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CITY COUNCIL-ADHOC COMMITTEE ASSESSMENT INCREASE DEFERRAL
PAUL MITCHELL SCHOOL
19-NOVEMBER-2012, 5:45PM

Chairman Phillip Colla called the Committee meeting to order at 5:47 pm.

COMMITTEE MEMBERS PRESENT: Chairman Phillip Colla, Warren Levy, and Paul Rotello.

EX OFFICIO: Gregg Seabury

ALSO PRESENT: Mayor Mark Boughton; Les Pinter, Deputy Corporation Counsel; Dennis Elpern, Director of Planning; Bruce Tuomala, Director of Economic Development; and David St. Hilaire, Director of Finance.

Chairman Colla made introductions, stated the purpose of the meeting, and then asked Mr. Elpern to give the committee background on the request before the committee. Mr. Elpern stated that his office received an application for deferral of increase in tax assessment from the Paul Mitchell Beauty School to be located at 2 National Place. The application was incomplete at that time and additional information was requested, but not received. The application was sunsetted by the Mayor in January of 2012, The applicant has since completed the application and renewed the request.

The Paul Mitchell Beauty School is requesting deferred assessment increase for their retail and office space. Schools themselves are not eligible for deferment. In addition, the 3rd floor of the building is being put up for lease as office space and would be eligible for deferment. A discussion ensued regarding splitting deferrals on one property, the downtown revitalization district recent updates, the timeliness and completion of the application in relation to the completion of construction.

Mr. Rotello asked Mr. Pinter to clarify if splitting the deferral was consistent with the City Code of Ordinances. Mr. Pinter stated that he cannot recall having done it before, but that it was allowed. Mayor Boughton stated that Paul Mitchell School had approached the city before moving and renovating the space, it is within the Downtown Revitalization District and the use of parts of the building meet the requirements of the Ordinance, but it is different than what is typically done. Mr. Tuomala stated that from an economic development perspective he would recommend the deferral. However, he cannot speak to the legal aspects of granting the deferral.

Further discussed took place regarding the size of the building and the amount of taxes. Mr. Pinter reminded the committee that the state legislature and the City Council have been broadening deferrals in downtown areas to increase development. One key element to

consider is whether the deferral will bring business to the downtown area. Mayor Boughton continued that if the City Council refuses the first deferral request after updating the Code of Ordinances, it does seem that the City is serious about bring business downtown. He further stated that this deferral would not be considered if it was located on Mill Plain or Federal Road, but within the Downtown Revitalization Zone it makes sense. A further discussion ensued.

Mr. Levy made a motion to recommend a partial tax deferral for office and retail uses in accordance with the Code of Ordinance Section 18-25, to Paul Mitchell Beauty School at 2 National Place, together with a resolution and deferral agreement, including commitments to maintain all use and design criteria as submitted and approved. Mr. Rotello seconded the motion. Vote, all in favor, motion unanimously approved.

As there was not further business before the committee, Mr. Levy made a motion to adjourn. The motion was seconded by Mr. Rotello. Vote, all in favor, motion unanimously approved. The meeting concluded at 6:38pm.

Respectfully Submitted,

Phillip Colla, Committee Chairman

Warren Levy

Paul Rotello

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RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

_____ A.D. 2012



RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY

WHEREAS, pursuant to CGS Section 12-65b and Code of Ordinances Section 18-25, *PM Danbury, LLC*, has applied for a deferral of assessment increase for property at 2 National Place; and

WHEREAS, the City of Danbury Planning Department has reviewed and recommended to the City Council a deferral in accordance with stipulations contained in the ***Agreement to Defer Increase in Tax Assessment*** attached hereto; and

WHEREAS, it is in the best interest of the City of Danbury to offer said assessment deferral pursuant to the intent of the State and local law.

NOW, THEREFORE, BE IT RESOLVED THAT Mark D. Boughton, Mayor of the City of Danbury, be and hereby is authorized to execute and record the ***Agreement to Defer Increase in Tax Assessment between the City of Danbury and PM Danbury, LLC.***, pursuant to the approvals and conditions contained therein and in accordance with the provisions of law.

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AGREEMENT TO DEFER
INCREASE IN TAX ASSESSMENT

This is an Agreement entered into this _____ day of _____ 201___, by and between **PM Danbury, LLC**, (hereinafter "PM") in the City of Danbury, County of Fairfield, State of Connecticut and the **City of Danbury**, a municipal corporation organized and existing under the laws of the State of Connecticut (the "City").

