

**Town of South Kingstown
Office of the Town Manager
Tax Exemption and Stabilization Program
Guidance Statement**

Reference: South Kingstown Town Code Chapter 17, Article V, "Property Tax Exemption or Stabilization on Tax on Qualified Property Used for Manufacturing or Commercial Purposes"

Program Purpose and Intent

A major goal of the South Kingstown Town Council is to encourage a strong and diverse local economy that provides satisfying and rewarding opportunities to meet the needs of the community's residents and business interests. A program for tax exemption and/or stabilization is one means to support this goal. The general program focus is on major new business as well as expansions and relocations, primarily those associated with manufacturing and commercial operations. The program is intended to create and retain jobs. Small scale expansions, relocations, and applications for general commercial uses may be considered. Consideration shall only be granted after a thorough evaluation of the advantages and disadvantages of a particular application.

Successful applications must be determined to provide an exceptional opportunity for the community as a first priority and secondarily provide a subsidy to the business concern. The applicant shall be responsible for documenting the community benefits that their expansion, reconstruction, or relocation will provide.

In the consideration of all applications the Town Council will be guided by principles of fairness, objectivity, uniformity of program application, and careful consideration of the overarching interests of the entire community. The Council shall also consider factors relating to general economic conditions, the impact of the proposed exemption/stabilization on the overall tax base and other factors affecting the development of the municipal operating budget. For all applications, the Council will also review the potential effects a tax exemption/stabilization agreement may have on existing, similar business concerns in the community.

No application for a tax exemption or stabilization agreement will be permitted unless, following its public hearing on the proposal, the Town Council makes an affirmative finding of fact that the:

- (1) *Granting of the exemption or stabilization of taxes will inure to the benefit of the Town by reason of:*
 - (i) *The willingness of the manufacturing or commercial concern to locate in the town; or*
 - (ii) *The willingness of a manufacturing firm to expand facilities with an increase in employment or the willingness of a commercial or manufacturing concern to retain or expand its facility in the town and not reduce its workforce in the town; or*
 - (iii) *An improvement of the physical plant of the town that will result in long-term economic benefits to the town and the state.*

- (2) *Granting of the exemption or stabilization of taxes will inure to the benefit of the town by reason of the willingness of a manufacturing or commercial firm or concern to replace, reconstruct, expand, or remodel existing buildings, facilities, fixtures, machinery, or equipment with modern building, facilities, fixtures, machinery, or equipment resulting in an increase in plant or commercial building investment by the firm or concern in the town."*

(Excerpt from South Kingstown Town Code, Chapter 17, Article V, Section 17-50)

Program Priorities

- Tax exemptions and or stabilizations granted under this program shall be found to be necessary to address a “gap” in resources that, if left unaddressed, would prevent the expansion or relocation of the business concern from being realized.
- For expansion of an existing business, documentation of an increase in employment or retention of existing jobs must be provided.
- All jobs created are expected for the term of the tax exemption or stabilization program.
- A minimum of \$2,500,000 in new taxable investment shall be required for program eligibility, however, smaller projects may be considered subject to the specific requirement that the applicant must satisfy a burden of proof that the application will meet the intents of the program, fully document the specific benefits to the community that will occur as a result of the application and provide financial analysis that the project will not be feasible absent the tax stabilization/exemption requested.
- All applications under this program must be found to be consistent with goals and policies of the South Kingstown Comprehensive Community Plan and Town Zoning Ordinance.
- This program shall not be applied in a retroactive fashion for any business relocation, expansion, or installation of other improvements.
- The term of any agreement in this regard shall not exceed ten (10) years; however, the Town Council may, at its discretion, require a lesser term for individual applications.
- All agreements under this program shall provide for the recapture of property tax revenue lost as a result of the agreement if the applicant (owner) fails to make improvements provided for in the agreement, does not create, retain or maintain jobs per his/her application or otherwise violates any of the terms or conditions contained in the agreement.
- Existing businesses requesting consideration under this program must be current on all municipal taxes and fees and be in compliance with Town licensing and zoning requirements.
- Any tangibles, equipment and furnishings may be considered as part of any tax exemption or stabilization agreement not to exceed three years given that tangible property is subject to a depreciation schedule defined under RIGL §44-5-12.1.
- Extensions of infrastructure necessary to support the proposed new use or expansion of an existing use that are paid for and installed by the applicant may be considered as part of the minimum new investment threshold.
- No exemption or stabilization shall be granted for the land upon which the new or expanded business is to be located.
- For any mixed-use proposal combining commercial and residential uses, such residential use shall not be eligible for consideration under this program.

