



# **CITY OF BRISTOL Enterprise Zone**

**Who's Eligible...**

**Advantages...**

**How to Apply...**

**INCLUDES:**

**BRISTOL'S ENTERPRISE ZONE ORDINANCE AND APPLICATION FORMS**

**ECONOMIC & COMMUNITY DEVELOPMENT OFFICE**

**CITY HALL, 111 NORTH MAIN STREET**

**BRISTOL, CT 06010**

**860-584-6185**

# WELCOME TO BRISTOL'S ENTERPRISE ZONE!

## **WHAT IS AN ENTERPRISE ZONE?**

Connecticut General Statutes 32-70 designates the establishment of the state's Enterprise Zones. A zone consists of a primary or secondary census tract or several contiguous tracts within a community. In order for a community to be eligible to establish a traditional Enterprise Zone it must meet certain criteria related to social and economic conditions.

Primary census tracts must meet at least one of the following:

- A poverty rate of at least 25%
- An unemployment rate of two times the state average
- At least 25% of the tract's population receives public assistance

Secondary census tracts must meet lower thresholds:

- A poverty rate of 15%
- An unemployment rate of at least 1.5 times the state average
- At least 15% of the tract's population receiving public assistance

A municipality with a designated Enterprise Zone, as described above, is defined in CGS 32-222(u) as a **Targeted Investment Community**.

## **WHERE IS THE ENTERPRISE ZONE?**

The zone is centered around downtown Bristol, whose census tract contained the highest unemployment in the City (10.6%). (1990 Census) It covers all or part of the following thoroughfares: Main Street, North Main Street, Riverside Avenue, South Street, Maple Avenue, Park Street, West Street and Terryville Avenue.

Generally, when the zone border runs down the middle of a street, the commercial property on the other side of the street is also included, one property (or more with single-owner) deep.

## **WHAT IS THE PURPOSE OF THE ZONE?**

To attract redevelopment, renewed investment, and job opportunities to the zone. It is especially suited to manufacturers.

## **HOW WAS THIS AREA CHOSEN?**

According to rules established by the State of Connecticut, the area was centered on the city's census tract with the highest unemployment with one secondary census tract. One option exercised by the City has been to extend the zone across a boundary street one property to include commercial properties on both sides of a street.

## **WHEN DID THE ZONE GO INTO EFFECT?**

Although final approval was received in February 1995, projects begun on or after *November 1, 1994* may be eligible. (As demonstrated by a building permit.)

## **WHAT PROJECTS ARE ELIGIBLE?**

Qualified industrial, commercial and residential properties.

## **Benefits – Enterprise Zone**

There are basically two business incentives associated with an Enterprise Zone location:

- **A five-year, 80% abatement of local property taxes on qualifying real and personal property**, subject to the property being new to the grand list of the municipality as a direct result of a business expansion or renovation project, or in the case of an existing building, having met the vacancy requirement. The property tax abatement is for a full five-year period and takes effect with the start of the first full assessment year following the issuance of a "Certificate of Eligibility." Statutory reference to these benefits can be found in CGS 32-9p, 32-9r, 32-9s, 12-81(59) and 12-81(60).
- **A ten-year, 25% credit on that portion of the state's corporation business tax** that is directly attributable to a business expansion or renovation project as determined by the Connecticut Department of Revenue Services. The corporation tax credit is available for a full ten-year period and takes effect with the start of the business' first full fiscal year following the issuance of a "Certificate of Eligibility."

The corporate tax credit increases to 50% if a minimum of 30% of the new full-time positions are filled by either zone residents or are residents of the municipality and are WIA eligible. The statutory reference for this benefit is CGS 12-217(e).

**Newly formed corporations located in a zone qualify for a 100% corporate tax credit for their first three taxable years and a 50% tax credit for the next seven taxable years.** The corporation must have: (1) at least 375 employees - at least 40% of which are either zone residents or are residents of the municipality and who qualify for the Workforce Investment Act, or (2) has less than 375 employees - at least 150 of which are zone residents or are residents of the municipality and who qualify for the Workforce Investment Act.

