

TAX ASSESSMENT AGREEMENT

THIS TAX ASSESSMENT AGREEMENT ("Agreement"), made and entered into this ____ day of _____, 2013 by and between [NAME OF FIRM], a corporation organized and existing under the laws of the State of Connecticut, having an office and principal place of business in the Town of Enfield, County of Hartford, State of Connecticut (hereinafter referred to as "FIRM"); and the TOWN OF ENFIELD, a municipal corporation located in the County of Hartford and State of Connecticut, acting herein by Matthew W. Coppler, its Town Manager, hereunto duly authorized (hereinafter referred to as "TOWN").

W I T N E S S E T H

WHEREAS, FIRM presently occupies and owns a twenty-five thousand (25,000) square foot building, (hereinafter referred to as "EXISTING FACILITY") and a ten thousand (10,000) square foot building (hereinafter referred to as the "SECOND BUILDING") both of which are located at [Address] in the Town of Enfield, County of Hartford and State of Connecticut and is more fully described as a 5.00 acre piece or parcel of land shown as Lot __ on the map entitled " _____", which map is on file in the Office of the Town Clerk of the Town of Enfield in Book of Maps Volume __ Page ____, which parcel is owned by FIRM, and

[WHEREAS, FIRM, as of _____, 2012 employed approximately _____ (____) people at this facility (hereinafter the "EXISTING FACILITY"), of whom _____ (____) are classified as full time employees;] and,

WHEREAS, FIRM intends to expand the EXISTING FACILITY by adding a FOUR THOUSAND FIVE HUNDRED (4,500) square foot OFFICE ADDITION, currently under construction at the same location, onto the EXISTING FACILITY, together referred to as the "FACILITY"; and

[If there is an employment component to the Agreement: WHEREAS, FIRM plans to employ a total of _____ (____) additional people over the course of _____ years, for a total of _____ (____) people, at the FACILITY, of whom _____ (____) will be classified as full time employees; and

WHEREAS, FIRM will use its best efforts to employ Enfield residents; and]

WHEREAS, Section 12-65b of the Connecticut General Statutes provides that a municipality may enter into a written agreement with a party owning or proposing to acquire an interest in real property, to fix the assessment of improvements to be constructed thereon and therein for a period of two (2) years, provided the improvements cost at least FIVE HUNDRED THOUSAND DOLLARS (\$500,000), and are constructed for certain uses which include office use; and

WHEREAS, FIRM will continue to occupy the EXISTING FACILITY; and

WHEREAS, FIRM has further indicated that the OFFICE ADDITION to the EXISTING FACILITY will be constructed at a cost of FIVE HUNDRED THOUSAND DOLLARS (\$500,000) complying with the requirements of Section 12-65b of the Connecticut General Statutes, **[If there is an employment component:** which will enable FIRM to employ a total of _____ (____) full-time employees at the FACILITY and the SECOND BUILDING on [date], and _____ (____) full-time employees at the FACILITY and the SECOND BUILDING on [date], and _____ (____) full-time employees at the FACILITY and the SECOND BUILDING on [date], if the OFFICE ADDITION to the EXISTING FACILITY receives the tax benefits provided herein]; and

WHEREAS, the TOWN deems it desirable to enter into an Agreement fixing the assessment with respect thereto as an inducement to FIRM to construct and occupy the OFFICE ADDITION to the EXISTING FACILITY; and

WHEREAS, the construction of the proposed OFFICE ADDITION to the EXISTING FACILITY meets the requirements of Conn. Gen. Stat. §12-65b, which permits tax assessment agreements under certain conditions, since the OFFICE ADDITION will be used primarily as an office building as required by the statute; and

WHEREAS, this Agreement has been approved by an affirmative vote of the legislative body of the Town in accordance with Conn. Gen. Stat. §12-65b; NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows, with regard to the FACILITY **[Note: 50% abatements are up to 3 years. §12-65b(a)(3). If agreement is for 2 years, then abatement can go up to 100%. §12-65b(a)(2).]**

