

Town of Cheshire, CT
Tax Increment Financing
Interchange Zone TIF District Master Plan



FINAL – Adopted June 11, 2019
Town of Cheshire, CT

Table of Contents

- Introduction..... 1
- Defined Terms..... 1
- I. District Master Plan..... 3
 - A. District Master Plan Narrative and Purpose 3
 - B. Boundaries and Description of District..... 4
 - C. Certification of Original Assessed Value 4
 - D. Duration of the Program..... 4
 - E. Public Facilities, Improvements, and Programs to be Added or Financed 4
 - F. Private Development Description and Costs Anticipated and Description of Any TIF Financial Support for Private Investment 6
- II. Financial Plan..... 6
 - A. Financial Characteristics 6
 - B. Financing Structure and Flow of Funds 6
 - C. Uses of Funds..... 9
 - D. Sources of Revenues 9
 - E. Estimates of Increases in Assessed Values and Associated Incremental Revenues in District..... 9
 - F. Captured Assessed Value & Resulting Tax Increments 9
- III. Statutory Requirements for Approval Process..... 10
- IV. Operational and Maintenance Plan 10
 - A. Plan of Operation..... 10
 - B. Annual Reporting 11
- Exhibit A: TIF District Maps and Parcel Identification..... 12
- Exhibit B: Assessor’s Certificate of Original Assessed Value..... 14
- Exhibit C: Estimates of Increases in Assessed Values and Associated Incremental Revenues in District 15
- Exhibit D: Notice of Public Hearing 18
- Exhibit E: Minutes of Public Hearing..... 20
- Exhibit F: Written Advisory Opinion from Planning Commission..... 26
- Exhibit G: Town Legislative Action..... 27
- Attachment 1: Credit Enhancement Agreements (CEA) Policy..... 30

Introduction

The Town of Cheshire (the "Town") shall designate the Interchange Zone Tax Increment Financing District (the "District") and adopt this District Master Plan (the "District Master Plan") for the District to help generate strategic growth along the corridor of Interstate Route 10 and support employment, housing, and economic growth in the Town.

Chapter 105b of the Connecticut General Statutes (the "TIF Act") authorizes municipalities in Connecticut to create tax increment financing (TIF) districts for the purposes of economic development. A TIF District has a defined boundary and includes public and private real property. A TIF District allows the Town to designate future incremental real property tax revenues from the properties in district to support economic development within the District, and in some cases beyond. That is, the TIF District only captures property tax revenue on any increases in assessed value above the assessed value at the time the District is created.

The Town of Cheshire recognizes that TIF is an effective tool for economic development and seeks to use TIF to develop the Interchange Zone district. The District Master Plan contained in this document outlines the Town's intended uses of TIF revenues and includes the administrative details of the District terms and how the District will be operated.

Defined Terms

The following terms used in this District Master Plan have meanings as defined in the TIF Act. Capitalization has been added to the statute's defined terms to identify them clearly in the text.

"Captured Assessed Value" means the amount, as a percentage or stated sum, of Increased Assessed Value that is utilized from year to year to finance Project Costs pursuant to the District Master Plan.

"Current Assessed Value" means the assessed value of all taxable real property within a Tax Increment District as of October the first of each year that the Tax Increment District is in effect.

"District Master Plan" means a statement of means and objectives prepared by the municipality relating to a Tax Increment District designed to provide new employment opportunities, retain existing employment, provide housing opportunities, improve or broaden the tax base or construct or improve the physical facilities and structures through the development of industrial, commercial, residential, retail and mixed use, transit-oriented development, downtown development or any combination thereof, as described in section 4 of the TIF Act.

"Downtown" means a central business district or other commercial neighborhood area of a community that serves as a center of socioeconomic interaction in the community, characterized by a cohesive core of commercial and mixed-use buildings, often interspersed with civic, religious and residential buildings and public spaces, that are typically arranged along a main street and intersecting side streets and served by public infrastructure.

"Financial Plan" means a statement of the Project Costs and sources of revenue required to accomplish the District Master Plan.

"Increased Assessed Value" means the valuation amount by which the Current Assessed Value of a Tax Increment District exceeds the Original Assessed Value of the Tax Increment District. If the Current Assessed Value is equal to or less than the Original Assessed Value, there is no Increased Assessed Value.

"Maintenance and Operation" means all activities necessary to maintain facilities after they have been developed and all activities necessary to operate such facilities, including, but not limited to, informational, promotional and educational programs and safety and surveillance activities.

"Original Assessed Value" or "OAV" means the assessed value of all taxable real property within a Tax Increment District as of October first of the tax year preceding the year in which the Tax Increment District was established by the legislative body of a municipality.

"Project Costs" means any expenditures or monetary obligations incurred or expected to be incurred that are authorized by section 6 of the TIF Act in a District Master Plan.

"Tax Increment" means real property taxes assessed by a municipality upon the Increased Assessed Value of property in the Tax Increment District.

"Tax Increment District" means that area wholly within the corporate limits of a municipality that has been established and designated as such pursuant to section 2 of the TIF Act and that is to be developed under a District Master Plan.

"Tax Year" means the period of time beginning on July first and ending on the succeeding June thirtieth.

The following terms used in this TIF Master Plan have meanings as defined below:

"Credit Enhancement Agreement" or "CEA" means a contractual agreement between or among the Town and an owner of a taxable real property located within a TIF District, and any other party obligated to pay taxes on such property, that allows the Town to provide reimbursements of future Tax Increment Revenues to the property owner or other such party.

"Developer Cost Sub Account" or "Developer Cost Sub Accounts" means one or more funds established by the municipality into which funds from the Project Cost Account are deposited as authorized by the Financial Plan and pledged to and charged with payment of the costs of reimbursement consistent with each approved Credit Enhancement Agreement, if any.

"Development Sinking Fund Account" means the fund established by the municipality into which Tax Increment Revenues are deposited for the payment of debt obligations, if any, issued by the municipality that are payable in whole or in part by Tax Increment Revenues, as authorized in the Financial Plan.

"District Master Plan Fund" means a fund established by the municipality into which Tax Increment Revenues are deposited upon receipt and before being distributed as authorized in the Financial Plan into the Development Sinking Fund Account and the Project Cost Account.

"Project Cost Account" means the fund established by the municipality into which funds from the District Master Plan Fund are deposited as authorized in the Financial Plan before being distributed into the Town Cost Sub Account(s) or the Developer Cost Sub Account(s).

“Taxable Real Estate Grand List” means the assessed values of all property in the Town, reflecting the statutory exemption or exemptions to which each property or property owner is entitled, and including, where applicable, any assessment penalty added.

“Gross Taxable Real Estate Grand List” means a taxable assessment set at 70% of the 100% of fair market value at the time the Grand List is signed by the Assessor, without reflecting any exemption or exemptions to which a real property owner may be entitled or penalties added.

“TIF Management Committee” means the committee designated by the Town and charged with advising and guiding the Town on the implementation of the Plan. The TIF Management Committee will be composed of the following members:

Town Assessor	Town Planner
Town Economic Development Coordinator	Town Council Member
2 Members of Economic Development Commission	Business Member

“TIF Revenue” means the tax increments received by the municipality that are attributable to the Captured Assessed Value of the real property located within the Tax Increment District for the duration of the district.

“Town Cost Sub Account” or “Town Cost Sub Accounts” means one or more funds established by the municipality into which funds from the Project Cost Account are deposited as authorized by the Financial Plan and pledged to and charged with the payment of costs of the municipality’s Project Costs.

I. District Master Plan

A. District Master Plan Narrative and Purpose

This District Master Plan is structured pursuant to the Connecticut General Statutes, as specified in Chapter 105b. It is also structured to be consistent with all other applicable Federal, State, and local laws and regulations.

The Town’s designation of a selected District, combined with the adoption of the Plan, will create a designated municipal Tax Increment Financing District, or “TIF District,” to capture a portion of the value of the real (land and building) property improvements made within the TIF District, and enable the dedication of resulting incremental real property tax revenues for specified purposes to support private investment and related municipal infrastructure and economic development projects and programs.

The Town understands the usefulness of Tax Increment Financing in economic development as part of its long-term economic development planning and implementation, including the Town’s Plan of Conservation and Development. In designating this TIF District and adopting this TIF District Master Plan, the Town seeks to accomplish the following goals:

- a. Increase the tax base and revenues
- b. Diversify the tax base
- c. Increase employment
- d. Support economically diverse, long-term, stable employment opportunities for area residents.
- e. Support an economically thriving community
- f. Support a specific corridor, neighborhood, or targeted development area

- g. Support the redevelopment of an economically “challenged” site or building
- h. Improve the quality of place to serve residents, businesses and workers
- i. Enhance the municipality’s infrastructure development including but not limited to: Transportation (Roads, Pedestrian, Transit), Sewer or Water, and Utilities (broadband communication, electric, gas)

B. Boundaries and Description of District

The Town has selected an area near the interchange of Routes 10 and I-691 for designation as a Tax Increment Financing District, hereto referred as the “Interchange Zone TIF District.” The Interchange Zone TIF District includes 329 acres in the northern portion of the Town. The area within the TIF District represents a combination of both public and private land and structures and is comprised of parcels zoned for both commercial and residential use. A map of the district and a detailed listing of parcels are included in Exhibit A.

