

BOARD OF SELECTMEN
TOWN HALL ROSE ROOM
JUNE 19, 2019
MINUTES

Present: First Selectman Christine Goupil, Selectmen Jack Scherban, Tim Guerra and Phillip Sengle

Absent: Carol Walter

Everyone stood for the pledge of allegiance. The meeting was called to order at 8:00 AM.

VISITORS

No visitors wished to speak at this time.

APPROVAL OF MINUTES – JUNE 12, 2019

Scherban made a motion, seconded by Sengle to approve the minutes from June 12, 2019. The motion was unanimously approved with one abstention from Guerra.

RESIGNATIONS AND APPOINTMENTS

Scherban made a motion, seconded by Guerra to appoint Melanie Yanus (D) to the Fair Rent Commission for a term until June 30, 2023. The motion was unanimously approved.

Guerra made a motion, seconded by Scherban to appoint John Hussaini (D) to the Economic Development Commission for a term until June 30, 2023. The motion was unanimously approved.

POLICE DEPARTMENT LINE ITEM TRANSFER REQUEST

Scherban made a motion, seconded by Guerra to approve the Police Department line item transfer request to decrease communication devices by \$8,400, armory by \$6,968, service contracts by \$1,615, fuel by \$1,627 and increase special investigations (other supplies) by \$18,610. The motion was unanimously approved.

POLICE DEPARTMENT DUI GRANT APPLICATION

Scherban made a motion, seconded by Guerra to apply for the Connecticut Department of Transportation DUI Grant. The motion was unanimously approved. No matching funds are required.

TOWN MANAGER

Strategic Government Resources is now in their informational stage. A public meeting with department heads, employees and the public will be held the week of July 9th.

Guerra made a motion, seconded by Scherban to move agenda item #10 Tax Abatement for Greylock Property Group to agenda item #7A. The motion was unanimously approved.

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TAX ABATEMENT FOR GREYLOCK PROPERTY GROUP

The town has agreed to offer Greylock Property Group a tax abatement on 11 Killingworth Turnpike due to the significant and unexpected amount of asbestos that must be remediated and disposed of during demolition. The tax assessment will be limited to the retail portion of the property. Scherban made a motion, seconded by Guerra to approve that, in accordance with Connecticut General Statutes Section 12-65b, the Board of Selectmen hereby approves that certain Tax Assessment Agreement by and between the Town of Clinton and Greylock Property Group, LLC, in the form presented at this meeting of the Board of Selectmen on June 19, 2019; and it is further resolved, that the Board of Selectmen hereby authorizes First Selectman Christine Goupil to execute such Tax Assessment Agreement. The motion was unanimously approved.

EXECUTIVE SESSION – COLLECTIVE BARGAINING AGREEMENT AND DISCUSSION OF POSSIBLE REAL ESTATE TRANSFER

Scherban made a motion, seconded by Sengle to go into executive session at 8:21 am and invite Mary Schettino, Maryann O'Donnell and Sue Cunningham. The motion was unanimously approved. The board came out of executive session at 8:42 am.

EASTERN CT HEALTH & MEDICAL COOPERATIVE AUTHORIZING RESOLUTION

The town had decided to withdrawal from the Eastern Connecticut Health & Medical Cooperative. Scherban made a motion, seconded by Guerra to approve that the Board of Selectman give notice to the Eastern Connecticut Health & Medical Cooperative of the withdrawal of the Town of Clinton from membership in the Cooperative in keeping with Article 4 of the By-Laws of the Eastern Health & Medical Cooperative. The motion was unanimously approved.

