

**TOWN OF NEWTOWN LEGISLATIVE COUNCIL REGULAR MEETING
WEDNESDAY, FEBRUARY 19, 2014
NEWTOWN SENIOR CENTER, NEWTOWN, CT**

PRESENT: George Ferguson, Robert Merola, Ryan Knapp, Neil Chaudhary, Mary Ann Jacob, Phil Carroll, Dan Honan, Dan Amaral, Anthony Filiato.

ABSENT: Lisa Romano, Joe Girgasky, Paul Lundquist

ALSO PRESENT: First Selectman Pat Llodra, EDC Chairman Jean Leonard, Doug Rose, Allen Weiner, and Attorney Dave Grogins. 1 Press. 1 member of the public.

Ms. Jacob called the meeting to order at 7:30 pm with the Pledge of Allegiance.

PUBLIC PARTICIPATION: None

MINUTES: MR. FERGUSON MOTIONED TO APPROVE THE MINUTES OF THE JANUARY 8, 2014 MEETING. MOTION SECOND AND APPROVED. MR. FERGUSON MOTIONED TO APPROVE THE MINUTES OF THE JANUARY 30, 2014 MEETING. MOTION SECOND AND APPROVED.

COMMUNICATIONS: Ms. Jacob has crafted a letter for all town boards, commissions and departments informing them the council is beginning the Charter Revision process. She is including their input from 2012 and asking if it still applies and for any changes or additional comments. ATTACHMENT A

COMMITTEE REPORTS: Mr. Knapp reports the Ordinance committee met regarding senior tax relief. They have numerous questions and will be inviting the Tax Collector to their next meeting. The committee discussed additional tax relief for 100% Disabled Vets. Mr. Knapp said in his communications with the CT Council of Municipalities, he was informed no other towns have implemented any ordinance because the new law has not been through the full process at the state level. The law has to be vetted and is going through Office of Policy Management. Regulations should be available for public comment next month. The committee will have to put this on hold until the state process is completed.

FIRST SELECTMAN: Mrs. Llodra gave a preview of reports Mr. Tait will review at the next meeting. Newtown has been issued a Triple A Bond rating by Standard & Poor. Moody has maintained Newtown's AA1 rating. We are 1 of 7 towns in CT with the AAA and AA1 ratings.

The town meeting regarding the bond issue for sewers was postponed due to snow. It has been rescheduled for February 26th at 7:00pm.

Storm budget: Mrs. Llodra reports we are at \$731,563.58 spent on storms. ATTACHMENT B Mrs. Llodra noted the town has enough salt.

Mr. Merola congratulated Mrs. Llodra, Mr. Tait, the Board of Finance and the Council for their steadfastness regarding the policies and practices that allowed the upgrades. This is wonderful for the tax payers.

NEW BUSINESS: Lexington Village Property. MR. CHAUDHARY MOTIONED TO APPROVE THE BUSINESS INCENTIVE FOR LEXINGTON VILLAGE ON CHURCH HILL RD. AS APPROVED BY THE BOARD OF FINANCE. SECOND BY MR. CARROLL.

Ms. Leonard reported the Economic Development Commission is recommending approval of incentive plan, a 45% abatement for 7 years. ATTACHMENT C Owner Allen Weiner noted this development will make public improvements including a light at The Boulevard, a turn lane, curbing, extensive sidewalks, new façade on the Chase building, and drainage on Middle School property. There will be a driveway connection with Caraluzzi's parking lot and extensive landscaping. The entrance will align with The Boulevard. There will be 202 parking spaces. Usage on first floors will be retail, second floor office space. They have a letter of intent from a major participant. Mr. Knapp asked about the history of the abatement. Ms. Leonard said originally the recommendation was for 3 years, but was changed to 7 years because the public improvements were not originally in the consideration.

Mr. Knapp asked if the public improvements are something the town typically provides abatement for. He sees it as the cost of doing business and is concerned about setting a precedent. Broker Doug Rose said this is a unique project because of the design district and the proximity to 3 schools, doing the drainage on school property and a 5 plus acre lot in the Borough, the traffic light, this type of project won't happen again.