C. Certification of Original Assessed Value

Table 1, below, presents the Original Assessed Value (OAV) of the taxable real property in the Interchange Zone TIF District as of October 1, 2018, The Assessor’s Certificate of Original Assessed Value is included as Exhibit B.

The OAV of all proposed and existing TIF Districts in the Town (taxable real property) may not exceed the state-established maximum of 10% of the total taxable real property in the Town as of October 1, 2018. As shown in Table 1, below, the OAV within all proposed and existing TIF Districts in the Town is below the state maximum.

Table 1: Original Assessed Value (OAV) as a Percent of all Town Taxable Real Property: 10/1/2018 Real Estate Grand List	
OAV, Proposed Interchange Zone TIF District (Taxable Real Property)	\$ 9,330,480
OAV Existing TIF Districts (Taxable Real Property)	\$ 0
Total Proposed and Existing TIF Districts (Taxable Real Property)	\$ 9,330,480
October 1, 2018 Gross Taxable Real Estate Grand List	\$ 2,402,748,232
Total OAV within TIF Districts as % of October 1, 2018 Gross Taxable Real Estate Grand List	0.39 %

Throughout the term of the District, the Increased Assessed Value shall always be calculated based on the OAV. Decreases in the Captured Assessed Value shall not obligate the Town to make up any shortfalls in Tax Increment Revenues. All assessed real property value captured in the Interchange Zone TIF District will be added to the general tax rolls at the end of the District’s term.

D. Duration of the Program

The maximum duration of the program from approval by the Town to completion will be thirty (30) years.

E. Public Facilities, Improvements, and Programs to be Added or Financed

The Town intends to use TIF Revenues from the Interchange Zone TIF District to finance some of the costs of public improvement projects and future economic development programs and initiatives, which

collectively will improve the Town’s economy. Anticipated Town projects and programs are described in Table 2 below.

While this District Master Plan lists particular projects, the Plan shall not serve as an appropriation of TIF Revenues for any of these specific purposes, nor shall it commit the Town to completing any particular project unless otherwise specified in this Plan. TIF Revenues not used for specific District purposes may be moved to the Town’s General Fund per vote of the Town Council in accordance with the TIF Act.

Table 2 - Interchange Zone TIF District Project Costs

Project/Program/Category	Description	Estimated Cost
Infrastructure Improvements	Where appropriate, construction of public and onsite water, sewer, telecommunications and power and storm water management systems to leverage private sector investment and job creation. ¹	\$4,000,000
Streetscape Improvements	To fund streetscape and site improvements including, but not limited to, sidewalks, bike paths, bike lanes, street furniture, landscaping and historic elements, etc.	\$500,000
Public Facilities	Fire Station	\$5,500,000
Administration	Staff time for TIF administration and consultant services in support of TIF administration.	\$100,000
Traffic Improvements	Implement traffic calming measures and improved traffic signalization.	\$100,000
Road Improvements	Improve, construct, and maintain roads and streets that form the transportation routes most directly impacted by the creation of the Interchange Zone TIF District. Road construction and paving improvements within the Interchange Zone TIF District, including but not limited to engineering and design work, sidewalk and pedestrian crossing safety improvements, culvert repair, and catch basin and storm water infrastructure work.	\$500,000
Economic Development Studies	Economic development studies including planning, market analysis, marketing, feasibility, and associated consulting fees.	\$50,000

¹ Improvements to water and sewer infrastructure that must be made outside of the District, but that are required to be made in order extend service to the District, are eligible project costs.

F. Private Development Description and Costs Anticipated and Description of Any TIF Financial Support for Private Investment

In addition to public improvements, the Town may support certain industrial, commercial, residential, mixed-use, or retail improvements, downtown development or transit-oriented development within the District by using TIF revenues.

Credit Enhancement Agreements (CEAs)

The Town of Cheshire may use a portion of TIF Revenues to enter into Credit Enhancement Agreements with private parties. CEAs are a tool to incentivize desirable development projects, which would otherwise not occur because they would be financially infeasible.

The Town reserves the right to negotiate CEAs individually with property owners and developers of any properties within the District. CEAs may provide a reimbursement of up to 100% of the TIF Revenue produced from the particular property, and up to the full term of the District. For each CEA, the Town will establish, among other terms and conditions, the percentage of reimbursement of TIF Revenue and the length of the reimbursement period.

CEAs within the Interchange Zone TIF District are not provided as a matter of right. The Town's Credit Enhancement Agreement Policy is included as Attachment 1.

II. Financial Plan

A. Financial Characteristics

This District Master Plan establishes a Financial Plan with the following characteristics as set forth in Table 3, below:

Original Assessed Value of Taxable Parcels in the Interchange Zone TIF District	\$ 9,330,480
Percent of Increased Assessed Value Located within the Interchange Zone TIF District to be Captured	75%
Term of the Interchange Zone TIF District, in Years	30 years
Maximum Public Indebtedness to which Interchange Zone TIF Revenues May be Pledged	\$ 20,000,000

The TIF Revenues collected from the Interchange Zone TIF District will fund and/or contribute to the funding of approved public projects, including any of the projects described in Table 2, as well as support private investment as described in Section I.F above.

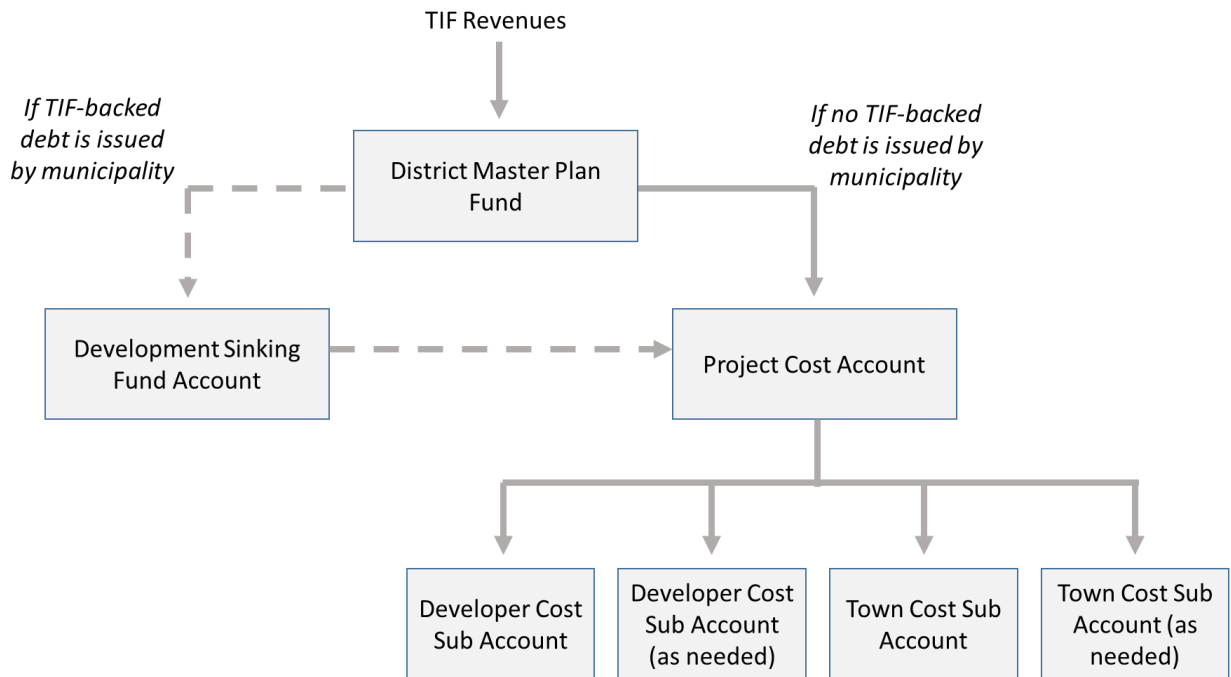
Estimates of Increased Assessed Values of properties in the TIF District are included in Exhibit C.

B. Financing Structure and Flow of Funds

The Town reserves the right to incur debt to facilitate, in part or in whole, any of the aforementioned projects within the District Master Plan.

