

**TAX STABILIZATION PROGRAM
Town of Richford, Vermont**

Purpose: To provide incentives for business owners to purchase property in Richford for operation of their business. Incentives are being provided for commercial upgrades to existing properties to emphasize the need and focus of our community to improve the value of property.

The Richford Select Board may enter into a tax stabilization agreement with existing or new owners of industrial or commercial real property, as approved by the Richford voters on March 1, 1982, Article 10. The tax stabilization agreement may be applicable to existing property renovations or additions and new construction.

The Richford Select Board may stabilize only the municipal portion of the property tax.

The value of real property additions and/or renovations shall be calculated by comparing the assessed value of the property after improvement with the assessed value immediately before the improvement. The difference is the amount of the real property addition and/or renovation.

These incentives do not apply to any properties owned wholly or jointly by any agency or program that qualifies for other property tax reduction programs.

Commercial Incentives:

- New Construction and Property Improvements: 100% municipal tax stabilization on improvements for 2 years, the 3rd year at 75%, 4th year at 50%, 5th year at 25% (must increase the assessed value by 20% minimum and/or a new construction project must be assessed at a value of at least \$250,000). Does not include land or water/sewer but could include site improvements; contact a Town Lister for more information.

There will be a five (5) member tax stabilization committee appointed by the Select Board, with representation to include the Select Board, REAC, and Listers. This committee will receive and review all applications, and provide a recommendation to the Select Board for their final approval.

Tax Stabilization Procedures: THE TAX STABILIZATION APPLICATION MUST BE SUBMITTED BEFORE THE PROJECT IS STARTED. The applicant will obtain a tax stabilization application from the Select Board's Administrative Assistant, located at the Town Hall. A complete application will include the following:

- Completed application;
- Current property tax bill;
- Site plan showing existing property lines and buildings;
- Scale drawing of all proposed construction detailing square footage and proposed use of all space;
- Permits obtained and/or pending;
- Written estimate of construction costs;
- Letters of support from the Franklin County Industrial Development Corporation, Northwest Regional Planning Commission, and the Richford Planning Commission; and
- An estimate of the number of jobs to be created and/or retained.

This committee will receive and review all applications, and provide a recommendation to the Select Board for their final approval. As indicated on the application, the applicant may contact the Select Board's Administrative Assistant with any questions regarding information required. Please note that it is very important for the applicant to include all information required with the application so that the determination process is not delayed.

Once the project has reached substantial completion, the tax stabilization agreement will go into effect. The Committee shall report to the Richford Select Board if:

- There is a material change in the use of the property or in the nature of the business;
- The property has been sold or transferred;
- The applicant does not comply with the terms of the agreement or fails to complete the project as it was presented during the application process;
- Property tax payments on the property become delinquent;
- The applicant fails to comply with any zoning, building, plumbing, electrical, life safety codes or ordinances.

Failure of the applicant to fulfill the required terms may result in the termination of the tax stabilization agreement.

A rollback clause shall be included in the tax stabilization agreement providing for repayment of full taxes that would have been due, in the absence of a stabilization agreement, plus an 8% penalty, plus interest at a rate of 12% per annum. The rollback clause may become effective, at the discretion of the Richford Select Board, in the event that during the term of the agreement any of the above-referenced conditions have occurred and the tax stabilization agreement has been discontinued.

In the event the applicant wants to terminate the agreement with the Town, the applicant must submit in writing a request to the Tax Stabilization Committee stating the reasons termination is being requested. The Committee will review and forward to the Richford Select Board.

**Town of Richford, Vermont
PROPERTY TAX INCENTIVES PROGRAM FOR
COMMERCIAL AND INDUSTRIAL STRUCTURES**

The project must increase the assessed value of an existing building by at least 20%.
A new building project must be assessed at a value of at least \$250,000.

1) Date of Application _____

2) Owner _____

3) Property Address _____

4) Representative/Contact Person _____

5) Telephone _____ Email _____

6) Nature of Business _____

7) Land Area: _____

8) Project Description: _____

9) Estimated Cost _____

10) Estimated Start Date _____ Estimated End Date _____

11) Employment Data

A) Estimated number of employees at time of commencement of operations
in Richford _____

B) Projected employment over the proposed term of stabilization based on
business plan _____

12) Please attach the following:

- A) Current property tax bill.
- B) Site plan showing existing property lines and buildings.
- C) Scale drawing of all proposed construction detailing square footage and proposed use of all space;
- D) Written estimate of construction costs
- E) Permits obtained and/or pending.

13) Please attach any other information believed to be important to your application, including letters of support.

14) All Record Title Owners must sign this application and, if the owner is a Corporation, Limited Liability Company or other non-personal entity, the application must be accompanied by a current certificate of good standing from the Vermont Secretary of State and a resolution from the appropriate office of the entity, authorizing the application and authorizing and empowering some stated person to execute it on behalf of the entity.

15) All information contained in this application is warranted and certified to be current and true, accurate and correct under the penalties of perjury. If any of the information changes at any time while the application is pending or after the stabilization is granted, the owner certifies, warrants and agrees that he/she/it shall immediately notify the Richford Select Board, in writing, of the kind, nature, date and extent of any such changes.

16) This application shall survive any approval of tax stabilization and execution of any tax stabilization agreement and shall not be merged therewith.

I certify that the information provided by me in this application is complete and true to the best of my knowledge.

Owner Signature _____

Mailing Address (if different from Property Address)

FOR OFFICE USE ONLY:

Date Received _____ Name _____

Check if attached:

- Zoning _____
- Planning _____
- Property Tax Bill _____
- Site Plan _____
- Scale Drawing _____
- Estimate of Construction Costs _____