

**ORDINANCE NO. 06-22**

**DATE: May 25, 2022**

**ORDINANCE**

**BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MIDDLETOWN:** That the existing Section 272-9.5 be replaced entirely with the following:

§ 272-9.5. Real Estate Assessment Fixing Agreement for Newfield Apartments

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 MiddletownConn Realty LLC (the “Developer”) to enable the construction of a mixed-use development (the “Development”) on properties located at 790 Newfield Street and 850 Newfield Street (the “Properties”).
2. Design and Construction. The Development Work will be performed as set forth in Appendix A to the Agreement (the “Development Work”).

B. Period of Development.

1. Timing. The Developer must begin the Development Work by November 15, 2022.
2. Period of Development. The Development Work will be deemed to start on the date that the Developer pulls a building permit for one of the Properties and end two years from that date (the “Period of Development”).

C. Cost of Development Work. The Developer has declared that the minimum cost (excluding property acquisition and soft costs) of the Development Work is approximately \$25,600,000.

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 Properties of \$570,980 (the “Base Assessment”).
2. Interim Assessment. Commencing on the October 1 after the Period of Development ends, and for 10 years from that date, the Properties will be assessed at \$17,920,000 (the “Interim Assessment”).
3. Fixed Assessment. From the date the Period of Development begins and for 10 years following it, the Properties will receive a “Fixed Assessment.” To determine the Fixed Assessment over those 10 years, a percentage of the Interim Assessed Value 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	\$570,980	N/A	N/A	\$570,980
2	\$570,980	N/A	N/A	\$570,980
3	\$570,980	\$17,900,000	10% (\$1,790,000)	\$2,360,980
4	\$570,980	\$17,900,000	15% (\$2,685,000)	\$3,255,980
5	\$570,980	\$17,900,000	30% (\$5,370,000)	\$5,940,980
6	\$570,980	\$17,900,000	30% (\$5,370,000)	\$5,940,980
7	\$570,980	\$17,900,000	50% (\$8,950,000)	\$9,520,980
8	\$570,980	\$17,900,000	75% (\$13,425,000)	\$13,995,980
9	\$570,980	\$17,900,000	85% (\$15,215,000)	\$15,785,980
10	\$570,980	\$17,900,000	85% (\$15,215,000)	\$15,785,980

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 \$3M in tax revenue over the 10-year life of the agreement.

**Submitted by:** Councilman Eugene Nocera

**Approved by:** Economic Development Commission at its May 18, 2022 meeting.

General Counsel Commission at its June 6, 2022 meeting.

Finance and Government Operations Commission at its June 1, 2022 meeting.

**Status: APPROVED**

**By Common Council, City of Middletown**

**At its meeting held on: JUNE 6, 2022**

*K: REVIEW/ ORDINANCE/ REVISED tax fix Newfield Apts 272.9.5 ORD 06-22 – 6 June 2022*