The Plan requires establishment of a District Master Plan Fund. Over term of the Interchange Zone TIF District, the Plan provides that the Town shall capture the percentage of Increased Assessed Value of the real property located within the District as set forth in Table 3, above. One hundred percent (100%) of the real property tax revenues from the Captured Assessed Value of this TIF District will be deposited in the District Master Plan Fund and will be allocated as shown in the graphic and described below

Figure 1: Flow of Funds



District Master Plan Fund

The District Master Plan Fund will include (1) a Project Cost Account that is pledged to and charged with the payment of project costs that are outlined in the financial plan; and (2) in instances of indebtedness issued by the municipality to finance or refinance Project Costs, and to which TIF Revenues have been pledged as a source of repayment, a Development Sinking Fund Account that is pledged to and charged with the (i) payment of the interest and principal as the interest and principal falls due, including any redemption premium; (ii) payment of the costs of providing or reimbursing any provider of any guarantee, letter of credit, policy of bond insurance or other credit enhancement device used to secure payment of debt service on any such indebtedness; and (iii) funding any required reserve fund.

TIF Revenues shall be deposited first to the District Master Plan Fund and then to:

Development Sinking Fund Account

For as long as any municipal indebtedness to which TIF Revenues are pledged is outstanding, to the Development Sinking Fund Account in amounts sufficient to make payments on any such debt issued by the Town to finance or refinance Project Costs, including the following: (ii) payment of the costs of providing or reimbursing any provider of any guarantee, letter of credit, policy of bond insurance or other

credit enhancement device used to secure payment of debt service on any such indebtedness; and (iii) funding any required reserve fund, and otherwise to the following accounts:

Project Cost Account

The Project Cost Account, which shall consist of (1) one or more Town Cost Sub Accounts (the "Town Cost Sub Accounts") pledged to and charged with the payment of costs of the Town's project costs and (2) one or more Developer Cost Sub Accounts (the "Developer Cost Sub Accounts") pledged to and charged with payment of the costs of reimbursement consistent with each approved Credit Enhancement Agreement, if any. Funds deposited to the Project Cost Account will be transferred first to the Developer Cost Sub Accounts, if any, and then to the Town Cost Sub Accounts.

Developer Cost Sub Accounts and Credit Enhancement Agreements

Should the Town choose to enter into Credit Enhancement Agreements ("CEAs") between the Town and any property owner, or property owner and developer, a Developer Cost Sub Account will be established by that CEA. Amounts to be paid to the property owner or developer under the CEA will be deposited into the Developer Cost Sub Account and payments to the property owner or developer will be made from the Developer Cost Sub Account established by that CEA. In any fiscal year, payments under the each CEA will be made periodically following payment of the associated property taxes on the property owner's or developer's project. The Town's obligation to make a periodic payment under any CEA will only arise to the extent the Town receives incremental real property tax revenue based on positive Captured Assessed Value of the particular property during the appropriate period. In any CEA, the Town shall not obligate itself to make fixed payments without receiving TIF Revenues, nor shall it be obligated to make payments if there is no Increased Assessed Value.

The CEA is a contract, and as long as the property owner, or property owner and developer, meet their obligations under the terms of the contract, the Town will be obligated to make payments as agreed upon in the contract, and otherwise meet all terms of the contract as well.

Town Cost Sub Accounts

Expenditures of TIF Revenues, other than for CEAs, will be included and approved as part of the Town's annual capital projects budget, if any, or annual budget. Deposits to the Town Cost Sub Accounts will be made only after the Town meets its obligations of any debt obligations that are secured by TIF Revenues and any CEAs. Expenditures for public facilities, improvements, and programs (i.e., any expenditures of TIF Revenues for purposes other than CEAs) will be made by payments from the Town Cost Sub Accounts.

The Town reserves the right to make transfers between District Master Plan accounts as required, provided that the transfers do not result in a balance in either the Development Sinking Fund Account or the Project Cost Account, including any subaccounts, that is insufficient to cover the annual obligations of that account.

The Town may at any time during the term of the TIF District, by vote of the Town Council, transfer funds from any account within the District Master Plan Fund that are in excess of funds needed to meet the obligations of any approved debt service, CEAs or other obligations approved as part of the TIF District Master Plan, and deposit those excess funds in the Town's General Fund. At least once per year the TIF Management Committee will review the balances in TIF-related accounts and if it concludes there are excess funds, it will recommend to the Town Council an amount that should be transferred to the General Fund through a vote of the Town Council.

C. Uses of Funds

Public Infrastructure, Facilities, and Other Public Purposes

The Town may use a portion of the TIF Revenues to fund certain projects approved within the TIF District, described in Table 2, above.

Private Commercial Improvements Financed Through District Master Plan

The Town may enter into written agreements with property owners within the TIF District to incentivize commercial and residential development, including but not limited to the use of Credit Enhancement Agreements, as described in Section I.F. above and Attachment 1. CEAs are authorized through the process detailed in Attachment 1. The Town will review CEA applications on a case-by-case basis and is not obligated or bound to enter into a CEA.

A property owner or a property owner and developer entering into a Credit Enhancement Agreement cannot receive benefit from both a CEA and another Town financial incentive on the same incremental value of the property. For projects within an Enterprise Zone, the property owner or property owner and developer will contractually agree not to take the Enterprise Zone reduced assessed value benefit for any phase of the project benefitting from a CEA. This also applies to any other Town provided financial incentives. The creation and approval of a TIF District Master Plan shall not relieve any property owner or developer from responsibility for complying with any other regulatory and/or permitting requirements which may be necessary as part of such project.

Other forms of incentives which the Town is legally authorized to enter into, such as fixed assessment agreements and tax abatements, will be considered on a case by case basis.

D. Sources of Revenues

The primary source of revenue to implement the District Master Plan will be the incremental revenues generated by the collection of property tax payments on parcels located within the TIF District. Other sources of revenues that may be used to fund projects and programs in Table 2 include, but are not limited to, state and federal grants.

E. Estimates of Increases in Assessed Values and Associated Incremental Revenues in District

Annual estimated, projected assessed value of taxable real property, associated annual estimated, projected tax revenues, the value and associated revenues above the OAV, annual percentage of incremental (percent of the amount above OAV) valuation of taxable real property to be captured (dedicated for specified TIF District purposes) and percent to be sent to the General Fund for all parcels within the district are detailed in Exhibit C.

F. Captured Assessed Value & Resulting Tax Increments

Real property tax revenues from in the Captured Assessed Value in the TIF District will be applied to the District Master Plan. Any tax revenues not applied to the District Master Plan will be deposited to the Town's General Fund. Throughout the term of the TIF District, the Increased Assessed Value shall always be calculated based on the Original Assessed Value that was calculated at the time the TIF District was created. Decreases in the Increased Assessed Value shall not obligate the Town to make up any shortfalls in TIF Revenues.

III. Statutory Requirements for Approval Process

The Town has complied with the statutory requirements for approval of this TIF District Master Plan, including:

Notice of Public Hearing

A Notice of Public Hearing was published in a newspaper of general circulation in the Town on a date at least 10 days prior to the public hearing and a public hearing on this TIF District Master Plan was held in accordance with the requirements of the TIF Act.

The Notice of Public Hearing and the publication name and date are attached as Exhibit D.

Minutes of Public Hearing

Minutes of the public hearing, during which this TIF District Master Plan was discussed by the public, are attached as Exhibit E.

Written Advisory Opinion from Planning Commission

Attached as Exhibit F is a copy of the letter transmitting the TIF District Master Plan to the Planning Commission and the written advisory opinion from the Planning Commission that includes a determination on whether the TIF District Master Plan is consistent with the Plan of Conservation and Development of the municipality.

Town Legislative Action

Attached as Exhibit G is a copy of the Agenda and Minutes of the legislative body meeting approving this TIF District Master Plan, duly called and held on a date at least ninety days beyond the date of the letter transmitting the District Master Plan to the Planning Commission.

IV. Operational and Maintenance Plan

A. Plan of Operation

After approval by the Town Council, the TIF District Master Plan shall become effective at a date set by the Town Council.

Upon approval of the Plan, the TIF Management Committee shall be charged with advising and guiding Town staff on the implementation of the Plan. TIF Management Committee will be composed of:

Town Assessor	Town Planner
Town Economic Development Coordinator	Town Council Member
2 Members of Economic Development Commission	Business Member

Any agreements with developers, property owners, or businesses involving the TIF District or TIF Revenues, such as Credit Enhancement Agreements or Fixed Assessment Agreements, shall be reviewed and approved by the TIF Management Committee, which will then make a recommendation for approval by the Town Council. The Town Council will authorize the Town Manager to enter into approved CEAs. The Town will review CEA applications on a case-by-case basis and is not obligated or bound to enter into a CEA.