Mr. Merola asked if tax abatement will be passed on to renters. If so, could that negatively impact other businesses in town? Will you fill Lexington Village and empty other space. Mr. Rose said there are businesses looking to move because they have outgrown their space. One potential tenant will be consolidating operations from other towns. The tax savings will be passed on to the tenants in their lease rates.

Mr. Merola asked about the front parcel. Mr. Rose said that Newtown Savings Bank retained that piece of property to build a branch.

Mr. Merola asked about the vacant property on corner of The Boulevard and asked Mr. Rose's opinion on the potential to develop it. Mr. Rose signaled intersection always brings more interest. He said the property is owned by same people who own Gas Stop and the old Shell station. He thinks if the property was developed, the entrance would likely be at Gas Stop. Mr. Rose noted the state does never approves new curb cuts and loves to take them back. Mrs. Llodra said she anticipates the owners will be breaking ground on a new facility (to replace the Shell station) and questions whether the owners will continue to operate Gas Stop.

Mr. Filiato asked if the proposed abatement is contingent upon full build out. Ms. Leonard said no. Ms. Jacob noted the abatement is a percentage of the assessment and if the project is not completely built, the assessment will not be as high. Mr. Filiato said this is a very large abatement based on unique circumstances. Ms. Jacob said they have to do the public improvements even if they don't build all their buildings. So the town will get the benefits.

Mr. Rose noted there was no time constraint on when the façade will be put on the Chase building. In order to get their final CO on any building, the Caraluzzi driveway has to be done and all 3 buildings must be built. As soon as they can break ground, 2 building will be started and possibly the third because of the tenants coming in and the amount of square footage needed.

Mr. Amaral asked about the driveway for the property and drive-thru of Chase Bank. Mr. Rose said the drive-thru will remain the same, with a traffic diversion. The exit will be different. The building will stay the same except for the façade which will look more like Toro.

Mr. Carroll asked if the cost of the public improvements equates to the amount of the abatement. Ms. Leonard said yes. The increase in the abatement was to help offset some of the costs.

Mr. Knapp asked how the abatement impacts the mixed use. Mr. Rose said the taxes will be broken up by

building and the assessor isn't going to look at the square footage differently in the buildings. Whatever the taxes are, it will be divided by total square footage and added to the Common Area Maintenance and the tenants pay a monthly fee.

Mr. Knapp asked how the drainage improvement became part of the scope. Mr. Rose said Rob Sibley brought it to everyone's attention. The issue needed to be addressed. It became part of the approvals. Mr. Knapp asked how the connection to Caraluzzi's became part of the project. Mr. Rose said they were required to connect. It helps address traffic issues along with the sidewalks for pedestrian traffic. With the shared parking ordinance, people can park and visit many businesses.

Mrs. Llodra noted as part of the process when a developer has a project, they look at the town plan of development and develop a vision for what could happen and consider what is fair to ask the developer to do to enhance the project. For example, Walgreens was asked to add sidewalks which will connect to more sidewalks in the future. It is for the common good.

Mr. Knapp asked do we normally give tax abatements for these types of improvements or are we setting a precedent. Mrs. Llodra said it is not precedent setting. The Boards of Selectman and Finance see this as a unique and extensive project that benefits the community in a number of ways. There will tax revenue and personal property taxes coming from project. The abatement is an inducement to bring in tenants.

Ms. Jacob said this is a great project that is going to benefit everyone. Currently the annual taxes are \$20,000 a year, which is \$140,000 in seven years. With the development, the town will receive 1.2 million. The conversation has been shifting the tax burden to commercial tax base and we have to make investments, as with the Hawleyville, to do that. Loves the sidewalk concept. Ms. Jacob supports the abatement.

Mr. Chaudhary reiterated what Ms. Jacob said. He would like to set the precedent that Newtown is willing to work with businesses to improve the area and bring business in. He supports this abatement. The tax abatement helps give businesses time to become established.

Mr. Amaral noted personal property tax would be additional. Mrs. Llodra said yes.

Mr. Knapp said he is in favor of the project and all for bringing businesses to town. He has concerns about 7 years of abatement. He would support 3 years. Thinks there will be more requests for extended abatements.

