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DEFERRAL OF ASSESSMENT INCREASES PEROSPHERE-20 KENOSIA AVE.

CAUCUS ROOM, 3RD FLOOR, CITY HALL

14-JAN-2014

Chairman Cavo called the Committee meeting to order at 5:45 pm.

COMMITTEE MEMBERS PRESENT: Chairman Joseph Cavo, Irving Fox, and Fred Visconti.

COMMITTEE MEMBERS ABSENT: None

EXOFFICIO COMMITTEE MEMBERS PRESENT: Michael Haddad, Sr., John Priola, Jack Knapp

ALSO PRESENT: Laszlo Pinter, Deputy Corporation Counsel; Dennis Elpern, Director of Planning and Zoning, Bruce Tuomala, Director, Economic Development; and Sol Steiner, Petitioner.

After making introductions and stating the charge of the committee, Chairman Cavo asked Mr. Tuomala to give a brief history of the deferral of increases to be addressed. Mr. Tuomala stated that the petitioner applied for the deferral through the office of Economic Development. He stated that this will be the petitioner's 3rd business in Danbury and that the new business will bring additional jobs to Danbury. The application met all the requirements and therefore he has brought it forward for consideration by the City Council.

Chairman Cavo asked the Petitioner to give an overview of the type of business and the proposed facility. Mr. Steiner stated that he is in the pharmaceutical business and has developed a drug that is an Emergency Anticoagulant. He discussed the process of approval and the mechanisms of the drug. He stated the new facility would have research and development and manufacturing. He continued that it is important to keep the manufacturing in the USA for purity. Finally, he stated that he wants to continue to do business in Danbury.

Further discussion ensued regarding the facility, time frame, and the FDA approval process. Councilman Fox and Councilman Knapp asked Mr. Pinter to clarify the process. Mr. Pinter stated that the deferral of increases would begin after the Certificate of Occupancy was issued and required documents were completed with the Tax Collector. In addition, he stated that changes to the facility that were less than the \$3 million request would have to be returned to the City Council for consideration.

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Councilman Fox made a motion which was seconded by Councilman Visconti to recommend to the City Council the approval of the application for a deferral of tax increases in regards to 20 Kenosia Ave, Tax Assessor # E16030 subject to the terms of the agreement. Vote, all in favor, motion unanimously approved.

There being no further business before the committee, Council Fox moved to adjourn. Councilman Visconti seconded the motion. Vote, all in favor, motion unanimously approved. The meeting adjourned at 6:06pm.

Respectfully Submitted,

Joseph Cavo, Committee Chairman

Irving Fox

Fred Visconti

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**AGREEMENT TO DEFER
INCREASE IN TAX ASSESSMENT**

This is an Agreement entered into this _____ day of _____, 2014, by and between PEROSPHERE, INC., (hereinafter "*Perosphere*") 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, *Perosphere* applied to the City under § 18-25 of the Code of Ordinances for a deferral of assessment increases for certain property which it proposes to develop as research and development and office 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 *Perosphere* proposes to improve/develop is located at 20 Kenosia Avenue, Danbury, Connecticut, and has a Tax Assessor Map Lot Number of E16030 (the "Property"); and

WHEREAS, the Property has an assessed value on the October 1, 2012 grand list of Nine Hundred Forty Five Thousand Five Hundred Dollars and 00/100 (\$945,500.00); and

WHEREAS, on _____, 2014, the City Council of the City of Danbury ("City Council") approved a proposed assessment deferral Application between the City and *Perosphere*, pursuant to which *Perosphere* 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, *Perosphere* intends to complete construction of the Improvements on or about _____; and

WHEREAS, *Perosphere* estimates that the cost of construction of Improvements will be \$3,110,185.00; and

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

WHEREAS, on _____, 2014, 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 *Perosphere* 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 each year for a period of seven (7) 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 three million dollars (\$3,000,000.00), said deferral period shall be as provided in said Ordinance § 18-25.

2. The Improvements shall be completed on or before _____. 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 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 G.E. Capital 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. Perosphere 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.

e. The assessment deferral shall cease upon a change of use or substantive deviation from the assessment deferred project as approved of the construction or improvements unless, prior to said change of use or substantive deviation taking effect, the owner, lessee or successor in interest applies for and obtains approval of the City Council for the continuation of said assessment deferral.

In the event that the assessment deferral ceases for any reason set forth in subparagraphs (b), (c), (d) or (e) 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 Perosphere may have.

5. No later than thirty (30) days after the date this Agreement is executed, Perosphere 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 _____, 2014.

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

PEROSPHERE, INC

Date: _____

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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
FOR A 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 on real property or air space for construction or improvements on property located within the City of Danbury.

Address/Location of Property: 20 Kenosia Ave, Danbury, CT 06810

Tax Assessor's Map Number: E16030 Town Clerk Map and Lot Number: Map # 6353 / Lot # 2A

Zoning District: IL40

Name, Address and Telephone Number of Owner (print):
20 Kenosia, LLC 4 Christopher Columbus Ave, Danbury, CT 06810 (203) 797-8005
(name) (address) (phone)

Name, Address and Telephone Number of Applicant/Agent/Lessee if other than owner (print):
Perosphere, Inc., 24 Old Wagon Road, Mount Kisco, NY 10549
(name) (address) (phone)

Proposed Use of New Construction or Improvements (as permitted in §18-25): Research & Development and Offices

Present Assessed Value of Property: \$945,500.

Estimated Cost of New Construction or Improvements Subject to Deferral: \$3,110,185.00

Length of Time and Percent of Assessment Increase Requested for Deferral for the cost of eligible construction or improvements specified above: 7 years - 100%

Indicate if the applicant agrees 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 specified by the City. Yes No

Is the property located within the Downtown Revitalization Zone? Yes No

Is the property located within the Main Street Historic District? Yes No

Required additional information.

Enclose plans and drawings and other required additional information with the Application.

The applicant is advised that all proposed 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.

Signature of Applicant/Agent: [Signature] Date: Dec. 10, 2012

Print Name and Title: Solomon S. Steiner, Ph.D., President, CEO and Chairman

FOR DEPARTMENT USE ONLY

The City 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 made the following determination of compliance with §18-25 of the Code of Ordinances.

- Yes The real property or property subject to air rights is located within the City of Danbury.
- Yes The property or property subject to air rights is current in the payment of taxes owed to the City or taxes owed to the Downtown Special Services District at the time of application.
- Yes The applicant proposes to undertake construction or improvements to real property or property subject to air rights for uses eligible in §18-25.
- Yes The amount and time period requested for the deferral complies with the limits specified in §18-25.

The following application materials have been submitted for review, as required.

- Application form
- Plans and Drawings

The Department finds that the application does meet the eligibility criteria in §18-25.

The Department finds that the application does not meet the eligibility criteria in §18-25 for the following reasons.

Signed: [Signature] Date: 12/30/13



RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

_____ A.D. 2014

RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY

WHEREAS, pursuant to CGS Section 12-65b and Code of Ordinances Section 18-25, *Perosphere, Inc.*, has applied for a deferral of assessment increase for property at 20 Kenosia Avenue; 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 Perosphere, Inc.*, pursuant to the approvals and conditions contained therein, and in accordance with the provisions of law.