B. Annual Reporting

The TIF Management Committee shall annually report to the Town Council on the status and performance of the TIF District, and the Town Council shall review the TIF District Master Plan annually. This shall include but not be limited to annual information on:

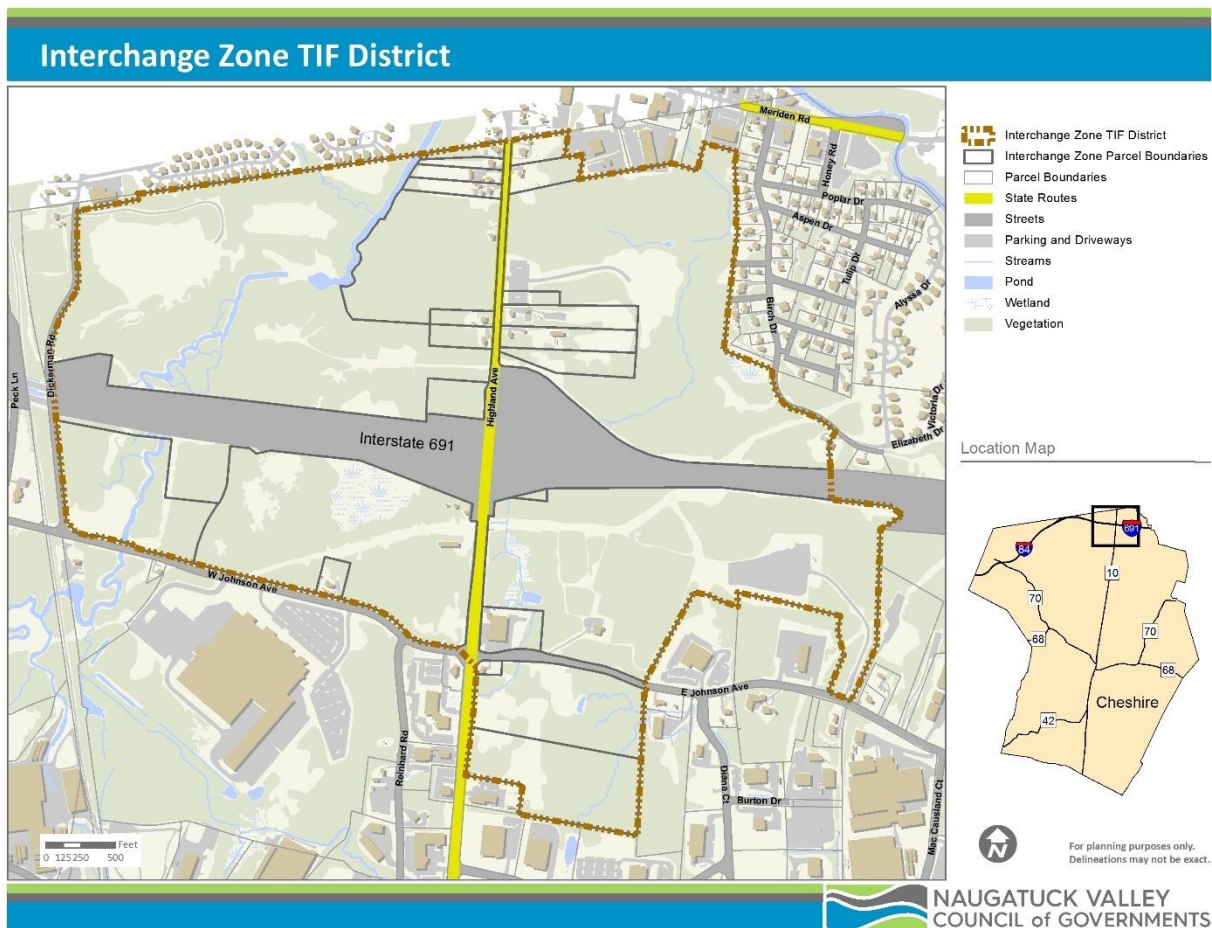
- Narrative description of public and private property improvements (new development, redevelopment, infrastructure) made to date
- Incremental property value to date above the Original Assessed Value and associated revenues
- Jobs created and retained through any credit enhancement agreements or other direct developer or business benefits related to the TIF District
- New private investment within the TIF District
- Any other public and private benefits resulting from the TIF District

The Town, as required by the TIF Act, will include in its annual audit all accounts and funds established under the District Master Plan.

Exhibit A: TIF District Maps and Parcel Identification

The Interchange Zone TIF District is located in an area near the interchange of Routes 10, and I-691. The Interchange Zone TIF District represents a combination of both public and private land and structures and is comprised of parcels zoned for both commercial and residential use. A map of the district and a detailed listing of parcels are included in Exhibit A.

The Interchange Zone TIF District encompasses approximately 329 acres. Approximately 72% of the assessed value comes from parcels zoned for Commercial and approximately 10% of the taxable real property value is Residential. Approximately 18% of assessed value is in parcels that are tax-exempt as of October 1, 2018; these are three state-owned parcels zoned for commercial use.



Description of the boundaries of the Interchange Zone TIF District

The proposed Interchange Zone Tax Increment Financing District encompasses approximately 329 acres in the highway interchange area of Cheshire bounded by residential properties having frontage and access off Birch Drive on the northeast, industrial properties having access and frontage off East Johnson Avenue on the southeast, West Johnson Avenue on the southwest, Dickerman Road on the west, and Town of Southington on the north. The district also includes three properties south of East Johnson Avenue, one of which is zoned industrial, with frontage along Highland Avenue.

Parcels in the TIF District

Town of Cheshire TIF District Parcel Use Summary

Commercial	Taxable	71%	\$8,170,320
Residential	Taxable	10%	\$1,160,160
State Owned (Commercial)	Tax Exempt	19%	\$2,162,180
		100%	\$11,492,660

Taxable Real Property, 10/1/2018 Grand List	\$2,402,748,232
Taxable Parcel Value as a Percent of Taxable Grand List	0.39%

Town of Cheshire TIF District Parcel List, October 1, 2018 Grand List

Parcel ID	Current Use	Special District	Taxable Real Property	Non Taxable Real Property	Total Real Property Value
00004900	Commercial	None	\$165,830	\$0	\$165,830
00005000	Commercial	None	\$157,720	\$0	\$157,720
00005100	Commercial	None	\$115,710	\$0	\$115,710
00005200	Residential	None	\$181,410	\$0	\$181,410
00005300	Commercial	None	\$657,290	\$0	\$657,290
00005400	Residential	None	\$136,610	\$0	\$136,610
00005500	Commercial	None	\$150,220	\$0	\$150,220
00005600	Commercial	None	\$120,850	\$0	\$120,850
00005700	Commercial	None	\$39,700	\$0	\$39,700
00005800	Residential	None	\$154,550	\$0	\$154,550
00005900	State Owned (Commercial)	None	\$0	\$300,350	\$300,350
00006000	State Owned (Commercial)	None	\$0	\$39,610	\$39,610
00006100	State Owned (Commercial)	None	\$0	\$1,822,220	\$1,822,220
00006200	Residential	None	\$162,870	\$0	\$162,870
00006300	Residential	None	\$168,610	\$0	\$168,610
00004600	Commercial	None	\$1,454,080	\$0	\$1,454,080
00036200	Residential	None	\$149,840	\$0	\$149,840
00036300	Commercial	None	\$2,078,720	\$0	\$2,078,720
00037700	Commercial	None	\$658,550	\$0	\$658,550
00037800	Residential	None	\$94,800	\$0	\$94,800
00038800	Commercial	None	\$2,176,830	\$0	\$2,176,830
00038902	Residential	None	\$111,470	\$0	\$111,470
00039100	Commercial	None	\$381,320	\$0	\$381,320
01107700	Commercial	None	\$13,500	\$0	\$13,500
Sum of Assessed Value:			\$9,330,480	\$2,162,180	\$11,492,660

Exhibit B: Assessor's Certificate of Original Assessed Value

ASSESSOR'S CERTIFICATE TAX INCREMENT FINANCE DISTRICT CGS 7-339ee (B) and CGS 7-339gg (b)

In accordance with Sections 7-339ee (B) and 7-339gg of the Connecticut General Statutes, I hereby certify that the assessed value of all taxable real property located in the Town of Cheshire Interchange Zone Tax Increment Financing District, as established by a vote of the Town Council on June 11, 2019, does not exceed ten per cent (10%) of the total of the Town on the Grand List of October 1, 2018.

The assessed value of all taxable real property located in the Interchange Zone Tax Increment Financing District as of the Grand List of October 1, 2018 equals \$9,330,480, which is equal to 0.39% of the total assessed value of all taxable real property of the Town on the Grand List of October 1, 2018.



Teresa Geremski
Assessor
Town of Cheshire

June 25, 2019

Exhibit C: Estimates of Increases in Assessed Values and Associated Incremental Revenues in District

Please see pages 16 and 17 for tables.

