
6. After approval of any such tax agreement, construction shall commence within twelve (12) months and shall be completed within twenty-four (24) months. In the event that construction is not commenced and/or completed within the specified time frame, then any agreement entered into pursuant to this policy shall immediately terminate and the full amount of the tax (including accrued interest) that would otherwise be due shall immediately become due and payable, unless alternative arrangements are authorized by the Board of Selectmen.

7. Fixed assessments upon BOS approval shall be effective as of the first October 1 assessment date following the completion of the improvement(s) or date of Certificate of Occupancy. Construction in progress as of the Assessment date shall be assessed at the completion percentage under state statute.

### **Ineligibility**

1. Any applicant who is delinquent in any taxes, interest or liens (including water and sewer user fees) that are due to the Town shall be ineligible to enter into any such tax agreement under this policy until such delinquencies or liens are remedied.
2. Any person or firm in violation of any Town of Portland permit is subject to termination of abatement at the discretion of the Board of Selectmen. All agreements shall contain provisions, among any others recommended by the Town Attorney that:
  - a. any applicant granted a tax abatement shall repay the Town of Portland the dollar amount abated, plus interest, if the business leaves Portland before the expiration of the abated tax period.; and
  - b. any applicant who fails to timely pay the full amount of the abated taxes as required by law shall subject the agreement to termination in the discretion of the Board of Selectman.

### **Transferability**

Any tax agreement entered into pursuant to this policy shall not be subject to assignment, transfer or sale without the consent of the Board of Selectmen. In the event that any such agreement is assigned, transferred or sold without the Board of Selectmen's consent, then the agreement shall terminate, as of the effective date of assignment, transfer or sale and the full amount of the tax that would otherwise be due to the Town of Portland shall immediately become due and payable.

### **Limitations**

This policy shall not be retroactive. Nothing in this policy shall require the Town of Portland to enter into a tax abatement agreement. The final decision to any tax abatement is at the sole discretion of the Town of Portland. The Board of Selectmen may terminate an abatement granted hereunder prior to the expiration thereof in the event of fraud or misrepresentation by an applicant regarding any statements or representations contained in the application, addendum, or any supporting documentation.