WHEREAS, PM applied to the City under § 18-25 of the Code of Ordinances for a deferral of assessment increases for certain property which PM proposes to develop as additional corporate headquarters space; and

WHEREAS, said application is attached hereto as Schedule A and incorporated herein by reference, and is hereinafter referred to as the "Application"; and

WHEREAS, the property which PM proposes to improve/develop is located at 2 National Place, Danbury, Connecticut, and has a Tax Assessor Map Lot Number of 114267 (the "Property"); and

WHEREAS, the Property has an assessed value on the October 1, 2011 grand list of Two Million Two Hundred Ninety Thousand One Hundred Dollars and 00/100 (\$ 2,290,100.00); and

WHEREAS, on December 4, 2012, the City Council of the City of Danbury ("City Council") approved a proposed assessment deferral Application between the City and PM, pursuant to which PM will be obligated to construct facilities and other improvements thereon (the "Improvements") in accordance with said application, attached hereto and made a part hereof; and

WHEREAS, PM intends to complete construction of all Improvements on or about ten (10) months; and

WHEREAS, the City recognizes that the deferral shall apply to portions of the facility that are authorized by Section 18-25; and

WHEREAS, PM estimates that the cost of construction of Improvements will be \$500,000.00; and

WHEREAS, the Planning Department reviewed the Application submitted and recommended to the City Council of the City of Danbury ("City Council") that, under conditions authorized by the City Council, the Application meets the eligibility and design criteria specified in § 18-25 of the Code of Ordinances; and

WHEREAS, on December 4, 2012, the City Council accepted the recommendation of the Planning Department, made certain findings required by § 18-25 of the Code of Ordinances of the City of Danbury and authorized by the Mayor to execute this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and the representations made by PM in the Application, the parties hereby agree as follows:

1. Upon completion of the construction of the Improvements made in accordance with the Application and upon certification by the Planning Department as hereinafter set forth in paragraph 2 below, and upon issuance of a certificate of occupancy for the Improvements, the entire increase in the assessment of the Property due to the Improvements shall be deferred for a period not to exceed two (2) years immediately following issuance of the certificate of occupancy, provided that if the value of the Improvements, as determined pursuant to this contract, is less than five hundred thousand dollars (\$500,000.00), said deferral period shall be as provided in said Ordinance § 18-25.

2. The Improvements shall be completed on or before 10/1/13. In the event that on said date, the Planning Department has not certified (or has denied such certification) that the Improvements have been completed in accordance with the eligibility and design criteria set forth in § 18-25 of the Code of Ordinances

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and in accordance with the terms of this Agreement or at any time if the Planning Department determines that the owner or lessee or the property is in default under this Agreement and has failed to cure said default after notice and opportunity to do so, this Agreement shall terminate as of that date, and PM shall be liable for the increase in taxes for which it would have been liable in the absence of this Agreement. The Planning Department shall forward a copy of its certification that the construction or improvement has been performed in accordance with this Agreement to the Assessor of the City of Danbury ("Assessor"). In the event that the Planning Department denies such certification, it shall send a copy of its denial to the Assessor, who shall readjust his tax records in accordance with the provisions of this section. PM may apply to the Planning Department for an extension of time in which to complete the Improvements, which extension the Planning Department may approve for good cause shown. In no event shall such extension of time exceed a period of one (1) year.

3. This Agreement is further contingent upon the following conditions:

a. In addition to the certification requirements set forth in paragraph 2 above, the Property shall be subject to inspection and certification by the Building Inspector and Health Director, as being in conformance with such provisions of the state building and health codes and local housing codes as may apply, and by the Zoning Enforcement Officer to ensure conformance with the Danbury Zoning Regulations, as required;

b. The assessment deferral shall continue only as long as the Improvements to the Property continue to meet design and use criteria and specifications approved in this Agreement and as long as the use of the Property remains a use authorized by Section 18-25 of the City of Danbury Code of Ordinances as may be amended from time to time;

c. The assessment deferral shall cease if there is any delinquency in the payment of taxes on the Property;

d. The assessment deferral shall cease upon the sale or transfer of the Property unless the new owner of the Property shall enter into a new contract with the City incorporating all the terms of this Agreement as herein provided.

In the event that the assessment deferral ceases for any reason set forth in subparagraphs (b), (c), or (d) of this paragraph, the full installment of taxes due beginning on the July 1, October 1, January 1, or April 1, immediately following the cessation date shall be due on the Property and the Improvements as if this Agreement had never been executed.

4. The Assessor shall have the sole responsibility to determine the cost and value of the Improvements, subject to any rights of appeal which PM may have.

5. No later than thirty (30) days after the date this Agreement is executed, PM shall (a) file a copy of the executed Agreement with the Assessor, who shall adjust his records accordingly, and (b) file the Agreement in the office of the Town Clerk of the City of Danbury for recording on the Danbury Land Records.

6. This Agreement shall not necessarily affect the assessment of any items of personal property which may hereafter be located on the Property nor necessarily such real property assessment as may be established by the assessing authority.