Ms. Jacob believes in this economy towns have to vie for business. This property has been vacant for years. When we are asking developers to do additional work, they need incentives.

Mr. Knapp doesn't believe we should be leaving half a million dollars of future revenue on the table.

Mr. Filiato asked who paid for light at Plaza South and will we get phone calls from them and others for more abatements. Mrs. Llodra does not know who paid for the light. Ms. Leonard said the developers of the Fireside property have asked for approval from DOT for a traffic light and will bear the cost. She said the Lexington project is different situation in area of multiple schools with a lot kids and foot traffic.

Ms. Jacob prefers to look at the million dollars that will be added to tax revenue rather what is being left on the table. She believes the property will remain vacant without some type of partnership with the town. The town has not been a friend to developers in the past.

Mr. Merola he believes each project has to be looked at individually and justify any abatement. He understands Mr. Knapp's concern, but he is in favor of this project.

Mr. Carroll said he is in favor of the project.

MOTION APPROVED. TWO NAYS, MR. KNAPP AND MR. FILIATO.

Prevailing Wage Laws: Dave Grogins said the prevailing wage law has been around since the 1930's. The federal government passed the Davis Bacon Act to provide support for wages in government jobs. CT adopted prevailing wage law at the same time (sec 31-53 & 31-53a). Provides in construction projects for state and towns, assuming certain parameters are met, towns have to pay to laborers a wage that is established by the CT Dept. of Labor, which is usually equal to the wage a union member would receive. New project threshold has to exceed \$400,000, for refurbishing etc., the threshold is \$100,000. Bids will state prevailing wage is required. Upon award of bid, contractors must submit their schedule of wages to the CT DOL. This includes the basic wage and fringe benefits. The contractor must insure he and subs pay laborers required rate and the penalties for failure to comply are severe. It is a class D felony and there are significant fines. If it is a public job, prevailing wage has to be paid. If the town leased building, work is still prevailing wage.

Project Labor Agreement Act: State recently adopted (sec 31-56a and 31-56d of state statute) in response to a Federal Act, an executive order of Obama administration in 2009. It is not a mandatory agreement. It is a collective bargaining agreement allowing town to adopt for specific projects the requirement that anyone working on the job sign on to the project labor agreement and is part of the bid process. Ensures workers are union and prohibits striking. An Office of Legislative Research report on project labor agreements in 2011 lists the pros and cons. Summary of pros: provides for uniform wages. Mr. Grogins noted the town will have to pay those wages with or without the agreement. It provides contractors with a reliable and uninterrupted supply of qualified workers at a predictable cost. It claims projects are easier to manage when everyone is under same labor contract. It claims 100% of construction wages will stay in the state and improves worker safety. The negatives are it may increase costs. It claims it is anti-competitive because it excludes non-union workers. People feel it is an unnecessary mandate, that it is complicated. It claims it hinders non-union training programs because it discourages non-union workers. Mr. Grogins said from his research these agreements would be more applicable on larger jobs. He said Connecticut's labor pool is decent and doesn't think striking is an issue.

Mr. Knapp asked if it is the state statute that is governing us and what implication does the Davis Bacon have. Mr. Grogins said it is the state statute that governs us. But when interpreting prevailing wage laws, a great deal of precedent is attributed to Davis Bacon.

Mr. Knapp asked if a painting job was \$25,000 and under the \$100,000 threshold, we could bid private (without prevailing wage). Mr. Grogins said yes. Mr. Knapp said we have bid jobs like that and noticed (prevailing wage) Mr. Grogins said if the project uses grant money, often has requirement that prevailing wage be paid.

Mr. Knapp asked if a project was \$350,000 and under the \$400,000 threshold, it wouldn't have to be prevailing wage. Mr. Grogins said that was correct, but often state and federal funding is involved.

