

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
JANUARY 12, 2021
REMOTE MEETING
7:00 P.M.

[Join meeting](#)

Password: Jan2021BOFMtg

Call-in Option: 1-408-418-9388 United States Toll

Access Code: 132 847 0559

Passcode: 52620212

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC COMMENTS

D. APPROVAL OF PRIOR MINUTES

December 8, 2020 Regular Meeting

E. NEW BUSINESS

1. Move to appropriate \$2,000,000 of General Fund Unassigned Fund Balance to the Pension/Actuarial Funding account within the General Fund to fund projected pension payouts.
2. Move to appropriate a \$2,774,254.05 State Department of Energy and Environmental Protection grant for improvements to Biscoglio Field and various improvements at Sage Park to the DEEP Athletic Facilities Improvements Grant account.
3. Finance Director update.
4. Discussion of Tax Abatement for Newport 903-913 Farmington Ave LLC.
Agenda item approved by Town Council on 1-5-2021: "Move to approve a tax abatement for Newport 903-913 Farmington Ave LLC for their mixed-use project. The residential portion will be for 5 years of 80% in year 1, 70% in year 2, 60% in year 3, 50% in year 4, and 40% in year 5. The commercial portion will be for 10 years on the commercial of 70% for years 1 through 3, 60% for years 4 through 8, and 50% for years 9 and 10 per the town's tax abatement policy. The tax abatement agreement shall be subject to Newport not receiving housing tax credits for the project from other State or federal sources."

F. ADJOURNMENT

**TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
DECEMBER 8, 2020
REMOTE MEETING
7:00 P.M.**

A. CALL TO ORDER

Chairman Lomaglio called the meeting to order at 7:02 p.m.

B. ROLL CALL

ATTENDANCE:

Members Present: Sal Bordonaro, Tim Grady, Mark Holmes (arrived 7:04), Sam Lomaglio, Gerald Paradis

Staff Present:

Kevin Delaney – Finance Director
Arosha Jayawickrema – Town Manager

C. PUBLIC COMMENTS

None.

Chairman Lomaglio acknowledged Mr. Richards's resignation from the Board of Finance after accepting a job with the Berlin Board of Education. Chairman Lomaglio thanked Mr. Richards for his participation on the Board of Finance and his dedication on behalf of the Town. He wished Mr. Richards the best of luck in his new endeavor.

(Mr. Holmes arrived at this point.)

D. APPROVAL OF PRIOR MINUTES

November 10, 2020 Regular Meeting

Mr. Holmes moved to approve the November 10, 2020 minutes.

Seconded by Mr. Bordonaro.

Vote being 5-0. (MOTION CARRIED)

E. OLD BUSINESS

1. **Review BOE response to BOF request for details supporting June 2020 equipment expenditures.** – Mr. Bordonaro noted that despite his request, quantities were not supplied (where applicable), and he feels that the Board of Education should provide clear responses to Board of Finance questions in a timely fashion. Chairman Lomaglio suggested that Mr. Bordonaro assume

the role of Board of Finance liaison with the Board of Education which was held by Mr. Richards prior to his resignation. The other Board members supported the suggestion.

2. **Review response to BOF request for details of COVID expenditures by major category and grouped by reimbursable and non-reimbursable.** – Finance Director Delaney provided the COVID expenditures broken out per Board of Finance request. The expenditures were primarily equipment / technology and cleaning supplies. It was noted that to date, Board of Education has met its additional spending needs by utilizing remaining Open Choice grant funds from last fiscal year, as well as through COVID-related grant reimbursements.
3. **Review Building Official feedback about new development projects.** Chairman Lomaglio previously asked if any of the proposed developments in Town have requested waivers for building permit fees. Finance Director Delaney informed the group that to date, no specific requests for waivers have been received for the large projects. He added that there have been a few requests for permit fee waivers from non-profit organizations (i.e. churches) for smaller projects.