#### **ARE THERE RELATED (SISTER) PROGRAMS?**

Yes. There are several similar programs including the *Urban Jobs Program* available outside the geographic boundaries to certain companies, as well as the *Qualified Manufacturing Zone, Bioscience Zone and Entertainment Zone Programs* (in other cities). Some are by right (qualification by application), others are discretionary with a high degree of acceptance by the City of Bristol. But you must apply.

#### **WHAT IS A QUALIFIED MANUFACTURING ZONE?**

The building on the property at 360 James P. Casey Road (the former GM plant, now the Bristol Business Center) is a Qualified Manufacturing Plant. Businesses that qualify under the state enterprise program for manufacturing and distribution uses will qualify for the same benefits by right. Please see the BDA for an application.

#### **WHAT IS A BIOSCIENCE ZONE?**

The area is designated along the eastern portion of Route 6, near Bristol Hospital, downtown, and the southeast area of the city. Businesses engaged in bioscience development or production including the study of genes, cells, tissues, and chemical and physical structures of living organisms will be able to benefit. The company cannot have more than three hundred employees, to be eligible for the Zone benefits. They are subject to the same conditions as those for businesses located in an Enterprise Zone.

#### **WHAT IS AN ENTERTAINMENT ZONE?**

The qualification under this program allows businesses with certain sic/NAICS codes to qualify for property tax abatement and income tax credits under the program. Bristol does not have an entertainment zone at this time. Despite its name it would not generally affect or incentivize common downtown retail entertainment businesses.

#### **ELIGIBLE APPLICANTS**

Eligible businesses are defined by their North American Industry Classification System (NAICS).

For Urban Jobs Program benefits, in a Targeted Investment Community but outside of an Enterprise Zone, **ONLY** manufacturers, research associated with manufacturing, and distribution warehousing (new construction/expansion only) may qualify under the standard threshold guidelines. Certain service sector companies, as defined by NAICS code (see Addendum A, below) may be eligible for benefits based on a graduated scale subject to meeting certain thresholds of capital investment and job creation. An eligible applicant must occupy a facility that meets the criteria as defined below under ELIGIBLE PROJECTS.

In an Enterprise Zone, in addition to manufacturers and distribution warehousing (new construction/expansion only), certain service sector firms (also defined by NAICS code), may also qualify. The NAICS codes for the service sectors that may be eligible for Enterprise Zone benefits are listed in Addendum A below.

## **APPLICANT CONDITIONS**

If the business occupant leases the qualifying facility (as defined below) the lease term must satisfy certain minimum requirements.

In a Targeted Investment Community (Urban Jobs Program) the lease must be for an initial minimum term of five years with the option to renew, at the request of the lessee, for an aggregate term of not less than ten years, or the option to purchase the facility after the first five years.

In an Enterprise Zone the term of the lease for a business occupant is generally the same as for a facility located in a Targeted Investment Community (Urban Jobs Program). However, for those with an average of ten or fewer employees, the lease may be for an initial minimum term of three years with an option to renew, at the request of the lessee, for an aggregate term of not less than six years, or the option to purchase the facility after the first three years.

## **ELIGIBLE PROJECTS**

The project eligibility for both Targeted Investment Communities (Urban Jobs Program) and Enterprise Zones is defined in CGS 32-9p. Benefits accrue to projects whose central activity revolves around capital improvements to land and/or building. A real estate transaction has to take place in order to qualify the facility that will be occupied by the eligible business. The transaction must meet one of the following criteria:

Substantial renovation of an existing facility involving capital expenditures of at least 50% of the assessed value of the facility prior to its renovation. All renovation activities must be permitted by the town in order for their value to be recognized. The only costs that matter in meeting the 50% test are those costs that were incurred for work that required the use of a building permit.

Construction of a new facility. The expanded portion of an existing facility is considered new construction.

Acquisition of a facility by new owners after having been idle for at least one year prior to acquisition. Within an enterprise zone, the idleness requirement does not apply to companies with an average of five or fewer employees in the six months preceding acquisition of the facility, and is at least six months for businesses that have an average of between six and nineteen employees in the preceding six months. A one year idleness is required if there are more than nineteen employees involved.

Idleness is determined if the facility was unused, unoccupied or substantially under utilized for the appropriate period of time prior to being acquired for productive use. ***A community may request that the commissioner waive the idleness requirement for a facility for a specific client.*** An idleness waiver must be signed by the Enterprise Zone Coordinator.