1. Fixed Assessment Period.

- A. The Fixed Assessment Period shall cover two (2) consecutive Town fiscal years (July 1 through June 30) commencing with the first full fiscal year following the first October Grand List prepared

after the issuance of a final Certificate of Occupancy for the OFFICE ADDITION to the EXISTING FACILITY. The tax assessment on the increase in value of the FACILITY shall be fixed in the following manner

- 1) The assessment made on October 1, ____ shall be fixed in such an amount and manner as to yield a 50% abatement of taxes on the increase in value to the FACILITY.
- 2) The assessment made on October 1, ____ shall be fixed in such an amount and manner as to yield a 50% abatement of taxes on the increase in value to the FACILITY.
- 3) The assessment made on October 1, ____ shall be fixed in such an amount and manner as to yield a 50% abatement of taxes on the increase in value to the FACILITY. **OR**

- 1) The assessment made on October 1, ____ shall be fixed in such an amount and manner as to yield [up to 100%] abatement of taxes on the increase in value to the FACILITY.
- 2) The assessment made on October 1, ____ shall be fixed in such an amount and manner as to yield up to 100%] abatement of taxes on the increase in value to the FACILITY.

B. For the third/fourth assessment year following the issuance of the final Certificate of Occupancy, and every year thereafter, the assessment shall be at its full assessment as prescribed by Conn. Gen. Stat. §12-62, as revised.

C. The Town shall not be bound by this Agreement unless:

- 1) all outstanding taxes, including interest and lien fees, on [Address] have been paid at the time a final Certificate of Occupancy is issued for the FACILITY; and,

- 2) all municipal property taxes, including interest, on the [Address], are paid when due; and,
- 3) the requirements of Conn. Gen. Stat. §12-65b have been satisfied.

2. Representations. The TOWN has entered into this Agreement on the basis of FIRM's representations as to: the size of the OFFICE ADDITION to the EXISTING FACILITY to be built, approximately four thousand five hundred (4,500) square feet; the cost of the OFFICE ADDITION to the EXISTING FACILITY to be built, totaling five hundred thousand dollars (\$500,000); and the number of people who will be employed at the FACILITY and the SECOND BUILDING as of the [date], [date] and [date]; _____ (___), _____ (___) and _____ (___) full time employees, respectively.

In the event that the OFFICE ADDITION, as finally constructed, shall cost less than five hundred thousand dollars (\$500,000) [Note: if 2 year abatement, greater than 50% per year/ten thousand dollars (\$10,000 if three year abatement, up to 50% per year of value of improvements)], in accordance with the requirements of Connecticut General Statute §12-65b, this Agreement shall become null and void from the time the TOWN provides notice to FIRM of such deficiency and the FACILITY shall then be assessed on the basis of its actual fair market value in accordance with Conn. Gen. Stat. §12-62. FIRM shall certify in writing to the Town Manager as to the final cost of the OFFICE ADDITION to the EXISTING FACILITY within ten (10) days after the issuance of the Certificate of Occupancy for the OFFICE ADDITION to the EXISTING FACILITY.

In the event that FIRM fails to employ _____ (___) additional full time employees at the FACILITY and the SECOND BUILDING on [date] , bringing the total number of employees to _____ (___), then the abatement noted in Section 1. for fiscal year 201_-201_ (taxes due July 1, 201_ and January 1, 201_), shall cease and the property shall then be assessed on the basis of its actual fair market value in accordance with Conn. Gen. Stat. §12-62.

In the event that FIRM fails to employ _____ (___) additional full time employees at the FACILITY and the SECOND BUILDING on [date], bringing the total number of employees to _____ (___), then the abatement noted in Section 1. for fiscal year 2015-2016 (taxes due July 1, 2015 and January 1, 2016), shall cease and the property shall then be assessed on the basis of its actual fair market value in accordance with Conn. Gen. Stat. §12-62.

