

To: Ron Quagliani, Chairman, City Council;

From: Lee Kennedy Tiernan, Corp. Counsel

Re: Business Incentives

Cc: Mayor Nancy Rossi

Date: November 10, 2021

The Mayor is requesting that the City Council approve a proposed business incentives program. The program can be funded via the sale of real estate fund or using ARPA funds.

An RFP has gone out for a private vendor to manage this program.

The program would provide, with City Funds for the following:

- **Five months of commercial lease payments for a new five year lease obligation by a commercial tenant if total lease payments exceed \$1 million over the five year leasehold and the commercial tenant will employ at least 6 people.**
- **10 months of commercial lease payments for a 10 year lease obligation by a commercial tenant if the total lease payments exceed \$2 million over the 10 year leasehold and the commercial tenant will employ at least 12 persons.**
- **The funds would be applied for and provided up front subject to availability of funds on a first come first serve basis.**
- **Applications would be reviewed and approved by the independent, third party vendor after a due diligence review.**
- **No application can be approved for any applicant who owes any funds (taxes, fines, etc.) to the City of West Haven. Notice of program availability will be published in the West Haven Voice.**

The City payment would operate like a forgivable loan. A lien would be placed on the property with agreement of the owner of the subject leasehold (the place the commercial tenant is renting). The lien would be release (forgiven) upon completion of the commercial lease obligations.