Tax Increment Financing Assessment Increase Scenarios - Town of Cheshire TIF District

2% Annual Growth in Assessed Value				4% Annual Growth in Assessed Value		
TIF Year	Assessed Value	Change	Cumulative Value Added	Assessed Value	Change	Cumulative Value Added
Pre-TIF*	\$ 9,330,480	\$ -	\$ -	\$ 9,330,480	\$ -	\$ -
1	\$ 9,517,090	\$ 186,610	\$ 186,610	\$ 9,703,699	\$ 373,219	\$ 373,219
2	\$ 9,707,431	\$ 190,342	\$ 376,951	\$ 10,091,847	\$ 388,148	\$ 761,367
3	\$ 9,901,580	\$ 194,149	\$ 571,100	\$ 10,495,521	\$ 403,674	\$ 1,165,041
4	\$ 10,099,612	\$ 198,032	\$ 769,132	\$ 10,915,342	\$ 419,821	\$ 1,584,862
5	\$ 10,301,604	\$ 201,992	\$ 971,124	\$ 11,351,956	\$ 436,614	\$ 2,021,476
6	\$ 10,507,636	\$ 206,032	\$ 1,177,156	\$ 11,806,034	\$ 454,078	\$ 2,475,554
7	\$ 10,717,789	\$ 210,153	\$ 1,387,309	\$ 12,278,275	\$ 472,241	\$ 2,947,795
8	\$ 10,932,144	\$ 214,356	\$ 1,601,664	\$ 12,769,406	\$ 491,131	\$ 3,438,926
9	\$ 11,150,787	\$ 218,643	\$ 1,820,307	\$ 13,280,182	\$ 510,776	\$ 3,949,702
10	\$ 11,373,803	\$ 223,016	\$ 2,043,323	\$ 13,811,390	\$ 531,207	\$ 4,480,910
11	\$ 11,601,279	\$ 227,476	\$ 2,270,799	\$ 14,363,845	\$ 552,456	\$ 5,033,365
12	\$ 11,833,305	\$ 232,026	\$ 2,502,825	\$ 14,938,399	\$ 574,554	\$ 5,607,919
13	\$ 12,069,971	\$ 236,666	\$ 2,739,491	\$ 15,535,935	\$ 597,536	\$ 6,205,455
14	\$ 12,311,370	\$ 241,399	\$ 2,980,890	\$ 16,157,372	\$ 621,437	\$ 6,826,892
15	\$ 12,557,598	\$ 246,227	\$ 3,227,118	\$ 16,803,667	\$ 646,295	\$ 7,473,187
16	\$ 12,808,750	\$ 251,152	\$ 3,478,270	\$ 17,475,814	\$ 672,147	\$ 8,145,334
17	\$ 13,064,925	\$ 256,175	\$ 3,734,445	\$ 18,174,847	\$ 699,033	\$ 8,844,367
18	\$ 13,326,223	\$ 261,298	\$ 3,995,743	\$ 18,901,840	\$ 726,994	\$ 9,571,360
19	\$ 13,592,748	\$ 266,524	\$ 4,262,268	\$ 19,657,914	\$ 756,074	\$ 10,327,434
20	\$ 13,864,602	\$ 271,855	\$ 4,534,122	\$ 20,444,231	\$ 786,317	\$ 11,113,751
21	\$ 14,141,895	\$ 277,292	\$ 4,811,415	\$ 21,262,000	\$ 817,769	\$ 11,931,520
22	\$ 14,424,732	\$ 282,838	\$ 5,094,252	\$ 22,112,480	\$ 850,480	\$ 12,782,000
23	\$ 14,713,227	\$ 288,495	\$ 5,382,747	\$ 22,996,979	\$ 884,499	\$ 13,666,499
24	\$ 15,007,492	\$ 294,265	\$ 5,677,012	\$ 23,916,858	\$ 919,879	\$ 14,586,378
25	\$ 15,307,641	\$ 300,150	\$ 5,977,161	\$ 24,873,533	\$ 956,674	\$ 15,543,053
26	\$ 15,613,794	\$ 306,153	\$ 6,283,314	\$ 25,868,474	\$ 994,941	\$ 16,537,994
27	\$ 15,926,070	\$ 312,276	\$ 6,595,590	\$ 26,903,213	\$ 1,034,739	\$ 17,572,733
28	\$ 16,244,592	\$ 318,521	\$ 6,914,112	\$ 27,979,341	\$ 1,076,129	\$ 18,648,861
29	\$ 16,569,483	\$ 324,892	\$ 7,239,003	\$ 29,098,515	\$ 1,119,174	\$ 19,768,035
30	\$ 16,900,873	\$ 331,390	\$ 7,570,393	\$ 30,262,456	\$ 1,163,941	\$ 20,931,976
30-year Total		\$ 7,570,393			\$ 20,931,976	

Assumptions:

*OAV as of October 1, 2018 Grand List

30 year TIF term

1% and 2% annual assessment increase projections are for planning purposes

Tax Increment Financing Revenue Scenarios - Town of Cheshire TIF District

		2% Growth Scenario		4% Growth Scenario	
TIF Year	Mill Rate	Cumulative Value Added	Incremental Tax Revenue for TIF Purposes (75% Capture)	Cumulative Value Added	Incremental Tax Revenue for TIF Purposes (75% Capture)
Pre-TIF*	33.22	\$ -	\$ -	\$ -	\$ -
1	33.55	\$ 186,610	\$ 4,696	\$ 373,219	\$ 9,392
2	33.89	\$ 376,951	\$ 9,581	\$ 761,367	\$ 19,351
3	34.23	\$ 571,100	\$ 14,660	\$ 1,165,041	\$ 29,907
4	34.57	\$ 769,132	\$ 19,941	\$ 1,584,862	\$ 41,090
5	34.91	\$ 971,124	\$ 25,430	\$ 2,021,476	\$ 52,934
6	35.26	\$ 1,177,156	\$ 31,133	\$ 2,475,554	\$ 65,473
7	35.62	\$ 1,387,309	\$ 37,058	\$ 2,947,795	\$ 78,742
8	35.97	\$ 1,601,664	\$ 43,212	\$ 3,438,926	\$ 92,780
9	36.33	\$ 1,820,307	\$ 49,602	\$ 3,949,702	\$ 107,626
10	36.70	\$ 2,043,323	\$ 56,236	\$ 4,480,910	\$ 123,322
11	37.06	\$ 2,270,799	\$ 63,121	\$ 5,033,365	\$ 139,912
12	37.43	\$ 2,502,825	\$ 70,266	\$ 5,607,919	\$ 157,441
13	37.81	\$ 2,739,491	\$ 77,680	\$ 6,205,455	\$ 175,959
14	38.19	\$ 2,980,890	\$ 85,370	\$ 6,826,892	\$ 195,516
15	38.57	\$ 3,227,118	\$ 93,346	\$ 7,473,187	\$ 216,166
16	38.95	\$ 3,478,270	\$ 101,617	\$ 8,145,334	\$ 237,964
17	39.34	\$ 3,734,445	\$ 110,192	\$ 8,844,367	\$ 260,970
18	39.74	\$ 3,995,743	\$ 119,081	\$ 9,571,360	\$ 285,246
19	40.13	\$ 4,262,268	\$ 128,294	\$ 10,327,434	\$ 310,856
20	40.53	\$ 4,534,122	\$ 137,842	\$ 11,113,751	\$ 337,870
21	40.94	\$ 4,811,415	\$ 147,735	\$ 11,931,520	\$ 366,358
22	41.35	\$ 5,094,252	\$ 157,983	\$ 12,782,000	\$ 396,397
23	41.76	\$ 5,382,747	\$ 168,600	\$ 13,666,499	\$ 428,065
24	42.18	\$ 5,677,012	\$ 179,595	\$ 14,586,378	\$ 461,446
25	42.60	\$ 5,977,161	\$ 190,981	\$ 15,543,053	\$ 496,628
26	43.03	\$ 6,283,314	\$ 202,771	\$ 16,537,994	\$ 533,703
27	43.46	\$ 6,595,590	\$ 214,977	\$ 17,572,733	\$ 572,766
28	43.89	\$ 6,914,112	\$ 227,612	\$ 18,648,861	\$ 613,920
29	44.33	\$ 7,239,003	\$ 240,691	\$ 19,768,035	\$ 657,271
30	44.78	\$ 7,570,393	\$ 254,226	\$ 20,931,976	\$ 702,930
30-year Total			\$ 3,263,529		\$ 8,168,002
30-year Total (NPV @ 3%)			\$ 1,722,731		\$ 4,240,510

Assumptions:

30 year TIF term

1% and 2% annual assessment increase projections are for planning purposes

Net Present Value (NPV) calculated using 3% discount rate

*Pre-TIF mill rate for 2018 Grand List.

Mill rate is estimated to increase by 1.0% each year.