## **THERE IS BOTH A STATE AND CITY COMPONENT?**

The City of Bristol provides fixing to the real property assessment for commercial, residential, and industrial properties which are not qualified to receive the state benefit. Check the enclosed ordinance for "benefit floors" which will provide the benefit only when a substantial improvement is made.

The State provides property tax and income tax abatements to manufacturers and certain services only. Please refer to the list of qualified industries by Standard Industrial Classification (SIC) Code. (This will be updated to the NAICS Code – North American Industrial Classification System.)

Because retail stores, restaurants, tourism and other services depend upon a local market while manufacturers sell throughout a region, the nation or world; it is manufacturers and certain services who receive the largest share of benefits from the state.

### **ARE THE BENEFITS RECEIVED AUTOMATICALLY?**

No. You must apply to the city and/or state. It is your responsibility to apply. There may also be yearly updates required to demonstrate continued eligibility for benefits. The benefits are incentives to induce investments and not entitlements to do what would be done without incentives.

### **MAY I PREQUALIFY A PROJECT?**

Yes. Submit an application to the Bristol Development Authority addressed to the attention of the Enterprise Zone Coordinator, with a letter explaining what you plan to do. It will be reviewed and sent back to you as soon as possible. All of this is subject to current state rules and regulations.

### **DOES A RENTER QUALIFY?**

Yes, if the improvements are being done for them. The exemption actually goes to the owner but the renter can request a pass-through arrangement from the owner. A renter may also need to sign a ten (10) year lease, minimum 5 year with 5-year option.

### **HOW DO I APPLY FOR CITY PROPERTY TAX BENEFITS?**

Generally speaking, retail and housing uses fall under the local (city) benefit only.

1. You should fill out a form within 30 days of taking out a building permit. Works done without a building permit, but requiring one, will not be eligible and projects failing to apply will be ineligible. It is impossible to assert that the assistance was necessary when all the work was done without a permit.
2. City applications can be picked up in the Bristol Development Authority (BDA) or the Building Department. Both are located on the Second Floor of City Hall, 111 North Main Street, Bristol, CT 06010 or telephone the BDA at (860) 584-6185.
3. Submit application to the Bristol Development Authority (BDA) on the Second Floor of City Hall, 111 North Main Street, Bristol, CT 06010 or telephone the BDA at (860) 584-6185.
4. The BDA will then forward the approval to the assessor. Please enclose a *self addressed and stamped post card* if you want notification of the decision. Once the decision has been made, questions concerning your assessment should be made to the City Assessor's Office.

### **HOW DO I APPLY FOR STATE BENEFITS?**

Manufacturers and certain service sector "back" offices and headquarters may be eligible for the state program.

The purpose is to demonstrate that the benefits are a needed inducement, a long-term commitment is being made, and that the purpose is not to displace investment but to encourage it in the zone.

You should submit a "*Preliminary Questionnaire to Determine Eligibility for Enterprise Zone Tax Incentives*" before doing anything else. (This form is included in this package.) If you qualify you will then be asked to submit FORM UT-3 available from the State of Connecticut, Department of Economic and Community Development, 865 Brook Street, Rocky Hill, CT 06067-3405. FORMS M-47 and "M-47 Future Acquisitions" may be required for personal property exemptions (abatements).

All forms must be submitted before September 30th of the year you wish to become eligible. It is strongly advised that you begin early. Late applications cost you \$\$\$ and eligibility.

### **ARE THERE LOW COST LOANS OR GRANTS FOR LOCATING IN THE ENTERPRISE ZONE?**

Bristol offers assistance prioritized for manufacturing, corporate headquarters and regional services. Other companies may be considered for significant façade improvements to commercial properties. Residential rehabilitation funds may be available for housing where low/moderate income people own or rent dwelling units. Check directly with the BDA for their current availability. **A separate application is needed.**

# Enterprise Zone Ordinance City of Bristol

## ARTICLE XIV. - ENTERPRISE ZONE ASSESSMENTS

Sec. 18-200. - Fixing of residential assessments in enterprise zones.

Sec. 18-202. - Fixing and deferral of industrial assessments on real property within the enterprise zone and the rehabilitation areas.

Sec. 18-203. - Termination of said fixed residential and commercial assessments or adjustments thereto.

