

Town of Berlin Tax Abatement Program Effective February 16, 2021

The Town of Berlin, Connecticut recognizes the importance of continued economic growth in our community and has adopted the following tax abatement framework. Projects must be consistent with State Statutes. The Town policy is that projects must involve real property improvements for at least one of the following: (1) for office use; (2) for manufacturing use; (3) for warehouse, storage or distribution use; (4) for information technology; or (5) for restaurants, (6) new retail developments or redevelopment of existing retail properties that involve substantial renovations or restoration of the exterior of the building and improvements to landscaping including automotive dealerships selling new vehicles or (7) recreation facilities, as defined in Section 8-13 of the Connecticut General Statutes. The following abatement schedule will be used by the Town Council as a guideline based upon factors including the investment made and other considerations concerning the quality of the project and its consistency with the Town's Plan of Conservation and Development. The Town Council must act to approve each project and its specific abatement schedule.

For real property improvements of greater than \$150,000 if the project is for office use, for manufacturing use, for warehouse, storage or distribution use, recreation facilities, newly developed for restaurants, retail use or information technology the Town may offer:

<u>Abatement Schedule:</u>		
Year 1 50%	Year 2 40%	Year 3 30%

For real property improvements of greater than \$50,000 if the project is for redevelopment of existing retail properties that involve substantial renovations or restoration of the exterior of the building and improvements to landscaping the Town may offer:

<u>Abatement Schedule:</u>		
Year 1 50%	Year 2 40%	Year 3 30%

For real property improvements of greater than \$1,000,000 (One Million Dollars) for any type of eligible use above, the Town may offer:

<u>Abatement Schedule:</u>					
Year 1 50%	Year 2 40%	Year 3 30%	Year 4 20%	Year 5 10%	

For real property improvements of greater than \$3,000,000 (Three Million Dollars) for any type of eligible use above, the Town Council may offer:

<u>Abatement Schedule:</u>							
Year 1 50%	Year 2 50%	Year 3 40%	Year 4 40%	Year 5 30%	Year 6 20%	Year 7 10%	

For real property improvements of greater than \$12,500,000 (Twelve Million Five-Hundred Thousand Dollars) for any type of eligible use above, the Town Council may offer:

<u>Abatement Schedule:</u>									
Commercial									
Year 1 70%	Year 2 70%	Year 3 60%	Year 4 60%	Year 5 50%	Year 6 50%	Year 7			
	50%	Year 8 40%	Year 9 30%	Year 10	20%				

Application Procedure

The tax abatement program application should be submitted to the Economic Development Director for consideration for a recommendation by the Economic Development Commission to the Town Council. If approved by the Economic Development Commission, then property owners within 500 feet of the proposed development site will be notified 7 days in advance of the meeting where the Town Council will consider a tax partnership application.

Applications will be accepted and considered under the tax abatement policy pertaining to mixed use projects in effect prior to the effective date of this amendment provided that any such projects will be required to have submitted an

application for project approval to the Berlin Planning and Zoning Commission prior to the effective date of the amendment. To be eligible, a minimum of at least 10% of the total new building square footage of the project must be for commercial use, the project must obtain and maintain all required Building Permits within 1 year of the effective date of this amendment, begin construction of the structure i.e.: footings, foundation and or physical structure of both the commercial and residential portions of the project prior to two years from the effective date of this amendment, submit an application for tax abatement within 60 days of securing Planning and Zoning Commission approval for the project and complete construction of the commercial portion of the project within three years of the effective date of this amendment.