Exhibit D: Notice of Public Hearing

(pages 18 and 19)

The Cheshire Herald

Cheshire's source for local news since 1953
www.cheshireherald.com

195 SOUTH MAIN STREET

CHESHIRE, CONNECTICUT 06410

(203) 272-5316

Fax: (203) 250-7145

2893

Town of Cheshire

AFFIDAVIT OF PUBLICATION

THIS IS TO CERTIFY that the attached clipping is a true copy of a notice published in the Cheshire Herald on May 23, 2019

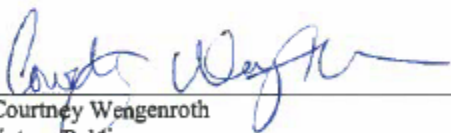
The Cheshire Herald

State of Connecticut

} SS. Cheshire
Christine Styra, Credit Manager


Christine Styra – Credit Manager

The foregoing affidavit was signed and sworn
Before me this 25 day
Of May 2019.


Courtney Wengenroth
Notary Public
My Commission Expires September 30, 2021

LEGAL NOTICE

TOWN OF CHESHIRE
TOWN COUNCIL
NOTICE OF PUBLIC HEARING
INTERCHANGE ZONE TAX
INCREMENT FINANCING (TIF)
DISTRICT MASTER PLAN

The Town Council of the Town of Cheshire will hold a public hearing at 7:00 p.m. on Tuesday, June 11, 2019 in the Town Hall Council Chambers, 84 South Main Street, Cheshire, Connecticut, to consider a proposed Interchange Zone Tax Increment Financing (TIF) District Master Plan which boundaries are as follows.

The proposed Interchange Zone Tax Increment Financing District encompasses approximately 329 acres in the highway interchange area of Cheshire bounded by residential properties having frontage and access off Birch Drive on the northeast, industrial properties having access and frontage off East Johnson Avenue on the southeast, West Johnson Avenue on the southwest, Dickerman Road on the west, and Town of Southington on the north. The district also includes three properties south of East Johnson Avenue, one of which is zoned industrial, with frontage along Highland Avenue.

Electors and citizens will be heard at

Continued on page 19

LEGAL NOTICE

Continued from page 18

the public hearing concerning these submissions.

Dated at Cheshire, Connecticut, this 14th day of May 2019.

Robert J. Oris, Jr.
Town Council Chairman

Exhibit E: Minutes of Public Hearing

(pages 20-25)

TOWN OF CHESHIRE

Cheshire Town Council
84 South Main Street • Cheshire, Connecticut 06410-3193
203-271-6660 • Fax 203-271-6639



TOWN COUNCIL PUBLIC HEARING 7:00 P.M., TUESDAY, JUNE 11, 2019 COUNCIL CHAMBERS, 84 SOUTH MAIN STREET, CHESHIRE, CT

Public Hearing Subject Matter: Consideration of a proposed
Interchange Zone Tax Increment
Financing (TIF) District Master Plan.

1. Roll Call.
2. Explanation of Hearing Procedure and Agenda.
3. Reading of Legal Notice.
4. Presentation on Hearing Subject.
5. Questions at the Discretion of the Chair.
6. Proponents and Opponents Statements Alternately Expressed.
7. Rebuttal at the Discretion of the Chair.
8. Adjournment.

CERTIFIED COPY
Date Recorded 6/10/2019
Laura Brennan
Town Clerk Cheshire, CT
Date 6/27/2019

Received for record 6/10/2019
at 10:35 a.m. and recorded by
Laura Brennan
Cheshire, CT Town Clerk

MINUTES OF THE CHESHIRE TOWN COUNCIL PUBLIC HEARING HELD ON TUESDAY, JUNE 11, 2019, AT 7:00 P.M. IN COUNCIL CHAMBERS, 84 SOUTH MAIN STREET, CHESHIRE CT 06410.

Present

Robert J. Oris, Jr. Council Chairman; Paul A. Bowman, Vice Chairman; Jeffrey Falk, Patti Flynn-Harris, Sylvia Nichols, Timothy Slocum, David Veleber, Peter Talbot.

Absent: Thomas Ruocco

Staff: Sean Kimball, Town Manager; Arnett Talbot, Assistant Town Manager; James Jaskot, Finance Director; Gerald Sitko, Economic Development Coordinator; William Donlin, Tax Collector.

Guests: Victoria Storrs, Project Manager, Camoin310 Associates; David Pelletier, EDC Chairman.

Public Hearing Subject Matter
**Consideration of a proposed
Interchange Zone Tax Increment
Financing (TIF) District Master Plan**

CERTIFIED COPY
Date Recorded 6/17/2019
Laura Brunson
Town Clerk Cheshire, CT
Date 6/27/2019

1. ROLL CALL

The clerk called the roll and a quorum was determined to be present.

Following roll call, Councilor Bowman left the meeting due to possible conflict of interest with the TIF District Master Plan public hearing.

2. EXPLANATION OF HEARING PROCEDURE AND AGENDA

3. READING OF LEGAL NOTICE

The clerk read the legal notice into the record.

4. PRESENTATION ON HEARING SUBJECT

On behalf of the Economic Development Commission, Mr. Pelletier read a letter of support for the TIF District Master Plan into the record of the hearing. A copy of the letter is attached to the minutes.

Victoria Storrs, Camoin 310 Associates, Project Manager, gave a presentation on the TIF District Master Plan. Under CGS 105 the State enacted legislation for use of TIF Districts in Connecticut. Highlights of the TIF presentation are cited in the minutes.

Value Capture – a policy approach that enables communities to recover and reinvest land value increases that result from public investment.

- TIF is not a new tax or special assessment.
- TIF is a tool that enables a community to identify and capture tax revenue from new private investment that has been catalyzed by public investment.

- TIF communities – Bristol, CT; New Britain, CT; Old Saybrook CT; Windsor Locks CT.
- TIF helps achieve a town's goals; guides development; funds ongoing planning and community outreach; provides funding for road, traffic and streetscape improvements; expands town's tax base and commercial tax base expands
- TIF – is a financing method to catalyze economic development; it allows some or all future tax revenue from developments to be dedicated to support infrastructure, projects and programs related to economic development; property tax increment can be used to help public and private development costs; portion of incremental revenues not dedicated for TIF is used for general fund; once TIF expires all revenues go to the general fund. TIF falls under value increase and taxes recapture.
- TIF can enable a community to negotiate tax reductions to generate more private development. The key steps are Planning, Approval, Implementation and Monitoring. There are no zoning changes; TIF is in keeping with the Plan of Conservation and Development (POCD); everything is included in the annual audit, insuring transparency.
- Map of the proposed TF I-C Zone District; identified projects (public); plan elements (projects, estimated costs, district in place 30 years, Credit Enhancement Agreements (CEA) and guidelines proposed, estimated revenue at 2% and 4% growth in assessed value; Summary of Estimated Revenues Original Assessed Value (OAV) at 2% and 4% growth, captured revenue on investments.
- TIF captures revenue, but all expenditures go through regular budget process.
- TIF is local. The local budgeting practices and zoning are followed.

Ms. Storrs reviewed the tax increment financing revenue scenarios (over 30 years and mill rate increase of 1.0% annually) for the Cheshire TIF district at 2% growth scenario and 4% growth scenario. She explained the "Cumulative Value Added" is the increase in assessment as a result of the new private investment, and this increases the value in the district. Incremental tax revenue for TIF purposes is 75% captured over the base number.

Credit Enhancement Agreement (CEA) – this is an optional tool that can be enabled in the TIF District, by statute. It is similar to a tax abatement; it must be approved by the Town Council; it reduces taxes for private businesses making investments in a property in the TIF District. The legislative body (Town Council) can release money to the General Fund, and amend the district and master plan.

Key Steps – creation of proposed TIF Master Plan; Town Council review and approval (vote); implementation and monitoring.

Potential Projects – infrastructure improvements, streetscape improvements, fire station, traffic calming/signalization, road construction and maintenance, district administration, economic development studies.

Town of Cheshire Involvement – Town Council, Economic Development and Planning, Assessing and Finance staff, Economic Development Commission, Planning and Zoning Commission, Public Hearing.

Proposed I-C Zone Master Plan Components – 24 parcels, 71% zoned commercial; public projects, identified estimated costs; district in place for 30 years; propose to capture 75% of incremental revenues from increases to assessed value; estimated revenue scenarios at 2% and 4% growth; established guidelines for CEAs with Council approval required. Mill rate increases 1% per year; assessed values increase 4% per year.

TIF Use in Connecticut – the chart gives detailed information on the community, TIF adoption date, terms in years, percent of tax revenue captured, credit enhancement agreements.

5. QUESTIONS AT THE DISCRETION OF THE CHAIR.

Breina Schain, 62 Hilltop Road, asked if the town paid Camoin for services to set up and monitor the TIF; how much was paid; movement of funds; and the firm's future involvement with TIF in Cheshire.

There was a competitive bid process and Ms. Storrs said Camoin was selected to set up TIF for adoption, but will not be involved with ongoing implementation.

Chairman Oris stated the town paid \$23,000; there was a competitive bid process; and Camoin was selected after an in-depth process; it is an experienced consulting firm. Mr. Oris pointed out the 30 year term for the TIF district; Council can modify or eliminate the TIF at any time; there will be monitoring by internal staff; and Camoin may be used in the future. There are no extra fees to the taxpayers with the TIF District. Movement of funds does not require a public hearing, as it is the right of the Council to move funds.

