



## BRIEFING SHEET- Middletown Tax Abatement Programs

Contact: Department of Planning, Conservation and Development, 245 DeKoven Drive, Room 202, Middletown, CT 06457

Website: <http://www.middletownplanning.com>

**Standard Tax Abatement:** This program is to attract investment in real property in the City of Middletown to promote new construction and expansion of businesses and industry. The City can consider a partial tax abatement, pursuant to the Connecticut General Statutes Section 12-65(b), for:

- Manufacturing firms as defined in the Economic Development and Manufacturing Assistance Act of 1990, as amended.
- Facilities designed for the management and administrative support of business activity located elsewhere.
- High Technology Firms.
- Wholesale/Distribution Firms providing new employment not less than one (1) job per each 1,000 sq. ft. of gross building area.
- New retail businesses in the central business district.

The term period and amount of real estate and personal property tax abated are determined by the minimum investments amounts and percentages

### Term of Tax Abatement based on Value of Improvements

2 Years-	\$ 100,000
3 Years-	\$ 500,000
4 Years-	\$ 1,000,000
5 Years-	\$ 5,000,000
6 Years-	\$10,000,000
7 Years-	\$15,000,000

### Percentage of Taxes Paid- Standard Tax Abatement

		Fiscal Years after Property is on City Tax Rolls						
		1	2	3	4	5	6	7
Term of Tax Abatement	2	40%	70%	100%	100%	100%	100%	100%
	3	30%	50%	70%	100%	100%	100%	100%
	4	25%	45%	60%	80%	100%	100%	100%
	5	20%	35%	50%	65%	80%	100%	100%
	6	15%	30%	45%	60%	75%	90%	100%
	7	10%	25%	35%	50%	60%	75%	85%

For an online calculator to help estimate what a possible tax abatement might look like go to:

[http://www.middletownplanning.com/tax\\_calculators.html](http://www.middletownplanning.com/tax_calculators.html)

Any and all decisions to grant an incentive pursuant to the terms of this ordinance shall be within the sole and absolute discretion of the Common Council of the City of Middletown. To be considered for the program, applicants must apply for the Tax & Business Incentive Program (see Ordinance §272-9).

For more information contact Director of Planning, Conservation and Development William Warner at 860-344-3425.

**LEED Tax Abatement- Green 10%:** To promote the development of human and environmentally health commercial buildings, reduce the environmental footprint of commercial properties and to increase the Grand List; on November 3, 2008, the Common Council of the City of Middletown amended the Tax & Business Incentive Program § 272-9 to include enhanced partial real estate tax exemption for properties that are Leadership in Energy and Environmental Design (LEED®) certified under the US Green Building Council.

The enhanced partial real estate tax exemption for LEED certified buildings is equal to a fixed amount of 10% of the assessed value divided equally over the number of years as determined in the ordinance tables. For example improvements worth \$1 million would result in 10% being \$100,000. For a 5-year abatement, \$20,000 would be the reduction in taxes for each of the five years.

**Assignability:** To promote the development of commercial buildings, on April, 5, 2010, the Common Council of the City of Middletown amended the Tax & Business Incentive Program § 272-9 to include provisions for the assignment of a tax agreement to a new owner of the same building or portion thereof for which the original tax agreement was executed.

### Other Possible Incentives

In addition to, or in lieu of, tax abatements, the City will consider on a case by case basis, other financial or development incentives. Such incentives include but are not limited to:

- Waiving of building permit fees, in whole or in part.
- In-kind services such as infrastructure improvements by the City related to the development project. For example, road widening, storm drainage improvements, sidewalk construction.
- Extension of water and/or sanitary sewer lines; waiving of "hook-up" charges.
- Direct grants to the applicant for infrastructure improvements.