

City of Woonsocket, Rhode Island
JOB CREATION INCENTIVE PROGRAM

Enterprise Zone Sites

INTRODUCTION

In August, 1992, the City of Woonsocket implemented the Job Creation Program. This came in direct response to the completion of the Comprehensive Plan. Although the intent of this program has not changed, it has become evident that a more aggressive and diverse incentive program is necessary to encourage the creation of jobs, as well as to encourage the retention of existing businesses and the recruitment of new businesses.

GOALS AND OBJECTIVES

1. To encourage the substantial renovation of mill buildings for industrial and commercial reuse.
2. To promote the diversification and expansion of the manufacturing base.
3. To expand employment opportunities with competitive wages, and safe, quality working environments.
4. To retain existing businesses and to attract new businesses to the City, so as to create a strong, stable economy.
5. To attract quality companies into Highland Corporate Park that will create quality employment opportunities for area residents.
6. To encourage property owners to actively market their properties to quality tenants who will create job opportunities for area residents.

PROGRAM DESCRIPTION

The Job Creation Incentive Program is intended to encourage the construction of new industrial and commercial facilities, the substantial renovation of existing facilities, and the reoccupation of facilities which have been vacant for periods of one or more years. It provides attractive tax incentives for new and existing businesses locating or expanding within the Woonsocket portion of the State of Rhode Island Woonsocket/Cumberland Enterprise Zone. It is envisioned that this program will lead to the creation of new and expanded employment opportunities for Woonsocket's residents, while providing for the long-term expansion of the City's tax base.

The Job Creation Incentive Program provides for a phase-in schedule of new tax assessments that result from the new construction, substantial renovation, or reoccupation of industrial and commercial facilities. Separate phase-in schedules have been developed for new construction,

substantial renovation³, and reoccupation of vacant/abandoned facilities⁴. Phase-in schedules for new construction are divided into two categories: 1) manufacturing/warehousing or research and development businesses, and 2) service or commercial businesses. In all cases, property taxes are brought to 100% at the end of the scheduled phase-in period.

INCENTIVE CRITERIA

1. Phased-in tax reductions are based upon the number of jobs created.
2. In order to be recognized as a Qualifying Employer, an applicant must cause the construction, substantial renovation, or reoccupancy of an industrial or commercial facility, which shall result in the creation of a minimum of two (2) new permanent full-time or full-time equivalent (FTE) jobs.
3. In a case where a facility owned by one party is leased to a second party, such that the first party meets the construction, renovation or reoccupancy requirements of this program, and the second party meets the job creation requirements of this program, the first party shall be eligible for all applicable program benefits which would otherwise be available to a Qualifying Employer, and the two parties shall together be required to meet the appropriate terms and conditions of this program.
4. Each permanent, full-time job with a minimum work week of 30 hours per week shall be counted as one (1) job. All permanent part-time job hours shall be totaled and divided by 30 to determine the number of full-time equivalent (FTE) jobs. Temporary employees shall not be counted for the purpose of this program.
5. All newly created positions shall receive medical and vacation benefits.
6. A minimum of 30% of the new jobs created shall be filled by Woonsocket residents unless a waiver for industrial circumstances is applied for and granted by the City Council.

PROGRAM ADMINISTRATION

1. An application for the Job Creation Incentive Program shall be filed prior to or concurrent with an application for associated building permit(s).
2. All determination as to whether or not applicants meet the criteria for Qualifying Employer shall be made jointly by the City's Economic Development Director and Tax Assessor.

³ Substantial renovation is hereby defined as the physical repair and/or upgrading of a facility accepted by the City's Building Inspector, such that the value of the facility upon completion of said repair and/or upgrading results in an increase in the assessed value of the structure, as determined by the Tax Assessor in consultation with the Economic Development Director.

⁴ A vacant/abandoned facility is hereby defined as a facility no more than 20% of which has been utilized for any purpose during the one-year period immediately preceding the application.