It was explained by Ms. Storrs that TIF funds/accounts have captured revenue deposits, according to statute. If interest rates rise the interest will remain in the account and used on TIF projects, until the Council moved money to the general fund. These funds must be included in the annual audit.

Mr. Blaze, Harrison Road, thought the number after five (5) years was hundreds of thousands of dollars. He asked about bonding of projects, and investments in order to build the TIF district.

Mr. Storrs replied that the estimated increase in assessed value is conservative, i.e. \$2M over five (5) years. Bonding is authorized only by the town, and could be used in conjunction with TIF.

Bringing utilities to the TIF would be subject to referendum, and Mr. Oris cited two ways the TIF plan works. #1 – advance utilities and services to see where there could be new development...he does not support this in these economic times. #2 – incentivize private development in the market; enhance their projects; rebate some of the taxes back once the development is in place.

Town Attorney Smith advised that the appropriation process is subject to all of the town's normal procedures in the Town Charter – referendum threshold is \$500,000. If the town brings utilities to the area and costs are above \$500,000, it is subject to referendum. That number could be reduced by offsetting reimbursements, i.e. grants or contracts.

Kathy Yacavone, 15 Copper Valley Court, talked about wanting development in the north end, and if adopted, what is the vision of things happening in this phased project.

Chairman Oris said the project does not have to be sequential. A private enterprise wanting to work in the zone would design zoning regulations to fit the project. The overlay of the TIF zone gives economic incentive, with people choosing Cheshire over another location. One large development could be \$20M added to value.

Ms. Yacavone said there could be mixed use, restaurants, affordable housing, in the zone.

There are many ideas, all subject to what the underlay zone allows, and Mr. Oris said the PZC will vet things properly and protect the community.

Gerry Lodinsky, 23 Williams Road, commented on the S.D.D. and splitting up parcels. He asked about town roads for developers buying 3 or 4 acres, and heard there would be 240 residences proposed for the area.

Chairman Oris stated a large tract could be broken up as zoning regulations allow. He supports the town using tax dollars to bring roads to the area.

Mr. Lodinsky talked about sewer development and hook-up costs and people being taxed to bring connections to the north end.

Mr. Oris said if there is payment for the expansion of utilities and some reduction in future taxes, this is a fair trade, and sewers to the area are subject to connection fees.

It was stated by Ms. Flynn-Harris that the developer has responsibility for the infrastructure within the property being developed (roads in, sewer hook-ups). The town does not do this.

Town Council Public Hearing (TIF) June 11, 2019, Page 5

For the May 13th PZC meeting Mr. Lodinsky read information and noted the TIF information is different from this zoning meeting information.

Ms. Flynn-Harris pointed out the trend for large shopping malls is no more, and TIF is a tool to incentivize development to help the town's tax base.

Mr. Lodinsky raised a question about referendum, and the legal opinion that TIF issues are not subject to referendum.

It was explained by Mr. Oris that unless the Council believes there is an offset of new revenue to reduce infrastructure costs and bring them below referendum limits, the matter would go to referendum.

6. **PROPOSERS AND OPPOSITORS STATEMENTS ALTERNATELY EXPRESSED.**
7. **REBUTTAL AT THE DISCRETION OF THE CHAIR.**
8. **ADJOURNMENT**

Chairman Oris adjourned the public hearing at 8:10 p.m.

Attest:


Marilyn W. Milton, Clerk

Received for record 6/17/2019

at 8:45 a.m. / ~~p.m.~~ and recorded by


Laura Brennan
Cheshire, CT Town Clerk

Exhibit F: Written Advisory Opinion from Planning Commission

TOWN OF CHESHIRE

Planning & Zoning Commission
84 South Main Street
Cheshire, Connecticut 06410
203-271-6670 • Fax 203-271-6688



COPY



March 18, 2019

Sean M. Kimball, Town Manager
Town of Cheshire
84 South Main Street
Cheshire, CT 06410

Dear Mr. Kimball:

At the special meeting of the Planning and Zoning Commission held on March 11, 2019, the following motion was approved:

Section 8-24 Recommendation regarding the proposed Interchange Zone Tax Increment Financing District Master Plan as required by Public Act 15-57:

Moved that the Cheshire Planning and Zoning Commission finds that the proposed Interchange Zone Tax Increment Finance District is not in conflict with the 2016 Cheshire Plan of Conservation and Development.

Moved by Mr. Dawson; seconded by Mr. Brucato. VOTE The motion passed unanimously by those present.

Respectfully,

Jeff Natale

Jeff Natale, Secretary
Cheshire Planning and Zoning Commission

The Bedding Plant Capital of Connecticut

Exhibit G: Town Legislative Action

(pages 27-29)

Town Council Meeting, June 11, 2019, Page 6

Ms. Nichols cited two separate issues - #1 membership of committees/commissions; and #2 combining the two committees. She said it is up to the Council to develop something more definitive about serving and explain the responsibilities involved.

Mr. Slocum believes the big problem is lack of a clear mission for both committees, and said the missions should be looked at along with the scope of work.

Chairman Oris supported tabling the matter with more dialogue being beneficial.

VOTE The motion passed unanimously by those present.

Councilor Bowman recused himself from Agenda Item E due to possible conflict of interest.

E. Discussion and possible approval of Interchange Zone Tax Increment Financing (TIF) District Master Plan.

MOTION by Mr. Slocum; seconded by Mr. Talbot.

BE IT RESOLVED, that the Town Council approves Resolution #061119-6

CERTIFIED COPY
Date Recorded 6-17-19
Laura Bowman
Town Clerk
Cheshire, CT
Date 6-17-19

RESOLUTION #061119-6

WHEREAS, The Town Council wishes to contribute to the economic growth and well-being of the Town of Cheshire with the establishment of a Tax Increment District,

THEREFORE, BE IT RESOLVED, pursuant to Connecticut General Statutes Chapter 105b, Sections 7-339cc through 7-339kk, the Town Council establishes and Interchange Zone Tax Increment District consisting of approximately 329 acres in the highway interchange area of Cheshire, bounded by residential properties having frontage and access off Birch Drive on the northeast, industrial properties having access and frontage off East Johnson Avenue on the southeast, West Johnson Avenue on the southwest, Dickerman Road on the west, and Town of Southington on the north. The district also includes three properties south of East Johnson Avenue, one of which is zoned industrial, with frontage along Highland Avenue, and

BE IT FURTHER RESOLVED, that the Town Council approves the Tax Increment Financing Interchange Zone TIF District Master Plan as presented and attached, and

BE IT FURTHER RESOLVED, that the Town Council authorizes that 75% of the future increased assessed property values within the District shall be retained as captured assessed value and up to 100% of the real property tax revenues generated from such captured assessed value may be used to fund the cost and improvements set forth in the District Master Plan, and

BE IT FURTHER RESOLVED, that the Town Council authorizes the Town Manager of the Town of Cheshire to execute credit enhancement agreements which fall within the scope and policies of the District Master Plan and are approved by the Town Council.

Said District Master Plan may be amended or modified by resolution of the Town Council as the Town's legislative body.

Mr. Slocum said this matter was the subject of a long public hearing, and Council and EDC had presentations on the TIF proposal.

Mr. Slocum has concerns that there is nothing in the documents which indicates whether the town is bound by the Town Charter as far as funding sources for capital projects. Large projects such as a fire house must go to referendum due to the cost above referendum limit, and Mr. Slocum asked about identifying projects of this scope that TIF revenue would pay for it. He proposed there be an amendment to the motion to this effect.

Attorney Smith does not believe this is necessary, as all the actions of the Council and Boards are subject to the Town Charter. He said there is no harm with inclusion of the statement about the Town Charter in the document...i.e. "subject to both the Town Charter and enabling State Statute".

The Council held a discussion on town funds, i.e. to build a fire house in the north end, spending TIF funds on town projects, identifying projects with TIF dollars, and going to referendum for projects.

Town Attorney Smith explained that, under State Statute, money goes into a dedicated fund; money can be used to reimburse funds spent by a developer; reimburse the developer under the CEA without the need for referendum. Stating that all the money is subject to referendum is not correct.

The town amasses funds from the TIF in the north end into the account, and Ms. Nichols said a firehouse is needed to support the development, and the cost could be fair use of the TIF money.

Mr. Oris talked about a firehouse being needed in the community, with zero dollars in the TIF...and with the net amount above referendum limits the project must go to referendum. There is no need to add language, and the Town Attorney has stated everything is subject to the Town Charter.

Attorney Smith stated an additional provision would have to be added to the documents. He advised there would be circumstances where TIF statute requires handling of funds different than the Town Charter.

This is a confusing process and Mr. Oris stated the importance of the community understanding what is being done with TIF. He is comfortable with voting to support the TIF.