Sec. 18-204. - Administration of the enterprise zone and rehabilitation area attendant thereto.

Sec. 18-200. - Fixing of residential assessments in enterprise zones.

(a) Assessments on all residential real property which is improved and which is located in an enterprise zone as designated by the city and approved by the Commissioner of Economic Development shall be fixed during the period when such area is designated as an enterprise zone. Such fixed assessment shall be for a period of seven (7) years from the time of such improvement and shall defer any increase in assessment attributable to such improvements according to the following schedule:

Year	Percentage of increase deferred
First .....	100
Second .....	100
Third .....	50
Fourth .....	40
Fifth .....	30
Sixth .....	20
Seventh .....	10

(b) There shall be a benefit floor. Only projects meeting minimum expenditures or scope of work for that zoning or use designation shall receive the assessment benefit herein.

**Commercial:** The cost of complete renovation of a facade to BDA standards including siding and roofing (to be approved in advance by the BDA staff), or one hundred seventy-five thousand dollars (\$175,000.00) spent.

Eligible improvements are defined in section 18-202(c).

(Ord. of 2-14-95; Ord. of 4-10-95)

Sec. 18-202. - Fixing and deferral of industrial assessments on real property within the enterprise zone and the rehabilitation areas.

(a) Improvements of any real property which qualifies as a manufacturing facility under Section 32-9p(d) of the General Statutes shall be eligible for any fixed assessment pursuant to Section 32-9p-5.

(b) There shall be a benefit floor. Only projects meeting minimum expenditures or scope of work for that zoning or use designation shall receive the assessment benefits herein.

**Industrial:** The cost of renovation necessary to bring manufacturing buildings to code and ready for substantial use, or one hundred thousand dollars (\$100,000.00) spent, or two hundred fifty thousand dollars (\$250,000.00), spent in demolition and/or environmental review and remediation by the owner.

(c) Eligible improvements include repair, upgrade, or replacement of:

(1) Roofing; siding (except external insulation systems at grade level such as Drivet or other brand names, or that which obscures the architectural detail of a building); windows; flooring; painting; porches; decks; kitchen replacement; wiring; heating, ventilation and cooling; insulation; paving (except sidewalks); lead paint or asbestos abatement or removal; masonry and foundations; plumbing; and bathrooms.

(2) The Bristol Development Authority or its designee shall be the final arbiter of qualifications of work to be performed.

(3) Individuals and companies seeking abatements shall submit plans with their enterprise zone application to the BDA within thirty (30) days of submitting their building permit application. Along with a site plan, there should be drawings of elevations or improvements. A narrative of work to be performed should include a description of current conditions and all work to be performed including materials to be used. The need for professional drawings may be waived if a written description and photographs can clearly illustrate work to be performed. Any project issued a building permit on or after November 1, 1994 and before final state designation shall have until September 30, 1995 to apply.

(4) Revisions to the dollar value of the benefit floors contained herein should be reviewed periodically and may be changed by a majority resolution of the city council.

(Ord. of 2-14-95; Ord. of 4-10-95)

Sec. 18-203. - Termination of said fixed residential and commercial assessments or adjustments thereto.

(a) Any such fixed assessment shall cease as to:

(1) Any residential rental property, in any dwelling unit if such property is rented to any person whose income exceeds two hundred (200) percent of the median family income of the city; or

(2) Any conversion condominium declared after the designation of the enterprise zone if any unit is sold to any person whose income exceeds two hundred (200) percent of the median family income of the city.

(b) In the event of a general revaluation by the city in the year in which such improvement is completed, resulting in any increase in the assessment on such property, only that portion of the increase resulting from such improvement shall be deferred. In the event of a general revaluation in any year after the year in which such improvement is completed, such deferred assessment shall be increased or decreased in proportion to the increase or decrease in the total assessment on such property as a result of such revaluation.

(c) No improvements of any real property which qualifies as a manufacturing facility under Section 32-9p(d) of the General Statutes shall be eligible for any fixed assessment pursuant to sections 18-200 and 18-201 of this article.

(d) If the taxes on the property are not paid within sixty (60) days of payment due date, any remaining exemption granted under this article shall cease.

(e) Assessment deferral shall only be granted after confirmation of expenditures and/or completion of work by the BDA and other applicable entities.