The Building Department is currently comprised of two building officials and an admin position, which is stretched thin during this period of economic growth. The fees generated in the department more than cover the salaries, and the department is looking to raise building permit fee revenue by \$100,000 year over year (for a total of about \$450,000). Town Manager Jayawickrema noted that during the pandemic, home improvement projects have increased significantly - last fiscal year, building permit revenue was over \$100,000 higher than the previous year. The Town Manager added that with the mixed-use developments currently underway he will likely ask to add a temporary building official (for the next 2-3 years) in order to keep up with the increased workload and keep response times low. He noted that other towns failed to add personnel during growth periods which resulted in 2- to 3-week response times. Phase I of the Steele Center at Farmington Avenue project could result in \$400,000 - \$500,000 of permit revenue.

4. **Review Defined Benefit pension liability details.** – Finance Director Delaney stated that the July 1, 2020 actuarial valuation recognized nine active members in the Defined Benefit Pension Plan with a total liability of \$12,600,000. One participant will receive a payout in April 2021, bringing the active members down to eight. An additional payout is expected in January and two more payouts are possible this fiscal year. Despite a severely underfunded pension fund account, Berlin has continued to honor its obligations and pay plan members as they retire.

Finance Director Delaney has received information from the Town's actuaries regarding a new pension plan / resurrecting the prior plan. He will examine the risks and funding requirements prior to revisiting the issue with Town Council. Town Council may request a joint meeting with Board of Finance to discuss the financial impact of the different options.

5. **Review Q3 VNA audit report.** – Finance Director Delaney provided Board of Finance members with the Q3 audit report that VNA Director Russo prepared (separate from her other typical work duties). He noted that an RFP has been put out in an effort to have an impartial examination of VNA's operations and practices and identify opportunities to improve performance while complying with the Town Charter and HIPAA requirements. The Town requested that bids be returned by January 4, 2021, with the hope of providing a full report to Board of Finance for consideration in the budget process (March 2021). Board of Finance noted that VNA is on track to increase its loss to

\$1,200,000 this fiscal year (up from \$900,000 last fiscal year). Board of Finance noted that residents value the service VNA provides highly, but they likely don't realize the high cost to taxpayers and the low number of residents utilizing the services. It also pointed out that there are other organizations that provide the same service as VNA— three of which are taxpayer organizations in Berlin.

F. NEW BUSINESS

1. **Discuss incremental tax revenue from new economic development projects** – Assessor Joe Ferraro explained that per Federal law, businesses are required to declare their assets to the Town in accordance with what is filed on their Federal income tax returns. After depreciation, businesses keep a residual value of 30% of their assets on the Town records. State law allows the Assessor's office to grant up to a 45-day extension to declarations (which are due every November 1st) if a taxpayer makes a valid request. The law specifies that the Assessor must render an assessment on a taxpayer that does not file a declaration (or request and receive an extension) and impose a penalty of 25% of the assessed value of the assets. Taxpayers are able to appeal assessments with the Board of Assessment Appeals.

Assessor Ferraro noted that often larger developments will request abatement of real estate taxes, which requests are examined by the Economic Development staff, Economic Development Commission and then voted on by Town Council. The Assessor is not consulted through this process.

The Board of Finance noted that Newport Realty may ask for a tax abatement, which was not mentioned during the many months of purchase negotiation with the Town. Board members discussed two points of view on the subject: 1) Is the request for abatement this late in the process a violation of good faith negotiations between the parties? The sale terms that the Town agreed to (including remediation of contamination, purchase price below fair market value and construction of a Boulevard) might have been different had the possibility of tax abatement been discussed at that time since the Town was assuming certain tax revenue.; and 2) Addition of businesses in Town is a good thing and any business that meets the criteria (large enough project) should be able to make the request for tax abatement. The Economic Development Department and Commission can consider all of the particulars before recommending that Town Council consider approval of the request.