SELECTMEN'S REPORTS

Reported by Guerra

- The 2019 Chamber of Commerce Annual Breakfast will be held on Thursday, June 20th

Reported by Scherban

- State History Day was held on June 8th

Reported by Goupil

- The CT Department of Transportation held a groundbreaking ceremony on Tuesday, June 18th for the new addition at the Clinton Railroad Station. The board was in attendance for the event.
- The Arts Council is moving forward

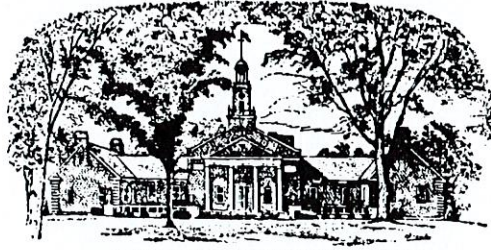
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ADJOURN

Sengle made a motion, seconded by Scherban and unanimously adjourned the meeting at 8:55 am.

Respectfully submitted,

Mary Schettino



TOWN OF CLINTON, CONNECTICUT

AUTHORIZING RESOLUTION Town of Clinton

CERTIFICATION:

I, Lisa Barbour, Assistant Town Clerk of the Town of Clinton, do hereby certify that the following is a true and correct copy of a resolution adopted by the Board of Selectmen at its duly called and held meeting on June 19, 2019, at which a quorum was present and acting throughout, and that the resolution has not been modified, rescinded, or revoked and is at present in full force and effect:

RESOLVED: The Board of Selectman of the Town of Clinton hereby authorize and direct the First Selectman to give notice to the Eastern Connecticut Health & Medical Cooperative of the withdrawal of the Town of Clinton from membership in the Cooperative in keeping with Article 4 of the By-Laws of the Eastern Health & Medical Cooperative.

FURTHER RESOLVED, that Christine Goupil as First Selectman of the Town of Clinton is authorized and directed to execute and deliver any and all documents on behalf of the The Town of Clinton and to do and perform all acts and things which he/she deems to be necessary or appropriate to carry out the terms of such documents.

The undersigned further certifies that Christine Goupil now holds the office of the First Selectman and that he/she has held that office since November 17, 2017.

IN WITNESS WHEREOF: The undersigned has executed this certificate this 2nd of January 2019.

A handwritten signature in blue ink that reads "Lisa Barbour".

Lisa Barbour
Assistant Town Clerk

TAX ASSESSMENT AGREEMENT

THIS TAX ASSESSMENT AGREEMENT (the "Agreement") dated as of June 20, 2019, is entered into by and between the TOWN OF CLINTON, a municipal corporation with an address of 54 East Main Street, Clinton, CT 06413 (the "Town"), and GREYLOCK PROPERTY GROUP, LLC, a Connecticut limited liability company with an address of 70 Essex Street, Unit 2D, Mystic, CT 06355 (the "Developer").

RECITALS:

A. Connecticut General Statutes § 12-65b ("CGS § 12-65b") authorizes a municipality, by affirmative vote of its legislative body, to, among other things, enter into a written agreement with a party owning or proposing to acquire an interest in real property within such municipality, which agreement fixes the assessment of such real property and improvements thereon, and which improvements are for, among other uses, retail use.

B. The Town and the Developer entered into that certain Purchase and Sale Agreement dated as of November 7, 2018, as amended (as amended and as may be amended, the "PSA"), pursuant to which the Town has agreed to sell, and the Developer has agreed to purchase and develop for, among other uses, retail use, certain real property known as 11 Killingworth Turnpike, a/k/a 27 Killingworth Turnpike, situated in the Town of Clinton, County of Middlesex and State of Connecticut (the "Property").

C. The former high school building on the Property, which shall be demolished by the Developer as part of the redevelopment of the Property, has a significant and unexpected amount of asbestos that must be properly remediated and disposed of during said demolition (the "Asbestos Remediation and Disposal").

D. The cost of the Asbestos Remediation and Disposal is unknown due to the fact that many areas of the building will not be tested for asbestos until the demolition process begins, e.g., above ceilings, behind walls and below floors (the "Untested Areas"); Exhibit A attached hereto and made a part hereof outlines the areas that have been tested for asbestos and includes a general description of the Untested Areas.

