

ORDINANCE

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MIDDLETOWN: That Section 272-9.8 be added as follows:

§ 272-9.8. Real Estate Assessment Fixing Agreement for Newfield Apartments Phase I

A. Purpose.

1. Authorization. This ordinance authorizes a real estate assessment fixing agreement pursuant to C.G.S. § 12-65b and Ord. § 272-9 (the “Agreement”) between the City of Middletown and Newfield Street of Middletown, LLC (the “Developer”) to enable the construction of 240 residential units, along with a community clubhouse and amenities (the “Development”) on property located on Newfield Street (the “Property”).
2. Design and Construction. The Development Work will be performed as set forth in Addendum 1 of the Developer’s February 1, 2021 Rev 1-19-22 Tax Incentive Application, the Approved Site Plan Phase I, and in the other materials included in Appendix A to the Agreement (the “Development Work”).
3. Amenities. The Development contemplates the use of an electric vehicle charging station, electric bike cycles, a hydro-dynamic water quality separator, and other measures incorporated into the project’s design to reduce its carbon fuel footprint. It also contemplates creating passive recreation for residents, including a walking trail utilizing high quality materials and complimentary architectural principles to build a project that will stand the test of time and serve Middletown’s residents for years to come.

B. Period of Development.

1. Timing. The Developer must begin the Development Work on or before three years after the Effective Date (the “Start Date”) and complete the Development Work on or before 30 months from the Start Date, although the timelines may be amended based on less-than-expected leasing activity or other factors outside of the Developer’s control during this period.
2. Period of Development. The Development Work will be deemed to start on the date that the Developer pulls a building permit for the first building in the Development and end when the Developer receives a certificate of occupancy for the final unit (the “Period of Development”).
3. PA 490. Once the Period of Development begins, the Property will cease being treated as farmland under PA 490 and will be assessed pursuant to Section D.

C. Cost of Development Work. The Developer has declared that the minimum cost (including property acquisition and soft costs) of the Development Work is approximately \$37,321,643.

D. Real Estate Tax Assessments.

1. Base Assessments. For purposes of the Agreement only, the City and the Developer have agreed to establish a new assessed value for the Property of \$580,000 (the “Base Assessment”).
2. Transition from PA 490. Commencing on the October 1 after the Period of Development begins, the Property will no longer be treated as farm land under PA 490 and, until the Period of Development ends, the Assessor will determine the assessed value and assessments for the Property in accordance with C.G.S. §§ 12-53a, 12-55 and 12-63.
3. Interim Assessment. Commencing on the October 1 after the Period of Development ends, and for 10 years from that date, the Property will be assessed at \$20,000,000 (the “Interim Assessment”).
4. Fixed Assessment. The Property will receive a fixed assessment for 10 years from October 1 after the date the Period of Development ends for each of them (the “Fixed Assessment”). To determine the Fixed Assessment over those 10 years, a percentage of the Interim Assessment will be added to the Base Assessment according to the following chart:

Year	Base Assessment	Interim Assessment	% of Interim Assessment added to Base Assessment	Fixed Assessment
1	\$580,000	\$20,000,000	0%	\$580,000
2	\$580,000	\$20,000,000	0%	\$580,000
3	\$580,000	\$20,000,000	0%	\$580,000
4	\$580,000	\$20,000,000	0%	\$580,000
5	\$580,000	\$20,000,000	0%	\$580,000
6	\$580,000	\$20,000,000	5% (\$1,000,000)	\$1,580,000
7	\$580,000	\$20,000,000	5% (\$1,000,000)	\$1,580,000
8	\$580,000	\$20,000,000	10% (\$2,000,000)	\$2,580,000
9	\$580,000	\$20,000,000	15% (\$3,000,000)	\$3,580,000
10	\$580,000	\$20,000,000	20% (\$4,000,000)	\$4,580,000

E. Authorization. The Mayor is authorized to effectuate the Agreement, in accordance with C.G.S. § 12-65b and Ord. § 272-9, upon review and approval by the Office of the General Counsel as to content and form.

FISCAL IMPACT: This project will add an estimated \$742,560 in tax revenue over 10 years.

Submitted by: Councilmembers Vincent Loffredo, Jeanette Blackwell, Anthony Gennaro, Sr., Philip Pessina

Approved by: Economic Development Commission at its February 23, 2022 special meeting.

Finance and Government Operations Commission at its March 2, 2022 regular meeting.

General Counsel Commission at its March 3, 2022 special meeting.

Status: APPROVED

By Common Council, City of Middletown

At its meeting held on: MARCH 7, 2022

K: review/ ORDINANCE 03-22 – Ch 272 – 9.8 Phase I Newfield apts ORD 03-22 – 7 March 2022