



## TAX STABILIZATION POLICY

### Purpose:

Pursuant to an affirmative vote by the voters of Bennington at the 1977 Annual Town Meeting, and in conformance with Title 24, V.S.A. 2741, it is deemed appropriate and necessary to establish a Tax Stabilization Policy.

It is the intent of this policy to establish criteria to be used by the Town of Bennington's administrative staff to evaluate and make recommendations to the Select Board pertaining to applications from businesses for tax stabilization.

This policy shall also establish procedures for responding to such applications, for relationships with other affected taxing entities, and creating the guidelines for both public meetings and executive sessions with applicants and appropriate staff.

### Section 1: Requests

All requests for tax stabilization shall be in writing to the Director of Community Development or such other person as the Town Manager may designate. The request shall outline the nature of the request which shall include a general description of the property to be stabilized, the date the property is estimated to be occupied, and the reason the applicant believes stabilization to be necessary. The applicant shall indicate how applicable criteria will be met. A financial statement, if the company previously exists and a minimum 3-year pro forma shall be attached.

### Section 2: Negotiation of Agreement

The Town Manager and the Director of Community Development shall meet with the applicant and shall determine an appropriate stabilization agreement to recommend to the Select Board.

### Section 3: Criteria

The total expected impact upon the community of the company seeking tax stabilization shall be considered. Only those companies that generally meet the following criteria shall be granted tax stabilization.

- A. The applicant shall not use in excess of 10,000 gallons of water per day at maximum projected employment.
- B. The applicant shall not pollute the environment or produce hazardous materials.
- C. The applicant should support an average payroll at least 100% of the average wage for the State of Vermont. This shall be based on the latest figure published by the Vermont Department of Employment and Training for wages covered by unemployment compensation. (Sample in Appendix A) The applicant must agree to an audit of their payroll records to establish the company's average wage.
- D. The applicant should offer the following minimum benefits:
  1. Two weeks vacation after one year and three weeks vacation after five years.
  2. Eight paid holidays
  3. Health insurance
  4. Retirement program
  5. Two personal days

- E. Additional consideration which may offset unmet objectives of 3C and 3D are:
  - 1. Daycare may be offered either on site, cooperatively or on a system of vouchers or credits to other day care opportunities.
  - 2. Substantial amenities may be offered to employees such as recreational facilities, exercise programs, locker rooms, showers, restaurant-like cafeterias, positive work areas (with glass, plants, curtains, etc.).
  - 3. Further educational or training opportunities may be encouraged with time granted to attend classes as well as some scholarships available or reimbursement of tuition and expenses.
- F. If a project cannot meet the criteria C, D or E, these additional criteria may be considered for reuse of specific industrial and commercial buildings.
  - 1. The building must meet the following conditions.
    - i. The building shall be in the Central Business District or neighborhoods where industrial, or commercial uses are mixed with residential uses, and
    - ii. The building shall be depreciated by at least 50% caused by functional obsolescence and physical depreciation, and
    - iii. Building improvements shall increase the assessed value by at least 25% and
    - iv. The building shall be a contributing member of a State or Federal historic district or on or eligible for the National Register.
  - 2. The project must provide the following benefits.
    - i. The owner or prospective owner shall demonstrate a commitment to a full building rehabilitation.
    - ii. The owner or prospective owner shall commit to landscaping and improvement of the grounds sufficient to make a positive impact on the neighborhood.
- G. If a project cannot meet the criteria C, D, E or F, it may be eligible for tax stabilization if the property is contaminated by toxic materials.

#### Section 4: Administrative Procedure

- A. The Community Development Director or other person so designated by the Manager, shall draft a proposed stabilization agreement as well as an assessment of the applicant and their affect on the community and shall forward it to the Select Board for their consideration. Similar documentation shall be delivered to other applicable taxing entities within the Town of Bennington in order to solicit comments pertaining to the proposed agreement.
- B. The Select Board shall meet in executive session with the Town Manager's staff to discuss the proposed stabilization agreement in advance of any meeting the Select Board may wish to have with the applicant. All issues of negotiation and financial information supplied by the applicant shall be confidential.