E. The cost of the Asbestos Remediation and Disposal of the Untested Areas is estimated to be between Three Hundred Thousand Dollars (\$300,000) and Four Hundred Thousand Dollars (\$400,000).

F. The Developer has requested that the Town fix the real property tax assessment on the retail portions of the Property for a limited period of time to help defray the significant and unexpected cost of the Asbestos Remediation and Disposal.

G. It is in the best interests of the Town that the Developer purchase and redevelop the Property.

H. An agreement between the Town and the Developer fixing the real property tax assessment on the retail portions of the Property for a limited period of time will be in the best interests of the Town.

I. The Board of Selectmen, at a meeting held June 19, 2019, adopted a resolution approving the fixing of the real property tax assessments on the retail portions of the Property in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Fixed Assessment. Under authority of CGS § 12-65b, the Town shall fix the assessment of each retail component of the Property to be constructed by the Developer (a "Retail Component"), starting for each Retail Component on the October 1st Grand List following the issuance of a temporary or permanent certificate of occupancy for such Retail Component and continuing for a period of five (5) years, at zero percent (0%) of such Retail Component's assessed value in each such year. By way of example, if a certificate of occupancy for a Retail Component is issued on March 1, 2020, the assessment for such Retail Component would be at one hundred percent (100%) of assessed value until the installment payments due on the October 1st Grand List of 2020, which installment payments would be at the reduced, fixed assessment.

2. Limitations.

(a) Notwithstanding Section 1, at such time as the aggregate tax savings to the Developer pursuant to this Agreement reach Two Hundred Thousand Dollars (\$200,000), this Agreement shall terminate and be of no further force and effect, and no Retail Component shall any longer have the benefit of the reduced assessment.

(b) Further, notwithstanding Section 1 or Section 2(a), in the event the Asbestos Remediation and Disposal actual cost for the Untested Areas is less than Three Hundred Thousand Dollars (\$300,000), the maximum aggregate tax savings to the Developer pursuant to this Agreement shall be the difference between such actual cost for the Untested Areas and One Hundred Thousand Dollars (\$100,000). By way of example, if such actual cost for the Untested Areas is Two Hundred Fifty Thousand Dollars (\$250,000), the aggregate tax savings to the Developer pursuant to this Agreement would be One Hundred Fifty Thousand Dollars (\$150,000). In such example, at such time as the aggregate tax savings to the Developer pursuant to this Agreement reach One Hundred Fifty Thousand Dollars (\$150,000), this Agreement would terminate, and no Retail Component would any longer have the benefit of the reduced assessment.

(c) Within thirty (30) days of the completion of the demolition of the former high school building on the Property, the Developer shall provide to the

Town an affidavit that sets forth with reasonable supporting detail the Asbestos Remediation and Disposal actual cost for the Untested Areas.

3. Taxes Prior to Certificate of Occupancy. Until the October 1st Grand List following the issuance of a temporary or permanent certificate of occupancy for a Retail Component, such Retail Component shall be subject to real property taxes in the normal course, including taxation of partially completed construction, as authorized pursuant to the Connecticut General Statutes.

4. Assessed Value Determination. Assessed value for purposes of this Agreement shall be determined by the tax assessor of the Town in the ordinary course. The Developer shall retain all statutory rights to contest and appeal any such determination.

5. Mill Rate. Taxes based on the zero percent (0%) of assessed value as provided in Section 1 above shall be computed based on the mill rate then generally applicable to real property in the Town for such fiscal year.

6. Personal Property and Land. This Agreement relates only to the taxation of constructed Retail Components, and not the taxation of personal property or land, which shall be assessed and taxed in the same manner and at the same mill rate as other personal property and land in the Town.