Mr. Amaral thinks all grants require prevailing wage. Grogins said they almost always are. He hasn't seen any that don't require prevailing wage. Mrs. Llodra said an example is the building for the Parent Connection, an independent 501c3. The town received grant money for the rehab of the building and will likely have to comply with prevailing wage. Newtown Ambulance is not required to pay prevailing wage because they are using 100% of their own resources. Will have to proceed with caution concerning Newtown Hook & Ladder because the town will be contributing \$500,000 for 3 years and it will depend what the money is used for to determine if it will qualify. Each project has to be reviewed, understanding what the law is, and often discuss with the state on what qualifies.

Link to state website for Guide to Prevailing Wage: <http://www.ctdol.state.ct.us/wgwkstnd/prevailing-rates/PrevailingWageGuide/index.htm>

Property Tax Relief: MR. CHAUDHARY MOTIONED TO MOVE THE DISCUSSION AND POSSIBLE ACTION ON THE DEFERRAL OF TAXES EXCEEDING 8% OF HOMEOWNER'S INCOME TO ORDINANCE COMMITTEE FOR REVIEW TO BRING BACK TO THE COUNCIL.

Mrs. Llodra referred to the OLR report (see Attachment B, January 30, 2014 Council meeting). This is a deferral. It speaks to a narrow but present population, such as people facing long unemployment. She asked that the ordinance committee to consider this.

Mr. Filiato asked if this overlapped with the senior abatement. Mrs. Llodra said it could. Can decide in ordinance to limit population in some way. There are no qualifiers other than if the taxes exceed 8% of income for a year. It is a deferral not an abatement. MOTION APPROVED

Process for Appointment of Town Auditor: Ms. Jacob is going to carry this item to the next meeting when Mr. Tait is available to speak to the issue.

Transfer: MR. CHAUDHARY MOTIONED TO APPROVE THE TRANSFER OF \$116,106 FROM 1-101-20-570-5899-0000 CONTINGENCY TO 1-101-13-510-5130-0000 SALARIES & WAGES/OVERTIME \$27,420, 1-101-13-510-5660-0000 SAND \$22,064, 1-101-13-510-5661-0000 SALT \$64,524 AND 1-101-13-500-5220-0000 SOCIAL SECURITY CONTRIBUTIONS \$2,098. SECOND BY MR. FERGUSON.

Mrs. Llodra said this for all the storms. She thinks we will be OK with this transfer if weather is normal for the next 6 weeks. MOTION APPROVED.

OLD BUSINESS: None

VOTER COMMENT: None

ANNOUNCEMENTS: None

ADJOURNMENT: There being no further business, the meeting adjourned at 8:53.

Respectfully Submitted,

Carey Schierloh
Recording Secretary

Attachment A: Charter Revision Letter
Attachment B: Storm Report
Attachment C: Lexington Village Information

These are draft minutes and as such are subject to correction by the Legislative Council at the next regular meeting. All corrections will be determined in minutes of the meeting at which they were corrected.

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TOWN OF NEWTOWN
LEGISLATIVE COUNCIL

February 20, 2014

Dear:

Per Newtown Charter section 8-50 and General Statutes of the state of Connecticut, the Legislative Council will consider appointing a charter revision commission. The purpose of this commission will be to fix gross errors in the charter, to consider changes that will streamline municipal and school operations and those changes necessary for the proper operation of town government as well as to rewrite the body of the Charter to clean up contradictions and make it easier to read. Please review with your staff, board or commission any aspects of the town charter that affect your duties and report back to me before March 15, 2014 any changes you would like considered should such a commission be seated. Attached is a copy of the changes recommended by various boards and commissions when this process was started and not completed in 2012. You may email your responses to me mjacob4404@charter.net or send them via postal mail at:

65 Mohawk Trail
Sandy Hook

Sincerely,

Mary Ann Jacob
Chairman, Newtown Legislative Council

**TOWN OF NEWTOWN
APPROPRIATION (BUDGET) TRANSFER REQUEST**

FISCAL YEAR 2013 - 2014 DEPARTMENT Public Works DATE 1/28/14

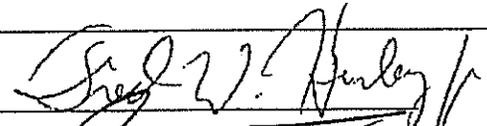
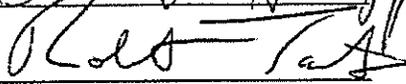
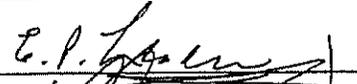
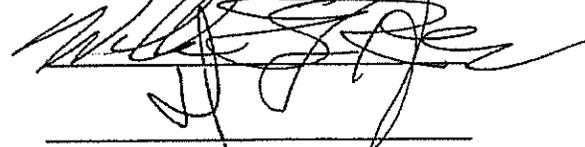
	<u>Account</u>	<u>Amount</u>	
FROM:	<u>1-101-20-570-5899-0000CONTINGENCY</u>	<u>(116,106.00)</u>	USE NEGATIVE AMOUNT
	<u>.</u>		
TO:	<u>1-101-13-510-5130-0000SALARIES & WAGES - OVERTIME</u>	<u>27,420.00</u>	USE POSITIVE AMOUNT
	<u>1-101-13-510-5660-0000SAND</u>	<u>22,064.00</u>	
	<u>1-101-13-510-5661-0000SALT</u>	<u>64,524.00</u>	
	<u>1-101-13-500-5220-0000SOCIAL SECURITY CONTRIBUTIONS</u>	<u>2,098.00</u>	
	<u>.</u>		

REASON: The following recaps the facts supporting the Public Works requested funding for continuing "Winter Maintenance" operations from the Contingency Account. We have calculated actual usage for the winter to this point. The accounts have fallen to single digits percentage wise. We suggest bringing each account up to the 30% level at this time. The request for each account to attain this goal is as follows:

Sand - \$22,064
Salt - \$64,524
Overtime - \$27,420

This request is again based on usage to date and does not guarantee that this will suffice for the balance of the winter.

AUTHORIZATION:

<input checked="" type="checkbox"/> (1) DEPARTMENT HEAD <input checked="" type="checkbox"/> (2) FINANCE DIRECTOR <input checked="" type="checkbox"/> (3) SELECTMAN <input checked="" type="checkbox"/> (4) BOARD OF SELECTMEN <input checked="" type="checkbox"/> (5) BOARD OF FINANCE <input checked="" type="checkbox"/> (6) LEGISLATIVE COUNCIL	    	date: <u>1/30/14</u> <u>2/3/14</u> <u>2/3/14</u> <u>2/10/14</u>
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AUTHORIZATION SIGN OFF

FIRST 335 DAYS >>>>WITH IN A DEPT.>>>>LESS THAN \$50,000>>>> (1), (2) & (3) SIGNS OFF; MORE THAN \$50,000>>>> (1), (2), (3) & (5)
 >>>>ONE DEPT TO ANOTHER>>>>LESS THAN \$200,000>>>>ALL EXCEPT (6); MORE THAN \$200,000>>>>ALL SIGN OFF