(f) Failure of residential property owner to maintain the property in accordance with the standards of the housing code in the city shall constitute reason to cease deferral under this section. Owners of residential rental property or condominium conversions must submit to the city, an affidavit for each rental or condominium unit the occupants (rental property) or owner's (condominium) full name and gross income in the previous tax year. In order to maintain eligibility rental property owners must submit income affidavits annually before September 1.

(g) Any owner of real property who agrees to rehabilitate such property or construct new multi-family rented housing or cooperative housing on such property located in the rehabilitation area herein designated may, in accordance with provisions of Section 12-65e of General Statutes, make application to the city for an agreement to fix the assessment on the property, during the period not to exceed three (3) years of rehabilitation or construction and for a deferral of any increase in assessment attributable to such rehabilitation or construction for a period not to exceed ten (10) years, after completion of such rehabilitation and/or construction. Such agreements shall be subject to all conditions and constraints contained in Sections 12-65d, 12-65e, and 12-65f of the Connecticut General Statutes.

(h) The municipality may provide any additional tax abatements or deferrals as it deems necessary for any property located in such an enterprise zone.

(i) Benefits available under other abatement programs under the City-Town Development Act shall not be combined with this program.

(j) When a property is transferred, any remaining abatement made under provisions of this article shall remain with the property.

(Ord. of 2-14-95; Ord. of 4-10-95)

Sec. 18-204. - Administration of the enterprise zone and rehabilitation area attendant thereto.

(a) The mayor is hereby authorized and empowered to:

(1) Designate the appropriate city officers, appointees, agencies and departments to administer the provision of the article and applicable state law and regulations.

(2) To enter into contracts, in accordance with Section 12-65e of the Connecticut General Statutes with appropriate parties for the fixing of tax assessments on the improvements to qualifying properties in keeping with the intent of the state statutes.

(3) To request, petition and appeal to local governing bodies, to the State of Connecticut and the U.S. Government for the suspension or waiver of local, state or federal regulations or rules affecting residents or enterprises located within the enterprise zones when he determines that such suspension or waiver is consistent with intent of state law and this article and the suspension or waiver does not contravene the statutory authority of that body.

(4) To enter into contracts subject to the approval of the city council with appropriate third party agencies, non-profit developers, and consultants and to engage employees and agents to enter into inter-agency agreements in accordance with the charter, ordinances, rules and regulations of the city for the efficient and timely prosecution of the intent of this enactment.

**(5) Recommend that the Bristol Development Authority, zoning, inland wetlands and the planning commissions, develop and adopt design standards appropriate to downtown/residential development and to designate types of qualifying improvements to better affect the goals of the enterprise zone.**

(6) The provisions of this article as it deals with the enterprise zone in Bristol as designated shall be deemed effective as of November 1, 1994.

*(Ord. of 2-14-95; Ord. of 4-10-95)*

## **BDA Design Guidelines for New Structures in the Enterprise Zone**

**Purpose:** In order to receive local Enterprise Zone abatements to the real property tax assessment (tax incentives), new construction should not only add to the tax base but preserve historic buildings where possible complement older structures and preserve and enhance the fabric of downtown by appropriate design. By right, a developer may actually develop according to Bristol's Planning and Zoning regulations but may not be eligible to receive abatements without conforming to these standards.

### **General Goals:**

- Design and new construction should reflect a commitment to human scale with proper banding, fenestration, and so on for engagement of pedestrians and all visitors to the building.
- Materials used in construction shall reflect a commitment to quality, durability and historical usage.
- Site design and building design shall engage the street with proper use of entrances, doors and windows.
- Siting of building shall respect historic street lines and neighborhood properties.
- Colonial style wooden structures shall be allowed, if appropriate.
- Designs are meant to compliment older styles. While they may or may not mimic earlier designs, they should honor earlier designs.