#### Section 5: Terms

- A. Stabilization agreements may be no longer than five (5) years.
- B. No stabilization agreements shall be retroactive.
- C. Stabilization shall be considered for only those commercial or industrial buildings which are either owned by new companies locating in Bennington, or those existing companies expanding in Bennington.
- D. The stabilization agreement shall be implemented by a written agreement that provides for payback or other penalties in favor of the Town of Bennington should the developer default on his commitment as presented to the Town and reflected in the Tax Stabilization Agreement.
- E. For projects qualifying for tax stabilization under section 3F, base year valuation shall be no less than that amount stated in the most recent Grand List. The Tax Stabilization Agreement shall stabilize taxes going forward for up to five (5)years.
- F. For projects qualifying for tax stabilization under Section 3G, base year valuation shall be no less than that amount created due to the projected cost of remedial action. The Tax Stabilization Agreement shall stabilize taxes going forward for up to five years.

# BENNINGTON TAX STABILIZATION APPLICATION

## BUSINESS INFORMATION

Applicant Name: \_\_\_\_\_ Business Name/Employer ID: \_\_\_\_\_

Street Address: \_\_\_\_\_ Town/City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ Town/City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ DOB: \_\_\_\_\_ Marital Status: \_\_\_\_\_

Business Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_ Mobile Phone: \_\_\_\_\_

Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Type of Business (i.e. Corporation, LLC, Sole Proprietorship, Non-Profit, etc.): \_\_\_\_\_

Date Business Started: \_\_\_\_\_ Original State Located: \_\_\_\_\_ Number of Employees \_\_\_\_\_

Primary Industry/Products/Services \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Co-Applicant Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_ DOB: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ Town/City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Mobile Phone: \_\_\_\_\_ Email: \_\_\_\_\_

## STABILIZATION TYPE (RELATED TO MUNICIPAL TAXES ONLY - DOES NOT INCLUDE SCHOOL TAX)

- New Business:** Incremental increase on taxes over five years
- Year One (@ 0% of assessed value)
  - Year Two (@ 20% of assessed value)
  - Year Three (@ 40% of assessed value)
  - Year Four (@ 60% of assessed value)
  - Year Five (@ 80% of assessed value)

- Existing Business:** Tax on the land with incremental increases over five years to full rate  
(w/ existing building)
- Year One (Land value @ Current Tax Rate)
  - Year Two (Land value @ Current Tax Rate + 20% of building assessment)
  - Year Three (Land value @ Current Tax Rate + 40% of building assessment)
  - Year Four (Land value @ Current Tax Rate + 60% of building assessment)
  - Year Five (Land value @ Current Tax Rate + 80% of building assessment)

- Existing Business:** Tax on the land with incremental increase on construction over five years to full rate  
(w/ new construction)
- Year One (Land value @ Current Tax Rate)
  - Year Two (Land value @ Current Tax Rate + 20% of new construction assessment)
  - Year Three (Land value @ Current Tax Rate + 40% of new construction assessment)
  - Year Four (Land value @ Current Tax Rate + 60% of new construction assessment)
  - Year Five (Land value @ Current Tax Rate + 80% of new construction assessment)

**BUSINESS DEPOSIT RELATIONSHIP(S)** PLEASE LIST ANY AND ALL BANK ACCOUNTS THE PRINCIPALS OF THIS COMPANY CURRENTLY HAVE.