7. This Agreement sets forth all (and is intended by the parties hereto to be an integration of all) of the promises, agreements, conditions, understandings, warranties and representations between the parties hereto with respect to the assessment and the imposition of real property taxes on the Property and all improvements thereto, and there are no promises, agreements conditions, understandings, warranties or representations, oral or written, express or implied, between them with respect to said assessment and taxes other than as set forth herein.

8. This Agreement may not be modified or amended except a written agreement signed by the parties.

9. A ruling by any court or administrative body that a portion of this Agreement is invalid or unconstitutional shall have no effect on the other terms hereof which shall remain in full force and effect and binding on the parties hereto.

10. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Connecticut.

IN WITNESS WHEREOF, the parties have executed this Agreement and affixed their hands and seals this _____ day of _____ 201__.

Signed, sealed and delivered
in the presence of:

CITY OF DANBURY

Mark D. Boughton, Its Mayor
hereunto duly authorized

SEAL IMPRESSED AND ATTESTED

Date: _____

Legislative Assistant

PM Danbury, LLC

Date: _____

STATE OF CONNECTICUT }
 } ss: Danbury
COUNTY OF FAIRFIELD }

On this the ____ day of _____, 201__, before me the undersigned officer, personally appeared Mark D. Boughton, who acknowledged himself to be the Mayor of the CITY OF DANBURY, Connecticut, a municipal corporation, and that he, as such Mayor, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the municipal corporation as such Mayor, and as the free act and deed of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public/ Commissioner of the Superior Court

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CITY OF DANBURY
155 DEER HILL AVENUE
DANBURY, CONNECTICUT 06810

PLANNING & ZONING DEPARTMENT
(203) 797-4525
(203) 797-4586 (FAX)

APPLICATION

**DEFERRAL OF ASSESSMENT INCREASES
ATTRIBUTABLE TO CONSTRUCTION OR IMPROVEMENTS
WITHIN THE CITY OF DANBURY**

Pursuant to §18-25 of the Code of Ordinances of the City of Danbury, this application must be completed and submitted to the Department of Planning and Zoning by all applicants seeking to secure a deferral of assessment increases for construction or improvements on property located within the City of Danbury.

Location of Property: 2 NATIONAL PLACE

Tax Assessor's Map Number: 14267 Town Clerk Map and Lot Number: J14 LOT 267

Name, Address and Telephone Number of Owner: #10298, 9787.8337

PM DANBURY LLC - 400 RESERVOIR AVE SUITE 26 PROVIDENCE,

Name, Address and Telephone Number of Applicant/Agent/Lessee (if other than owner): RI 02907
SAME

Description and Use of Construction or Improvement: INTERIOR DEMOLITION AND RENOVATION FOR PAUL MITCHELL COSMETOLOGY SCHOOL INCLUDING APPROXIMATELY 6500 S.F. OF OFFICE AND RETAIL

Present Assessed Value of Property: \$ 2,519,100

Estimated Cost of New Construction or Improvements Subject to Deferment: \$ 500,000

Estimated Time Frame for Completion of Construction or Improvement: 10 MONTHS

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Length of Time and Percent of Assessment Increase Requested for Deferral, as permitted in §18-25(d)(2) for the cost of construction or improvements specified above:

Attach a site plan and other specifications drawn to scale indicating all existing and proposed construction and other improvements sufficient for the Tax Assessor to determine the assessment of the property after completion of all proposed construction or improvements for which this deferral is being requested.

The applicant is advised that approval by Common Council and receipt of all benefits available through this deferral requires the applicant to enter into a written agreement with the City fixing the assessment of the real property, air space and all construction and improvements which are the subject of the agreement. All such construction and improvements to be undertaken are subject to the eligibility criteria specified in §18-25 of the Code of Ordinances and must comply with all municipal land use regulations and building and health codes.

Applicant: John Grubelias Date: 4-1-1
Applicant/Agent Name and Title: OWNER

FOR DEPARTMENT USE ONLY

The Common Council of the City of Danbury:

The Department of Planning and Zoning has reviewed this Application for a deferral of assessment increases attributable to construction or improvements and has established that:

- Yes the real property or property subject to air rights is located within the City of Danbury:
- X the applicant proposed to use the construction or improvements to real property or property subject to air rights for uses eligible in §18-25;
- Not the property or property subject to air rights is not delinquent in the payment of taxes owed to the City or taxes owed to the Downtown Special Services District at the time of application; and,
- Yes the applicant proposes to enter into a written agreement with the City fixing the assessment of the real property, air space and all improvements thereon or therein and to be constructed thereon or therein, upon such terms and conditions as are provided herein and therein.

Accordingly, the Department of Planning and Zoning finds that the application (does) (does not) meet the eligibility criteria in §18-25 of the Code of Ordinances.

* see attached memo

Signed: Dennis J. O'Brien Date: 9/13/12