

Town of Berlin Tax Abatement Program Approved – January 9, 2024

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, and (8) mixed use, 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:

Abatement Schedule:

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:

Abatement Schedule:

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:

Abatement Schedule:

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:

Abatement Schedule:

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%		

For real property improvements of greater than \$25,000,000 (Twenty-Five Million Dollars) for any type of eligible use above, the Town Council may offer:

Abatement Schedule:

Apartments												
Year 1	80%	Year 2	70%	Year 3	60%	Year 4	50%	Year 5	40%	Year 6	40%	Year 7
			30%	Year 8	30%	Year 9	20%	Year 10		20%		
Commercial												
Year 1	70%	Year 2	70%	Year 3	60%	Year 4	60%	Year 5	50%	Year 6	50%	Year 7
			40%	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 mixed-use project must be for commercial use.

The Town Council has the discretion to request a minimum of 10% of all apartments be affordable for any mixed-use project which applies for the \$25,000,000 tax abatement.

Amendment effective date: January 9, 2024