

Town of Brandon, Vermont
Tax Stabilization Policy

I. Statement of Purpose

The Town of Brandon is committed to sustainable commercial growth and intends to employ tax stabilization as an instrument to fulfill this endeavor. The program will primarily target investment in commercial and industrial properties. The eventual net gain in grand list value coupled with the investment in new buildings or existing property improvement will naturally lead to more economic stability for residents and tax payers, providing services, goods and jobs as a result of the money injected into the Town's economy,

II. Authority

Pursuant to Vermont State Law Title 24 Section 2741, on March 6, 1962 the Town voters ratified the ability of the Town of Brandon Select Board to enter into tax stabilization contracts.

III. Criteria

It is the objective of the Town of Brandon to incentivize new commercial investment by stabilizing real property taxes within the Town. Property tax stabilization will occur in the form of a Tax Stabilization Agreement (TSA) between the Town and a qualifying business or property owner. Real property tax stabilization will be available to businesses and property owners that are making tangible new financial investment in their facility and property.

IV. Eligibility

All commercial and industrial development will be considered eligible. Residential enterprises, such as apartment complexes and other ventures that are residential in nature, will also be considered eligible. Determination of eligibility will be based on the recommendation of the Town Assessor and Town Manager and subject to the approval of the Select Board.

V. Tax Stabilization Definition and Agreement terms

Stabilization for these agreements is as follows: Upon approval, the real estate owner will have their assessed value stabilized at the pre-improvement assessed value as of July 1st of the Fiscal year in which they enter into an agreement. The length of contract is to be determined by the amount of provable investment in the project outlined in the agreement relative to the benchmarks as listed in the chart contained within this section. The stabilization DOES NOT include the education tax NOR the fire district tax. This agreement applies ONLY for the municipal and appropriations portion of the tax bill.

Applicants must complete an application and provide documentation that demonstrates:

- Current tax assessed value
- Site plan showing existing property lines and buildings
- Scale of all proposed construction detailing the square foot area, building height, number of stories, proposed use of all space and any other pertinent data
- Estimate of construction costs provided by a qualified contractor

TSA length shall be for a specific number of years based on the amount of provable investment not to exceed 10 years. Provable investment must include written contractor receipts at the completion of the project even if the qualified contractor is the property owner. Determination regarding proof of investment is at the sole discretion of the Brandon Select Board and their decision is final. Applicants must agree to these terms before the Town will award a stabilization contract.

TSA length parameters determined by amount of provable new investment/improvements shall be as such:

- 1 year for \$25K - \$50K
- 2 years for \$50K - \$75K
- 3 years for \$75K - \$100K
- 4 years for \$100K - \$150K
- 5 years for \$150K - \$200K
- 6 years for \$200 - \$300K
- 7 years for \$300 - \$500K
- 8 years for \$500K - \$1 million
- 9 years for \$1 million - \$2 million
- 10 years for \$2 million+

If during the effective period a qualifying business will be making additional investment they should feel encouraged to re-apply for a new or extended TSA to accommodate this additional investment.

The Town of Brandon will work with qualifying businesses, if it is deemed beneficial, to apply through the Vermont Economic Progress Council for additional real property tax stabilization from the State Education Tax.

The Town of Brandon may also enter into tax stabilization agreements which provide for terms different set forth herein if it is determined to be in the interest of the Town.

VI. Non-compliance/Termination

The TSA shall be in writing and shall include all terms necessary to assure the Town of the benefits that are the basis for tax stabilization of the project. Should the terms of the agreement not be executed in full the Town may choose to terminate the TSA and choose to recapture the foregone tax for the period during which there was a breach in terms.

If a project is subject to recapture of taxes the amount due shall be the total amount of the tax which would have been due if no tax stabilization agreement had been in force plus interest from the date at which the tax was due. The property shall be subject to a tax lien for all unpaid amounts due under this provision.

In the event the qualifying business is sold during the effective period, the TSA may be transferred to the new owner of any property subject to the agreement. Transfer of TSA will require the re-signing of an amended agreement between Brandon and the new property owner. Failure to transfer the contract to the new owner will terminate the original TSA.

Upon completion of the project, the property must be fully compliant with all building and commercial codes. A Certificate of Occupancy must be issued from the Brandon Zoning Administrator.

VII. Application Process

All applications are to be made in writing to the Town Manager and must be signed by all owners of the property. Applications will be available via the Town of Brandon website or at Brandon Town Office.

In the event an Applicant wants a TSA to go into effect on July 1 of the upcoming fiscal year, a written application must be filed on or before April 1 in order to finalize the TSA by July 1. Applications will be accepted at any time during the year.

All Applicants should be aware that TSAs are subject to public process and all meetings and all information requested in the application becomes public information.

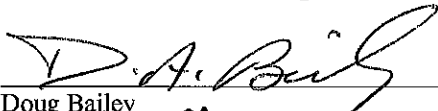
The Town Manager shall place the application and proposed TSA on the Select Board agenda within 30 days of receipt of a completed application. The Town Manager shall determine application completeness within 5 working days of receipt.

The Applicant, Town Manager, and Town Assessor shall make a formal presentation to the Brandon Town Select Board at a publicly warned, scheduled Select Board meeting for consideration of the TSA. The Town Manager and Economic Development Director will make public recommendations regarding the proposed TSA. The Select Board will consider the application and shall take action to approve or deny the application or request more information to be presented at a subsequent meeting. All efforts shall be made by the Town Administration and its Elected Officials to move TSAs forward in a timely manner.

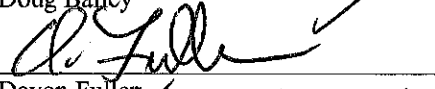
Administration of all TSAs shall be the responsibility of the Town Manager.

To enter into Tax Stabilization the applications must be received and approved before construction can commence on the property.

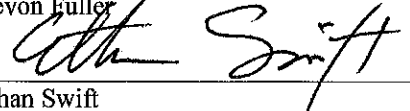
This foregoing Policy is hereby adopted by the Select Board of the Town of Brandon, Vermont, the 13th day of July, 2015 and is effective as of this date until amended or repealed.



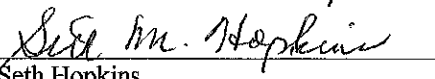
Doug Bailey




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