

Mendon Tax Stabilization Policy

1. Statement of purpose

To encourage economic development in town approved business zones, to diversify of tax base, to enhance the streetscape of our commercial district, to provide growth in the Mendon Grand List, and to help maintain the vitality of Mendon's commercial business district.

2. Authority

Granted to towns pursuant to Vermont State Law Title 24 §2741 (b)(1), and approved by Mendon voters at a special meeting on October 1, 2018.

3. Tax stabilization

Tax stabilization will be applicable to the Municipal Tax only. It does not include the Education Tax. Tax Stabilization Agreements (TSA) will be for real property only, does not apply to personal property. The Selectboard will be designated to review and decide on all Tax Stabilization Applications, and will be the final authority in granting a Tax Stabilization Agreement (TSA).

4. Requirements

To be eligible for tax stabilization the property must meet the following

- Property is consistent with Town Plan
- The applicant is in good standing with Mendon taxes
- Residential developments are not eligible, program limited to commercial uses. Commercial use does not include residential rental property.
- Represent a significant investment in a new property or renovation of an existing property.
- Property is located in the Mendon commercial zoning
- Tax stabilization agreements (TSA) will be a maximum of 10 years (per Vermont Law Title 24, section 2741)
- No Tax Stabilization Agreements shall be retroactive.
- Tax Stabilization Agreements will be set as a percentage of tax due for the property as determined by an appraisal performed by the town appraiser at the completion of the project, and the TSA will be for a specific time period, per TSA.

5. Procedure

- A property owner must complete a Mendon TSA application prior to completing construction, and if approved will be effective at the beginning of the fiscal year that the project is complete
- TSA application to be submitted to the Mendon Town Administrator for preliminary review of completeness of the application, then forwarded to the Selectboard at their next meeting
- After application is received by the Town Administrator the Selectboard shall meet with the Town Administrator in executive session to discuss the proposed TSA. All issues of negotiation and financial information and business plans will be confidential.

- Selectboard will review the TSA, and determine if additional information is needed, if the application is to be carried over to a following meeting, or to approve or deny the TSA application. The approval or denial decision is that of the Selectboard only.
- The TSA approval will be granted for a 2 year period, unless otherwise agreed upon. If the project is not completed within this specified time period, a renewal must be requested. Upon substantial completion of the project, the owner shall notify the Town Administrator and with the Town Administrator will notify the Selectboard. The Town Appraiser will conduct an appraisal effective the next April 1st and the TSA will go into effect the next fiscal year.
- Selectboard decisions on a TSA application will be made on a case by case basis, unconstrained by precedent. In all cases TSAs will be granted upon finding that there is a demonstrated benefit to the town, including but not limited to economic, social, community aesthetics benefit, employment creation or retention, and an increase or retention of Grand List values, which will ultimately yield higher tax revenue.
- Applicants are encouraged to attend the Selectboard meeting to present their application.
- The TSA application is attached. It may be modified or updated by the Selectboard at any time.
- The TSA will require a rollback clause providing for repayment of full taxes that would have been due, plus an 8% penalty, plus interest at a rate of 12% per annum. The rollback clause shall be effective in the event of the closing of the business within 10 years of the TSA's signing or bankruptcy, or non payment of Mendon taxes in a timely manner. In the event this clause becomes operative the property may not be sold until all tax obligations have been paid.
- The TSA can be transferred to a new owner of the property for the remaining contract time with approval of the Selectboard and signing of a renewed TSA by the new owners.
- All owners of the property and business subject to an agreement must sign the tax stabilization contract, including partners, co-owners, and any corporate parent company.

This policy is hereby adopted by the Mendon Selectboard on October 22, 2018:

/s/ Geoff Wells

/s/ Scott Bradley