[If employment component: In the event that FIRM fails to employ _____ (___) additional full time employees at the FACILITY and the SECOND BUILDING on [date], bringing the total number of employees to _____ (___), then the abatement noted in Section 1. for fiscal year 201_-201_ (taxes due July 1, 201_ and January 1, 201_), shall cease and the property shall then be assessed on the basis of its actual fair market value in accordance with Conn. Gen. Stat. §12-62. The employment base for purposes of determining “additional full time employees” shall be the number of persons employed at the FACILITY and the SECOND BUILDING as of [date]. Such employment base is a number no less than _____ (___) full time employees. For purposes of this Agreement the terms "employ" or "employee" shall be understood to include any person employed by FIRM working full time at the FACILITY and the SECOND BUILDING and shall not include part time employees, consultants or temporary workers.

FIRM agrees to certify, in writing, mailed to the Office of the Town Manager no later than [date], [date] and [date], as to the number of persons employed at the FACILITY and the SECOND BUILDING on those dates.]

3. Penalty. In the event that FIRM, during the term of this Agreement or within one year following the expiration of this Agreement, ceases to maintain office operations at the FACILITY, this Agreement shall become null and void and all prior tax benefits granted hereunder shall become due and payable and FIRM, its successors and assigns, shall be jointly and severally liable for full taxation during the period of this Agreement and all tax amounts abated hereunder shall become due and payable with interest at a rate of nine per cent (9%), to be determined from the date said taxes would have been due and payable had this Agreement not been in effect, and such total amount shall constitute a tax lien upon [Address] or any other property owned by FIRM.

4. Valuations. As an inducement for the Town to enter into this Agreement, FIRM agrees to accept as correct the value placed upon the FACILITY, the SECOND BUILDING and land by the TOWN at the inception of this Agreement.

FIRM waives any right to appeal said valuation under Conn. Gen. Stat. §§12-111, 12-117a, 12-118, 12-119, or 12-121bb, as revised, until the next succeeding revaluation after the Agreement is terminated or until this Agreement becomes null and void as herein provided. The purpose of this clause is to assure that the TOWN shall be entitled to collect all taxes levied on the assessments as provided for in Section 1., above.

5. Condemnation. In the event the FACILITY or any part thereof, or any estate therein is taken by condemnation or eminent domain during said Fixed Assessment Period, the applicable fixed assessments specified in Section 1 shall be adjusted to reflect the diminution of value arising out of said taking, in the manner provided by state and local laws and ordinances. In addition, the required size of the FACILITY shall be reduced as appropriate under the circumstances.

6. Fire or Other Casualty. In the event the FACILITY or any part thereof or any estate therein is damaged or destroyed by fire or other casualty during said Fixed Assessment Period, the applicable fixed assessment shall be adjusted to reflect the diminution of value arising out of said fire or other casualty, in the manner provided by state and local laws and ordinances and the required size of the FACILITY shall be reduced as appropriate under the circumstances.

FIRM shall provide to the TOWN MANAGER, within ten days of the execution of this Agreement and on the first, second and third anniversaries of the Certificate of Occupancy, a certificate of fire and casualty insurance for the FACILITY.

7. Notices. Notices should be sent to the following:

TOWN OF ENFIELD:
Office of the Town Manager
820 Enfield Street
Enfield, CT 06082

FIRM COMPANY INC.
[Name], President
[Address]
Enfield, CT 06082

8. Amendments. This Agreement may not be modified or amended except by written consent of all parties.

9. Paragraph Headings. The paragraph headings in this Agreement are for convenience and reference only and in no way define or limit the scope of this Agreement or in any way affect its provisions.

10. Severability. 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.

instrument for the purposes therein contained, by signing the name of the corporation by himself as its President.

Notary Public

SAMPLE

APPENDIX A

A certain piece or parcel of land located in the Town of Enfield, County of Hartford, State of Connecticut, on _____ Road, etc.

Insert Property Description

SAMPLE