

STATE OF CONNECTICUT
Department of Economic and Community Development
Preliminary Questionnaire to Determine Eligibility
Enterprise Zone Program (EZ) Incentives

The responses to the following items are intended to provide the State with basic information concerning your business and the proposed activity to confirm if you qualify for tax incentives as provided under Sec. 12-81 (59), 12-81 (60), and 12-217€ of the Connecticut General Statutes. Upon receipt and review of a completed questionnaire, a staff member will contact you to discuss the program further.

Please be advised that the completion of this form does not constitute formal application for a **CERTIFICATE OF ELIGIBILITY**, which requires more detailed information; it is intended only to allow the Department to make an initial determination concerning your proposal at the least cost in time and effort to you.

PLEASE RETURN THE COMPLETED QUESTIONNAIRE TO:

Thomas Madden, AICP
Director
Office of Economic Development
City of Stamford
888 Washington Boulevard, 10th Floor
Stamford, CT 06901

Phone: (203) 977-5168
Fax: (203) 977-5845
tmadden@stamfordCT.gov

[1] LEGAL NAME AND MAILING ADDRESS OF THE BUSINESS:

FEDERAL EMPLOYER ID# _____ SIC/NAICS# _____

[2] NAME, TITLE AND TELEPHONE NUMBER OF CONTACT PERSON:

[3] ADDRESS AND SIZE (SF) OF THE FACILITY, OR PORTION THEREOF, TO BE OCCUPIED:

[4] ACTUAL OF ANTICIPATED DATE OF OCCUPANCY OF THE FACILITY LISTED ABOVE:

[5] NAME, MAILING ADDRESS AND TELEPHONE NUMBER OF THE OWNER OF THE FACILITY:

[6] THE FACILITY WILL BE (please check each applicable item):

_____ Constructed _____ Renovated/Expanded _____ Purchased
_____ Acquired by purchase of lease after having been idle for at least one year
(Notarized proof of idleness by the Municipality is required)

If the facility is being leased or purchased, please provide the current assessed value of the space to be acquired \$ _____

If the facility is being renovated or expanded, please provide (1) the estimated cost of renovation \$ _____, and (2) the current assessed value of the facility prior to renovation \$ _____

[7] Briefly describe the activity or activities in which the business specified in this questionnaire are engaged at the location to be occupied. If the facility is to be used for the distribution of manufactured products, describe the geographic area to be served by this facility.

[8] Estimated number and type of new, permanent full-time employment positions to be created at the facility during the next 24 months: _____

Current (pre-project) Employment: _____

Projected New Full-Time Positions in the 1st Year _____

2nd Year _____

Signature of Applicant or Preparer

Date

- NOTES:*
1. Renovation should be a of a nature requiring the issuance of a building permit and involve capital expenditures of at least 50% of the assessed value of the facility, or portion thereof, prior to its renovation.
 2. A contract for lease must be for an initial minimum term of five years with an option to renew for an additional five years or the option to purchase the facility at any time after the initial five-year period or both. The term of the lease as well as the idleness as well as the idle requirement may vary for facilities that are located in an Enterprise Zone.

TO: DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

This is to certify that the following location in _____
(Municipality)

Has been idle, vacant or underutilized for one year:

FROM: _____
Office of Economic Development
City of Stamford

Notary:

~~ ENTERPRISE ZONE - ADDITIONAL INFORMATION ~~

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, 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*.

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.

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.

Any businesses engaged in biotechnology, pharmaceutical, or photonics research, development or production, with not more than three hundred employees, are eligible for Enterprise Zone benefits if they are located anywhere in a municipality with (1) a major research university with programs in biotechnology, pharmaceuticals or photonics and (2) an Enterprise Zone. Benefits are subject to the same conditions as those for businesses located in an Enterprise Zone.

BENEFITS - URBAN JOBS PROGRAM

The benefits associated with the Urban Jobs Program in a Targeted Investment Community, but outside of the Enterprise Zone, are provided at the discretion of the commissioner of the Department of Economic and Community Development, and are as follows:

- A five-year, 80% property tax abatement.
- A ten-year, 25% corporation business tax credit to qualified manufacturing businesses.
- Property tax benefits for real estate and/or equipment are provided for qualifying *service facilities*, located outside of an Enterprise Zone in a Targeted Investment Community, on a sliding scale basis. The minimum investment is \$20 million to qualify for a five-year, forty percent tax abatement. This benefit increases to an eighty percent, five-year tax abatement for projects with an investment greater than \$90 million. The equipment qualifies only if it is installed in a facility which has been newly constructed, substantially renovated or expanded.
- Corporate business tax credits are provided for qualifying *service facilities*, located outside of an Enterprise Zone in a Targeted Investment Community, on a sliding scale basis based on new full-time jobs created. The minimum tax credit of 15% is allowed for service companies creating 300 or more but less than 599 new jobs. The benefit increases to 50% for such companies creating 2,000 or more new jobs at the eligible facility. The eligibility period for this tax credit is ten years.