### **Specific Requirements:**

- Main body of building shall generally use brick or stone unless a historic look would normally require wood. The use of vinyl siding, exterior foam insulation systems (EFIS) are not appropriate as primary building materials under this program.
- A first story sign band and cornice is encouraged.
- Top of building/parapet shall have a brick, stone, or metal cornice.
- Building shall be two (2) or more stories in height with appropriate windows to indicate second level.
- Only a colonial style building may use a gabled roof which shall be clad in slate or slate-like material including high-grade asphalt shingles, rubber, formed metal or composite.
- Building details such as exterior panels, moldings and doors may be made of wood treated for exposure to the elements or high grade synthetics made to mimic wood, stone, ceramic or metal. False wood graining is not allowed.
- Signs shall be lit by exterior means.
- Color palette of painted services shall reflect or complement historic colors.
- Brick and stone styles and colors shall reflect colors and styles commonly used from the colonial era through 1930.
- Ornamentation in brick and stone such as columns, lintels, keystones, quoining and panels are encouraged, since they discourage pedestrian uses, drive thru uses shall not be eligible applications.
- Applicant shall demonstrate in writing to the satisfaction of the Bristol Development Authority Board that the design submitted properly relates to 1) its neighboring structures, 2) its downtown location and, 3) the history and development of the City of Bristol.

## Addendum A - Service Businesses in addition to Qualified Manufacturing

The following service establishments, as defined by NAICS numbers, may be eligible for Enterprise Zone benefits if located in an enterprise zone designated pursuant to Connecticut General Statutes, CGS sections [32-70](#) as amended. Benefits are generally subject to the establishment not regularly having direct business with, or service to, the general public. NOTE: This list is meant for reference only. Program eligibility is determined on a case-by-case basis by staff of DECD's Office of Business and Industry Development.

<b>NAICS</b>	<b>Description</b>
339116	Dental Laboratories
481111	Scheduled Passenger Air Transportation
481112	Scheduled Freight Air Transportation
483111	Deep Sea Freight Transportation
483113	Coastal and Great Lakes Freight Transportation
483211	Inland Water Freight Transportation
488210	Support Activities for Rail Transportation
488310	Port and Harbor Operations
488320	Marine Cargo Handling
488330	Navigational Services to Shipping
488490	Other Support Activities for Road Transportation
488510	Freight Transportation Arrangement
488991	Packing and Crating
488999	All Other Support Activities for Transportation
492110	Couriers
493120	Refrigerated Warehousing and Storage
493130	Farm Product Warehousing and Storage
493190	Special Warehousing and Storage not elsewhere classified
511210	Software Publishers
518111	Internet Service Providers
518210	Data Processing, Hosting and Related Services
521110	Monetary Authorities - Central Bank
522110	Commercial Banking
522120	Savings Institutions
522130	Credit Unions
522291	Consumer Lending
522292	Real Estate Credit
522293	International Trade Financing
522298	All Other Nondepository Credit Intermediation
522310	Mortgage and Nonmortgage Loan Brokers
522320	Financial Transactions Processing, Reserve and Clearhousing Activities
523110	Investment Banking and Securities Dealing
523130	Commodity Contracts Dealing
523140	Commodity Contracts Brokerage
523210	Securities and Commodity Exchanges
523910	Miscellaneous Intermediation
523920	Portfolio Management
523930	Investment Advice
523991	Trust, Fiduciary and Custody Activities
523999	Miscellaneous Financial Investment Activities
524113	Insurance Underwriting, Life, Direct
524114	Direct Health and Medical Insurance Carriers
524126	Direct Property and Casualty Insurance Carriers
524127	Direct Title Insurance Carriers
524128	Other Direct Insurance Carriers (except Life, Health and Medical) Carriers
525110	Pension Funds
525120	Health and Welfare Funds
525910	Open-End Investment Funds
525920	Trusts, Estates and Agency Accounts
525930	Real Estate Investment Trusts
525990	Other Financial Vehicles
532411	Commercial Air, Rail and Water Transportation Equipment Rental and Leasing
532420	Office Machinery and Equipment Rental and Leasing
533110	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
541380	Testing Laboratories
541511	Custom Computer Programming Services
541512	Computer Systems Design Services
541513	Computer Facilities Management Services
541519	Other Computer Related Services
541611	Management Consulting Services
541710	Research and Development in the Physical, Engineering and Life Sciences
541720	Research and Development in the Social Sciences and Humanities
551111	Offices of Bank Holding Companies
551112	Offices of Other Holding Companies
561110	Office Administrative Services
561422	Telemarketing Bureaus
561450	Credit Bureaus
621511	Medical Laboratories
811212	Computer and Office Machine Repair and Maintenance
813211	Grantmaking Foundations