VOTE The motion passed 7-0-1; Mr. Bowman abstained.

F. Set public hearing for amendments to Bazaar and Raffle Permits Ordinance.

MOTION by Mr. Oris; seconded by Ms. Flynn-Harris.

BE IT RESOLVED, that the Town Council approves Resolution #061119-7

RESOLUTION #061119-7

BE IT RESOLVED, That the Town Council shall hold a public hearing to consider an amendment to the bazaars, raffles and games of chance ordinance, Section 10-10, and

BE IT FURTHER RESOLVED, that the Town Manager shall cause a notice of said public hearing to be posted and published according to law, and

BE IT FURTHER RESOLVED, that the date, time, and place or any postponements thereof shall be determined by the Town Manager with the approval of the Chairman of the Council.

VOTE The motion passed unanimously by those present.

G. Approval of salary for Town Clerk for term January 2020 through December 2021.

MOTION by Ms. Nichols; seconded by Mr. Talbot.

BE IT RESOLVED, that the Town Council approves Resolution #061119-8

RESOLUTION #061119-8

BE IT RESOLVED, that the Town Council hereby adjusts the salary of the Town Clerk by 2%, from the current salary of \$82,897.46 per year to \$84,555 per year, effective January 1, 2020, and

BE IT FURTHER RESOLVED, that the Town Council adjusts the salary of the Town Clerk by 2% from the salary of \$84,555 established as of January 1, 2020, to \$86,247 effective January 1, 2021.

Discussion

Attachment 1: Credit Enhancement Agreements (CEA) Policy

Overview

Credit Enhancement Agreements (CEAs) are a mechanism for providing assistance to property owners or developers undertaking development projects in the TIF District. A property owner, or a property owner and developer applying for, and, if approved, entering into a CEA, shall be referred to as the Applicant.

A CEA is a contractual agreement between the Town and the Applicant that allows the Town to provide reimbursements of future incremental property tax revenues to the Applicant. This policy outlines the eligibility requirements, guidelines, process, and other details for how and when the Town will enter into CEA agreements.

The Town will review CEA applications on case-by-case basis and is not obligated or bound to enter into a CEA.

CEA Goals

The Town of Cheshire's goal for entering into CEAs is to create incentives for private partners, such as property owners and developers, to undertake improvements to privately owned parcels within the TIF District, that would not otherwise be undertaken because the costs of such improvements make them financially infeasible.

General Provisions

A. Terms

The specific terms of each CEA are negotiated between the Town and the Applicants. Agreements can extend between 1 year and the full term of the TIF District, and up to 100% of the annual TIF Revenues associated with the Captured Assessed Value from the property can be reimbursed to the property owner depending on the merit in achieving Town goals for CEAs.

B. Level of Funding Adjustments

During the life of the TIF District and the life of each CEA, the Applicant for each CEA shall demonstrate that the funds are being used at appropriate levels for the purpose intended. If the level of funds the Applicant receives exceeds the projected need, the amount returned to the Applicant shall be adjusted and any excess redeposited to the District Master Plan Fund. As described in the TIF Master Plan Section II. B., the Town may transfer excess funds to the General Fund.

C. Enterprise Zone Requirements and Relation to Other Town-Provided Incentives

For projects within an Enterprise Zone, Applicant will contractually agree not to take the Enterprise Zone reduced assessed value benefit for any phase of the project benefitting from a CEA. This also applies to any other Town provided financial incentives. The Applicant cannot receive benefit from both a CEA and another Town financial incentive on the same incremental value.

Mandatory Requirements

The Town will participate in CEAs when its participation is financially necessary and involvement by the Town is needed in order for the project to be undertaken. Justification for financial need and Town involvement must be demonstrated by:

- A need to offset infrastructure costs unique to the site; or
- A need to offset economic advantages available to a corporate entity if it should develop a project (or expand operations) outside of the Town of Cheshire; or
- A lack of sufficient private or other public funding sources to meet the full capital investments needed to undertake the project.

The following requirements must also be met:

- The Applicant is financially capable of undertaking the project, as demonstrated by submission of one or more of the following:
 - Letters from a financial institution, government agency, or other funding agency indicating a commitment to provide a specified amount of funds, and the uses for which the funds may be utilized.
 - In cases where funding is required but there can be no commitment of money until approvals are received, letters of "Intent to Fund" from the appropriate funding institution indicating the amount of funds and their specified uses
 - The Applicant's most recent corporate (or other entity) annual report, including its annual financial statements, indicating availability of sufficient funds to finance the development, together with explanatory material interpreting the report.
 - Evidence indicating availability of funds if the Applicant will personally finance the development.
- The Applicant is compliant with all statutory and regulatory guidelines of the Town of Cheshire and the State of Connecticut.
- The project represents a minimum investment of \$1,000,000, including project investment costs for improvements. The minimum investment shall not include the costs of land acquisition.
- The Applicant's equity contribution to the project is a minimum of ten per cent (10%) of the project investment costs for land acquisition and all improvements.

Guidelines That Determine Level of Municipal Participation

Applicants need not meet each of the following criteria; however, the Town will use the following to determine the level of its participation in a Credit Enhancement Agreement:

- The project assists an established business in the Town of Cheshire, thus assisting in retaining existing employment opportunities and expanding employment;
- The project creates long-term, permanent and quality employment opportunities;
- The project contributes to the revitalization of areas in need of redevelopment;
- The project improves a blighted building site in need of rehabilitation;

- The project creates public infrastructure facilities that have application beyond the particular development such as improvements to traffic patterns, parking facilities, green space, etc.;
- The project supports or will support community projects, provides job training, provides student internships, supports local contractors and suppliers
- The project supports or will support local efforts and programs that assist those who are under-employed or who are making the transition from welfare to work, etc.
- The project broadens the commercial tax base of the Town

Application Requirements

The Town shall utilize an application form that includes at a minimum the following information:

- a. Name and contact information of Applicant and owner if separate; attorney if applicable
- b. Tax Map and Lot # of property (or properties) for which TIF assistance is being requested
- c. Zoning District(s)
- d. List of any other local zones or districts the property is within that relate to tax assessment or payments, including but not limited to fire districts, Town taxes, sewer mill rates, etc.
- e. Current assessed value of taxable real property as of the date of the application
- f. Description of the proposed project
- g. Description of proposed use(s) for the site (residential, commercial, retail, industrial, etc.)
- h. Description of how the proposed project meets the Town's TIF purposes as stated in this District Master Plan, under Section I.A. District Master Plan Narrative and Purpose.
- i. Estimated permanent jobs to be created and/or retained resulting from development
- j. Estimated development costs
- k. Estimated development timetable including project start, completion, and any phasing if applicable
- l. Statement that the Applicant demonstrates the financial capacity to undertake the project and provides evidence in support of this capacity. Evidence will include but is not limited to:
 - i. Development budget and pro-forma
 - ii. Financial commitments of project lenders
 - iii. A project implementation plan and schedule
- m. Description of any other local, state, or federal support being used to finance project
- n. Statement that the requested TIF project would not otherwise occur "but for" assistance through TIF

Applications will be available through and submitted to the Economic Development Coordinator, Town of Cheshire Town Hall, 84 South Main Street, Cheshire, CT 06410, telephone (203) 271-6670.

Confidentiality: All such information provided by the Applicant shall be kept confidential to the extent permitted by law.

Other Requirements: The creation and approval of a TIF District Master Plan shall not relieve the Applicant from complying with any other regulatory and/or permitting requirements which may be necessary as part of the Applicant's project such as site plan, wetlands, building permits, etc.

Application Fee: Each Applicant will submit a fee of \$500.00 upon submission of each application.

Fee for Legal Counsel: In the event that outside legal counsel is required, the Applicant may be asked to offset costs of such counsel.

CEA Application Process

Any agreements with developers, property owners, or businesses involving the TIF District or TIF Revenues, such as Credit Enhancement Agreements or Fixed Assessment Agreements, shall be reviewed and approved by the TIF Management Committee, which will then make a recommendation for approval by the Town Council. The Town Council will authorize the Town Manager to enter into approved CEAs.

The steps below outline the CEA approval process.

Step 1: Applicant submits application to the Town of Cheshire Economic Development Coordinator.

Step 2: Town Staff, under the direction of the Economic Development Coordinator, reviews the application, determines whether all necessary information has been provided and the application is complete, including requesting additional information or clarification from the Applicant where necessary, and submits the complete application to the TIF Management Committee.

Step 3: The TIF Management Committee reviews the application and makes a recommendation to the Town Council on whether the application should be approved and a CEA granted.

Step 4: The Town Council reviews the application and the recommendation, votes on whether the CEA should be approved and, if the application is approved, authorizes the Town Manager to enter into the approved CEA.

Termination of Agreement

The CEA will terminate at the date specified in the agreement, not to exceed the last day of the TIF District.