3. The period of tax reduction called for in an applicable phase-in schedule shall commence immediately following the issuance of a Certificate of Occupancy for the facility.
4. Employment projections, submitted by the Qualifying Employer and approved by the Economic Development Director, shall provide the basis for the selection of an applicable phase-in schedule for the first year of tax reduction.
5. Prior to December 15th of the first calendar year following the issuance of a Certificate of Occupancy, each Qualifying Employer shall submit a certified payroll for all new employees to the Economic Development Director. In a case involving the expansion or renovation of existing facilities, that Qualifying Employer shall also submit a certified payroll for the pay period immediately preceding the expansion or renovation. The Economic Development Director shall determine the net number of new jobs created by a Qualifying Employer under this program, and shall submit said number to the Tax Assessor prior to December 31st of that year. The submitted payroll(s) shall provide the basis for the selection of an appropriate phase-in schedule for the remaining years of tax reduction.
6. Initial and continued eligibility for the Job Creation Incentive Program shall require that a Qualifying Employer remain current in the payment of all municipal taxes and fees. Failure to remain current in the payment of taxes and/or fees shall result in removal from the program.
7. Initial and continued eligibility for the Job Creation Incentive Program shall require that a Qualifying Employer comply with all federal and state regulations concerning job safety and affirmative action. Failure to comply with said regulations shall result in removal from the program.
8. If the City should implement a City-wide reevaluation during the phase-in period, the percentage reduction(s) called for in the applicable phase-in schedule shall be applied to the resultant tax valuation for the balance of the phase-in period.
9. If the Qualifying Employer should discontinue operations or vacate the facility covered under the Job Creation Incentive program, or if the Qualifying Employer shall be removed from the program in accordance with numbers 6 or 7 above, the property tax reduction shall be immediately discontinued, and 100% of the current year property tax shall become due.
10. Appeals of any administrative decisions made by the Economic Development Director and/or Tax Assessor shall be made by an applicant or Qualifying Employer to the Woonsocket Board of Tax Assessment Review.
11. The Economic Development Director and the Tax Assessor shall jointly prepare and submit an annual report to the Mayor and City Council, identifying all businesses participating in the Job Creation Incentive Program.
12. The Economic Development Director shall qualify each new job to assure it meets certification. Employer will submit job creation report annually. A certified new job is any additional or new hire over and above the employment benchmark from date of application.

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NEW CONSTRUCTION:

A. Manufacturing/Warehousing and Research & Development Businesses

Jobs	Percentage of Property Tax on Improvements									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2 to 49	60%	65%	70%	75%	80%	85%	90%	100%	100%	100%
50 to 199	45%	50%	60%	65%	75%	80%	85%	90%	100%	100%
200 +	30%	40%	50%	60%	70%	75%	80%	85%	90%	100%

B. Service and Commercial Businesses

Jobs	Percentage of Property Tax on Improvements						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
2 to 49	80%	85%	90%	95%	100%	100%	100%
50 to 199	70%	75%	80%	85%	90%	100%	100%
200 +	60%	65%	70%	75%	80%	90%	100%

SUBSTANTIAL RENOVATION:

Jobs	Percentage of Property Tax on Improvements									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2 to 49	0%	20%	30%	40%	50%	60%	70%	80%	90%	100%
50 to 199	0%	10%	20%	30%	40%	50%	65%	75%	85%	100%
200 +	0%	0%	10%	20%	30%	40%	60%	70%	80%	100%

REOCCUPATION OF VACANT/ABANDONED FACILITY FOR MANUFACTURING/WAREHOUSING OR RESEARCH & DEVELOPMENT:

Jobs	Percentage of Property Tax									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2 to 49	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
50 to 199	50%	50%	55%	60%	65%	70%	75%	80%	90%	100%
200 +	50%	50%	50%	60%	65%	70%	75%	80%	90%	100%

REOCCUPATION OF VACANT/ABANDONED FACILITY FOR SERVICE/COMMERCIAL BUSINESS

Jobs	Percentage of Property Tax		
	Year 1	Year 2	Year 3
10 to 49	75%	85%	100%
50 to 199	70%	80%	100%
200+	65%	75%	100%