AFTER 335 DAYS >>>>(1), (2), (3), (5) & (6) ANY AMOUNT FROM CONTINGENCY>>>>ALL SIGN OFF

WINTER STORM BREAKDOWN

2013-14

DATE	DAY	TIME IN	TIME OUT	TYPE OF STORM	USED YDS	SAND PER YD \$16.85	TREATED SALT USED TONS	TREATED SALT COST	OVERTIME		TOTAL COST OF STORM
									HOURS	COST	
11/12/2013	Tuesday	3:00 AM	7:00 AM	Light snow	55.5	\$935.18	65.49	\$77.54	115	4,666.58	\$10,679.8
12/9/2013	Sunday	12:53 AM	4:30 PM	Ice	226.25	\$3,812.31	269.33	\$20,883.85	190.75	7,859.22	\$32,555.3
12/10/2013	Tuesday	3:00 AM	7:00 AM	Snow & Ice	313.5	\$5,282.48	383.15	\$29,709.45	196.5	8,101.06	\$43,092.9
12/11/2013	Wed	3:00 AM	3:30 PM	Ice	135	\$2,274.75	162.84	\$12,626.61	127.5	5,234.19	\$20,135.5
12/14-12/15/13	Sat-Sun.	5:30 AM	10:00 AM	Snow	448	\$7,548.80	538.67	\$41,768.47	788.75	32,465.97	\$81,783.2
12/16/2013	Mon.	3:00 AM	3:30 PM	Continuation	79.5	\$1,339.58	95.58	\$7,411.27	119	4,892.11	\$13,642.9
12/17/2013	Tuesday	7:00 AM	11:30 PM	Snow	336.75	\$5,674.24	405.625	\$31,452.16	275.25	11311.33	\$48,437.7
1/2-1/3/14	Thur-Fri	4:00 AM	3:30 PM	7" Snow	437.75	\$7,376.09	531.295	\$41,196.61	569	23357.17	\$71,929.8
1/6/2014	Mon.	6:00 PM	8:30 PM	Preparing Rds	91.5	\$1,541.78	112.1	\$8,692.23	90	3659.37	\$13,893.3
1/10-1/11/14	Fri-Sat	4:45 AM&10PM	3:30 PM/2 AM	Snow	365.25	\$6,154.46	439.25	\$34,059.45	155.25	6360.45	\$46,574.3
1/15/2014	Wed	5:30 AM	7:00 AM	Ice	51	\$859.35	60.18	\$4,666.36	36	1441.83	\$6,967.5
1/18-1/19/14	Sat-Sun.	11:00 AM	1:45 PM	3" Snow	83.5	\$1,406.98	98.53	\$7,640.02	78.25	3104.66	\$12,151.6
1/21-1/22/14	Tue-Wed	7:00 AM	7:00 AM	8" Snow	406.5	\$6,849.53	489.7	\$37,971.34	496	20314.15	\$65,135.0
1/25/2014	Sat.	5:45 PM	10:45 PM	1" Snow	147	\$2,476.95	173.46	\$13,450.09	84.5	3499.77	\$19,426.8
One truck was not included in the totals					102	\$1,718.70	120.36	\$9,332.71			\$11,051.4
1/29/2013	Wed	4:00 AM	7:00 AM	1" Snow	172	\$2,898.20	208.86	\$16,195.00	94.25	\$ 3,871.04	\$22,964.2
				TOTAL	3451	\$58,149.35	4154.42	\$322,133.73	3416	\$ 140,138.90	\$520,421.98

YDS Sand Cost of Sand Tons Salt Cost of Salt OT Hrs Cost of OT Total cost of Storms

Storm #

1

2

3

3 Cont.

4

4 Cont.

5

6

7

8

9

10

11

12

Correction

13

	Orig Budget	Transfers	Adj/ Approp	Encumbered	Ytd Expended	Balance	%Exp
510 WINTER MAINTENANCE							
1-101-13-510-5130-0000 SALARIES & WAGES - OVERTIME	\$155,496.00	\$0.00	\$155,496.00	\$0.00	\$139,050.33	\$16,445.67	89.42%
1-101-13-510-5505-0000 CONTRACTUAL SERVICES	\$147,000.00	\$0.00	\$147,000.00	\$0.00	\$99,410.90	\$47,589.10	67.63%
1-101-13-510-5660-0000 SAND	\$63,971.00	\$0.00	\$63,971.00	\$0.00	\$33,548.35	\$30,422.65	52.44%
1-101-13-510-5661-0000 SALT	\$328,317.00	\$0.00	\$328,317.00	\$0.00	\$225,070.10	\$103,246.90	68.55%
1-101-13-510-5747-0000 MACHINERY & EQUIPMENT -	\$20,000.00	\$0.00	\$20,000.00	\$0.00	\$19,989.46	\$10.54	99.99%
510 WINTER MAINTENANCE	\$714,784.00	\$0.00	\$714,784.00	\$0.00	\$517,069.14	\$197,714.86	72.34%
Fund 101 GENERAL FUND	\$714,784.00	\$0.00	\$714,784.00	\$0.00	\$517,069.14	\$197,714.86	72.34%
Grand Total for Report	\$714,784.00	\$0.00	\$714,784.00	\$0.00	\$517,069.14	\$197,714.86	72.34%

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ELIZABETH STOCKER, AICP
DIRECTOR

TOWN OF NEWTOWN

OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT

MEMORANDUM

DATE: February 11, 2014

TO: Mary Ann Jacob, Chairman Legislative Council

FROM: Elizabeth Stocker, AICP, Director of Economic & Community Development

RE: Business Incentive Program Application – Alan Weiner for Mesa General Contractors, Inc.
– Lexington Village – 30 Church Hill Road

Alan Weiner filed an application for the planned Lexington Village project located at 30 Church Hill Road in the Borough of Newtown. Mr. Weiner purchased the former Lexington Gardens property (6.1 acres) from Newtown Savings Bank in December 2012 with approvals in place for the redevelopment.