A business may not initiate a project that could qualify for incentives without first requesting and obtaining the approval of the commissioner of the Department of Economic and Community Development. The preferred method is in the form of a letter, from the municipality to the commissioner, requesting approval of benefits on behalf of the company for a specific project.

Approval is dependent upon the business' ability to demonstrate that: (1) the incentives are an inducement, and (2) they have an economic need that the incentives will alleviate or (3) the project will represent a net economic benefit to the state and/or municipality. (CGS §32-9r)

APPLICATION AND CERTIFICATION PROCESS

An Enterprise Zone business applicant must complete a preliminary application to determine if all eligibility criteria will be met. Enterprise Corridor Zone applicants are processed identically to those in Enterprise Zones.

A Targeted Investment Community (Urban Jobs) business applicant must submit a formal request (preferably through the local economic development official of the town) for the urban jobs program incentive before initiating an otherwise eligible project. The request must demonstrate (1) inducement and (2) need or economic benefit as described above.

Neither the preliminary questionnaire nor the letter of request constitutes a formal application. If the Enterprise Zone applicant demonstrates that all of the requirements will be met, a formal application is provided. A Targeted Investment Community (Urban Jobs) applicant is sent a formal application after his request has been approved by the commissioner of the Department of Economic and Community Development.

All applicants must submit a completed application to the Department of Economic and Community Development prior to October 1 of the assessment year in which the project is completed. In addition to the completion of the formal application a business applicant must provide the following in order to be certified:

1. a copy of the lease, if the facility is being leased.
2. a copy of the deed to the property if it is acquired by purchase.
3. a notarized letter from a municipal official testifying to the idleness condition if that criterion is being used to qualify a facility.
4. a copy of the company's Certificate of Good Standing from the Secretary of State.

Completed applications are reviewed and Certificates of Eligibility are issued within 2-3 weeks after receipt. The department does not impose any charges or fees for the application and certification process. **Monitoring consists of inspections of certified facilities and businesses by department officials as well as local and municipal program administrators. These inspections may be announced or unannounced and may include the municipal assessor.**

ADDITIONAL INFORMATION SPECIFIC TO THE CITY OF STAMFORD:

I understand that as an Enterprise Zone participant, I am subject to regular site visits to determine property compliance.

I understand that as an Enterprise Zone participant, I may be required to provide information with regard to number of employees and employee residence information.

Addendum A - Service Businesses

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 section 32-70 of the statutes 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.

Code	Description
112511	Finfish Farming and Fish Hatcheries
112512	Shellfish Farming
114111	Finfish Fishing
114112	Shellfish Fishing
114119	Other Marine Fishing
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

Tax Impact Disclosure

The purpose of this disclosure request is to obtain an estimate of the value for the annual 80% property tax abatement for real and personal property should your proposed project be determined to be eligible and is certified for this benefit. Should the applicant or local Assessor later determine there has been an increase in the project cost of 10% or greater, DECD requires notification within ten (10) business days of such determination. No pre-application will be processed without the completion of this page.

Applicant Name: _____

Project Location: _____

Proposed Square Feet: _____

Estimate of the 80% **real property tax abatement** if applied to the above address (one year): \$ _____

Estimate of the 80% **personal property tax abatement** on machinery and equipment new to the municipality and proposed to be housed at the above location (one year): \$ _____

Frank Kirwin City of Stamford Assessor	Date	Phone #
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Office of Economic Development City of Stamford	Date	Phone #
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FOR DECD USE ONLY:

PROGRAM IDENTIFICATION:

- Enterprise Zone (EZ)
- Urban Jobs (UJ)
- Enterprise Corridor Zone (ECZ)
- Qualified Manufacturing Plant (QMP)
- Entertainment District (ED)
- Railroad Depot Zone (RDZ)
- Manufacturing Plant Zone (MPZ)
- Contiguous Municipality Zone (CMA)
- Defense Plant Zone (DPX)

Estimated Certification Date _____