Primary Account Holder	Bank Name	Account Number	Current Checking Balance	Current Savings Balance

**BUSINESS COLLATERAL** RECEIPT FOR EQUIPMENT COLLATERAL WILL BE REQUIRED UPON PURCHASE.

Collateral Type	Current Value	Description of Collateral	Current Lienholder	Current Owner
Equipment				
Residential Real Estate				
Commercial Real Estate				
Other				

**OTHER FINANCIAL OBLIGATION(S)**

Obligation Type	Creditor	Total Obligation	Current Obligation Balance	Monthly Payment Amount	Primary Owner
Personal Loan(s)					
Business Loan(s)					
Mortgage(s)					
Loan(s) by Primary					

**OWNER(S) AND/OR GUARANTOR(S) PERSONAL INFORMATION** OWNER GUARANTOR

Full Name: \_\_\_\_\_ Title Held in Company: \_\_\_\_\_

Home Address: \_\_\_\_\_ Town/City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ Town/City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ DOB: \_\_\_\_\_ Marital Status: \_\_\_\_\_

Business Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_ Mobile Phone: \_\_\_\_\_

Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Monthly Mortgage/Rent: \_\_\_\_\_ Gross Income: \_\_\_\_\_ Gross Assets: \_\_\_\_\_

Current Banking Relationship: \_\_\_\_\_ Checking Balance: \_\_\_\_\_ Savings Balance: \_\_\_\_\_

**DECLARATIONS**

Please provide additional information in the notation section for any 'Yes' answers.

1. Is the applicant or any of the proposed guarantors party to any lawsuit and/or outstanding judgment?  Y  N
2. Has the applicant or any of the proposed guarantors ever filed for personal bankruptcy or served as an officer for a company that declared bankruptcy?  Y  N
3. Is the applicant or any of the proposed guarantors party to taxes or credit obligations that are past due?  Y  N
4. Is the applicant or any of the proposed guarantors presently under indictment or probation, or parole, or been convicted of any criminal offense other than minor traffic violations?  Y  N
5. Is the applicant and/or owner of the borrowing entity employed by the Town of Bennington  Y  N

**AUTHORIZATION(S)**

I/We for ourselves, and as an authorized signer of the applicant, certify that everything stated in this application and on any attachments is correct. You may keep this application whether or not it is approved. By signing below, I/we authorize **The Town of Bennington** and its affiliates, to obtain and use credit reports, process this application, process any requested changes to my/our accounts, review performance of my/our accounts and to collect any credit extended to me/us. It is understood that a photocopy of this form will also serve as authorization. I/We understand that I/we must update this credit information at your request and/or if my/our financial condition changes. I/We acknowledge that the credit being applied for will be used for business purposes. In addition, I/We acknowledge that the information provided in this application will be shared with other members of the Town's staff as well as the Bennington Select Board.

Legal Business Name: \_\_\_\_\_

Authorizing Signature for Legal Entity: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner/Guarantor Signature (if different than applicant): \_\_\_\_\_ Date: \_\_\_\_\_

**INTERNAL USE ONLY**

Approved by Select Board:	
Authorizing Signature and Date:	
Authorizing Department:	

**ADDITIONAL NOTES/INFORMATION**

Lined area for additional notes or information.

# **APPENDIX**

**EXECUTIVE SUMMARY:**

History of Company:

Purpose for Tax Stabilization Request (please be specific):

Potential Impact of Tax Stabilization on the Business:



**ELIGIBILITY**

- |   | <b>Yes</b>               | <b>No</b>                |
|---|--------------------------|--------------------------|
| F. Does the applicant use more than 10,000 gallons of water per day?                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| G. Does the applicant pollute the environment or produce hazardous materials?                         | <input type="checkbox"/> | <input type="checkbox"/> |
| H. Is the applicant's overall wage average at 100% of the State's average wage or greater?            | <input type="checkbox"/> | <input type="checkbox"/> |
| I. Does the applicant offer the minimum benefits required for tax stabilization?                      | <input type="checkbox"/> | <input type="checkbox"/> |
| J. Will the applicant need to rely on the supplemental criteria to be eligible for tax stabilization? | <input type="checkbox"/> | <input type="checkbox"/> |

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**FIVE YEAR PROJECTIONS**

	Year -3	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Sales</b>								
<b>Profit as % of sales</b>								
<b>Number of Employee</b>								

**In addition, please provide the following:**

- A copy of the company's tax returns for the past three years
- A copy of the company's employee benefits package
- A copy of all documents pertaining to renovations and/or site improvements