The site will contain multiple buildings and multiple owners. Mesa General Contractors plan to construct five new commercial buildings which will total 54,000 square feet. They will perform related site work and architectural upgrades to the existing building and will undertake several public benefit improvements including the installation of a traffic signal on Church Hill Road, a driveway connection to Caraluzzi's parking lot and install a swale that will improve drainage for the Newtown Middle School. The estimated cost for the proposed improvements is \$7,064,000 which includes the public benefit improvements. A proposed 6,500 sf building is not part of this application.

The applicant estimated that approximately 80 permanent jobs will be created as a result of the development. Numerous construction related jobs will also be created. The development will add value to the existing real property which is currently assessed at \$616,000 with a \$20,525 tax bill. Should the value increase to \$9,026,300 after improvements are completed, the annual real property tax (using today's mill rate of 33.32) will increase to \$300,756. The tenant businesses will also increase the value of personal property on site.

The Economic Development Commission determined that the project is eligible for the Business Incentive Program (BIP) and recommends that the Legislative Council approve 45% tax abatement on the increase in assessment for seven years. Should the assessment increase to \$9.026 million, the tax abatement would be approximately \$126,104 per year for a total abatement value of \$882,728. The EDC determined that the privately funded public benefits (signal, drainage, property link, upgrades to existing building) warranted a longer abatement period. The Board of Selectmen and the Board of Finance reviewed the request and have endorsed the recommendation.

Cc: Jean Leonard, Chairman, EDC

**Lexington Village - 30 Chruch Hill Road
Draft Analysis of Business Incentive
For Discussion Purposes Only**

Address	2013 Real Property Assessment*	Existing Real Property Tax Bill (33.32 mills)	Estimated Investment	Assumed Real Property Assessment (After all Improvements are Completed)	Increase in RP Assessment (Existing vs. Post Improvements)	Assumed Real Property Tax Bill on New Assessment (33.32 mills)
30 Church Hill Road*	\$616,000	\$20,525	\$7,064,000	\$9,026,300	\$8,410,300	\$300,756
30 Church Hill Road **	\$100,000	\$3,332	n/a	n/a	n/a	n/a
30 Church Hill Road ***	\$1,577,280	\$52,555	\$50,000	n/a	n/a	n/a
	\$2,293,280	\$76,412				
*The real estate is comprised of development rights for 5 buildings with a total of 54,000 sf						
** The real estate is comprised of development rights for 1 building having 6,500 sf (NSB)						
*** The real estate is comprised of an existing 16,000 sf building						
30 Church Hill Road has 6.1 acres of land						
Scenario for Fixing the Assessment						
Privately funded public improvements planned:						
Traffic signal & road widening: \$350,000						
Aesthetic upgrades to existing building: \$50,000						
Connection to Cataluzzi's: \$50,000						
Drainage improvements to Newtown Middle School \$70,000						
TAX PAYMENT IF ASSESSMENT IS FIXED						
ANNUAL TAX ABATEMENT						
Total Abatement:						
Taxes Paid						
Recommended						
EDC 1/28/14						
BOS 1/29/14						
BOF 2/10/14						
Annual Real Property Tax Due if 45% of the Increase in Assessment is fixed						
\$174,652						
\$126,104 (Max. 7 years)						
\$882,728.27						
\$1,222,565.94						
Approvals for the Business Incentives must be given by the EDC (12/10/13 & 1/28/14) Board of Selectmen (1/29/14), Board of Finance (2/10/14) and the Legislative Council						
Assumptions: No increase in Mill Rate over 3 year period						