7. Taxes and Payments in General. Except as otherwise provided in this Agreement, the Property and all buildings and improvements thereon shall, from the time the Developer takes title thereto, be subject to all generally applicable municipal real property taxes at one hundred percent (100%) of their assessed value, and to all duly authorized general or special assessments for municipal services or improvements. The Developer shall obtain and pay for all permits, licenses and fees required under state and local law to construct the project contemplated in the PSA (the "Project").

8. Expiration of Tax Fixing Period. After the expiration of the tax fixing period for a Retail Component provided for in Sections 1 or 2 above, such Retail Component will be assessed and taxed in a non-discriminatory manner at the same mill rate generally applicable to real property in the Town as reasonably and properly determined by the Town in accordance with state law.

9. Effective Period / Termination. The adjustments to assessed value provided for in Section 1 above shall be available and effective only in the case of a Retail Component as to which construction has commenced within six (6) years of the date of this Agreement. In the event of the termination, without closing, of the PSA, this Agreement shall terminate and be of no further force and effect.

10. Governing Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Connecticut.

11. Severability. In the event any provision of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of

this Agreement shall nevertheless be binding upon the parties with the same effect as though the void or unenforceable part had been severed and deleted. Any court with competent jurisdiction is hereby authorized to reduce the scope of any offending provision so that the scope thereof shall be the greatest scope permitted by applicable law.

12. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

13. Amendments. This Agreement may be amended or changed only by written instrument duly executed by the parties, and any alleged amendment or change which is not so documented shall not be effective as to any such party.

14. Third Party Beneficiaries. Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto.

15. No Partnership. The relationship of the parties hereto is as set forth herein and no partnership, joint venture or participation is hereby created.

16. Captions. The captions used herein are for reference purposes only, and shall not in any way affect the meaning or interpretation of this Agreement.

17. Assignment. The Developer may not transfer or assign this Agreement, and any purported transfer or assignment shall be void.

18. Indemnification. The Developer and any of its successors or permitted assigns hereby release the Town and its agents, servants and employees from any and all liability, of whatever nature, legal or equitable, which may have arisen or which may arise in connection with this Agreement, including the implementation hereof; provided, however, that the Town shall not be released from its obligations to comply with the terms of this Agreement.

19. Good Standing. The Developer and its principals shall remain in good standing with the town, shall not be delinquent on real estate, personal property or motor vehicle taxes, and shall not be in material violation of the Town's Zoning Regulations, Building Code, or any other ordinance, statute or code, that may be applicable to the Property or the Project.

Subject to the Developer's rights of administrative and judicial appeal, as provided under applicable law, of the property taxation imposed by the Town, if payment of annual real estate and personal property taxes is not made within thirty (30) days of such taxes becoming due and payable, the Town may elect to revoke this Agreement for the then current year and the Retail Components shall be subject to the normal assessment and levy practices of the Town for that year. If payment of annual real estate and personal property taxes is not made within sixty (60) days of such taxes becoming due and payable, the Town, by resolution adopted by its Board of Selectmen, may elect to terminate this

Agreement and the Retail Components shall be subject to the normal assessment and levy practices of the Town on a going-forward basis.

If the Project or the Property is found to be in material violation of a zoning regulation, building code or any other ordinance, statute or code, and the Developer fails to remedy such violation within sixty (60) days' notice from the Town, the Town, by resolution adopted by its Board of Selectmen, may elect to terminate this Agreement or may elect to provide the Developer with additional time to remedy a violation if the Board of Selectmen determines that the Developer is making a good faith effort to remedy such violation.

20. Notices. Any notices or other communications pursuant to this Agreement shall follow the provision for notices in the PSA.

21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

[Signature page follows]

IN WITNESS WHEREOF, the Developer and the Town have executed this Agreement as of the date first above written.

TOWN OF CLINTON

By:


Name: Christine Goupil

Title: First Selectman

6/20/19

GREYLOCK PROPERTY GROUP, LLC

By:


Name: Kevin Navarro

Title: Partner