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Application Requirements for Consideration of Tax Exemption/Stabilization per Town of South Kingstown Code of Ordinances, Chapter 17, Article V.

I. Applicant/Property Information:

Applicant: _____

Mailing Address: _____

Telephone: _____ Email: _____

Company Website: _____

Contact person/agent: (if different from applicant) _____

Property Information:

Street Address: _____

Assessor's Plat/Lot: _____

Lot Area and Frontage: _____

Zoning District: _____

Current Assessment: _____ (land) _____ (buildings, etc.)

II. General Project Data:

Nature of Proposal: (Check only one, as applicable),

Expansion of Existing Business _____ New/Relocated Business _____

Type of Use: (Check only one, as applicable),

Manufacturing/Industrial: ____

Office/Professional Service: ____

General Commercial: ____

Other: ____ (Please explain in narrative as noted below)

Summary of anticipated expenditure for expansion/relocation: _____

Number of New Jobs Created (estimate on FTE basis): _____

Project duration estimate (new construction or relocation): _____

III. Application Details: *(Note: All applicants must provide the following information to document their respective projects. All applicants are advised to review, consider and address the program goals and criteria contained in the attached document “Town of South Kingstown, Office of the Town Manager, Tax Exemption and Stabilization Program Guidance Statement.”)*

1. Letter of Request for consideration under Chapter 17, Article V. (Such correspondence must provide, in brief summary, the specifics of the tax relief sought (proposed percentage/amount and duration of agreement) and the benefits to the Town that will accrue with the implementation of the proposal.)
2. Project Narrative/Attachments: (Narrative of existing and proposed conditions of the property to include the below listed information.)
 - a) Site plan of property depicting existing and proposed improvements
 - b) For existing businesses, a listing of current employment base, skill levels of employees and generalized salary structure of existing workforce. New businesses must provide a detailed description of their proposed operation including proposed products or services, existing employment levels and wage rates, projected sales and evidence of financial capabilities.
 - c) Financial information concerning the proposed project in sufficient detail to document that the requested tax exemption or stabilization is necessary as “gap” financing to complete the project. The proposed tax exemption/stabilization should be detailed in this section of the application.
 - d) Discussion of proposed improvements and an estimate of value of same. The application shall also include a summary of the investment that will be made by the applicant and also include a comparative analysis of existing and proposed conditions.
 - e) Discussion of the proposed increase in employment levels, skill requirements, salary levels/benefits and anticipated schedule for bringing such employees into the business concern.

f) Other information that the applicant deems relevant to the consideration of its request for tax exemption or stabilization under Chapter 17, Taxation, Article V.

- The above are considered to be minimum requirements for the consideration of tax exemptions or stabilization requests. The Town reserves the right to request additional information as necessary to facilitate the review process.
- Applications deemed incomplete following initial review will be returned to the applicant to address deficient items.
- Completed applications (original and three copies) including the same number of copies of all relevant attachments shall be submitted to: Stephen A. Alfred, Town Manager, Town of South Kingstown, 180 High Street, Wakefield, RI 02879.
- Questions regarding the application process, program goals and criteria should be directed to the South Kingstown Planning Department, Town Hall 180 High Street, Wakefield, RI 02879, (401) 789-9331 ext. 1244.

w/attachment



Town of South Kingstown, Rhode Island

TOWN CLERK'S OFFICE

180 High Street
Wakefield, RI 02879
Tel. 401-789-9331

At a REGULAR SESSION of the Town Council of the Town of South Kingstown, County of Washington, in the State of Rhode Island, held at the Town Hall, in and for said Town on the 11th day of March A.D., 2013 at 7:30 PM.

PRESENT: Ella M. Whaley, President
Carol Hagan McEntee, Vice President
Paul Donnelly
Margaret M. Healy
James W. O'Neill

UNANIMOUSLY VOTED: to affirm and accept revisions to the document entitled "Town of South Kingstown, Office of the Town Manager, Tax Exemption and Stabilization Program Guidance Statement" as originally adopted on February 28, 2011, with amendments agreed to at a Joint Work Session of the Council and Economic Development Committee held on February 29, 2012; and as further described in a memorandum from the Director of Planning to the Town Manager dated March 6, 2013 and entitled "Town Council Affirmation of Revisions to 'Town of South Kingstown, Office of the Town Manager, Tax Exemption and Stabilization Program Guidance Statement'."

A TRUE COPY

ATTEST:

Dale S. Holberton, Town Clerk