2. Finance Director update.

- An Ethics webinar hosted by Corporation Counsel Jeff Donofrio is scheduled for Monday, December 14 at 6:00 p.m.
- FY 2019/2020 audit is almost complete, it is expected to be published week of 12/14/20. Financially, it was a good year – considerable money was saved with the closures of schools and Town buildings, but additional expenses were incurred in response to the COVID pandemic.
- Health insurance claims have leveled off. The Town has returned to better reserve position and will be in a good position to fund when routine health care resumes.
- Continued reduction in pension fund.
- Town debt continues its downward trend. (In FY 2016/17, Berlin's debt was \$108,000,000. It is currently down to \$91,000,000, which is high but in line with the budget.)
- Good cash flows, continue to strengthen balance sheets.

Board of Finance noted that several salary accounts are underspent to budget. Finance Director Delaney explained that a retirement and restructuring of the IT department has impacted several accounts but will change as actual expenses fill in. He also noted that transfers between departments may not begin until April 1st (by Charter). Additionally, VNA resources are continually being redirected to provide coverage in schools when nurses and aids call out sick.

Mr. Holmes noted that Charles Brown, Director of the Central Connecticut Health District (“CCHD”) was recently quoted as stating that nothing should be open during the pandemic and he plans to lock himself in his home until the virus is gone. Mr. Holmes asked about the Town’s obligation to fund the CCHD and/or provide a Health Department. Mr. Holmes stated that he is opposed to Mr. Brown, and in favor of defunding the CCHD. He added that local health districts were just given more power in an Executive Order signed by the Governor.

Mr. Delaney replied that the Town pays the CCHD based on its population, currently about \$33,000 per quarter / \$132,000 annually. The Town Charter requires that the Town provide a Health Department, and the cost to provide an internal Health Department would greatly exceed the Town’s contribution to the CCHD. He also noted that Berlin is entitled to appoint a Board Member to the CCHD, and there is currently a member in place.

Town Manager Jayawickrema also noted that Director Brown fills an advisory role and has been helpful throughout the pandemic. The Town does not always follow Director Brown’s conservative recommendations, rather it weighs those recommendations against the need to operate and provide services to the public.

G. ADJOURNMENT

Mr. Paradis moved to adjourn at 8:16 p.m.

Seconded by Mr. Lomaglio.

Vote being 5-0. (MOTION CARRIED)

Submitted by,

Dana Borges

TO: The Board of Finance

FROM: Arosha Jayawickrema, Town Manager

DATE: November 24, 2020

SUBJECT: Non-Budgeted Defined Benefit Appropriation

Summary of Agenda Item:

To ensure adequate funding is available, and in accordance with the pay-as-you-go funding strategy for the Town's closed defined benefit plan, this motion is to approve a non-budgeted appropriation of \$2,000,000 from fiscal year 2021 General Fund unassigned fund balance to the Pension/Actuarial Funding line (001.05.0507.0.52202.00000) in the General Fund.

After funding two pension payouts early in fiscal year 2021, and accounting for required monthly retiree payments, the Town's defined benefit pension plan has \$218,500 in defined benefit assets. Two payouts with a combined projected defined benefit payout of \$1,968,570 (combined projected total payout (DB & DC) of \$2,743,914) are expected to be paid out within the next 2-4 months.

Two additional payouts (beyond the two funded with this motion) are very possible based on employee comments. If both employees elect to retire before fiscal year 2021 year-end, an additional \$1,900,000 (at current interest rates) would need to be appropriated from General Fund unassigned fund balance. This additional amount is not being requested at this time but should be considered during the fiscal year 2022 budget process and any other potential non-budgeted appropriations.

Action Needed:

Move to appropriate \$2,000,000 of General Fund Unassigned Fund Balance to the Pension/Actuarial Funding account within the General Fund to fund projected pension payouts.

Attachments:

None

Prepared By:

Kevin Delaney, Finance Director

TO: The Board of Finance

FROM: Arosha Jayawickrema, Town Manager

DATE: December 22, 2020

SUBJECT: Authorize Town Manager to sign State DEEP grant for Sage Park & Berlin High School Athletic Field/Facility Improvements and Appropriate Funds to the DEEP Athletic Facilities Improvements Grant account.

Summary of Agenda Item:

At the December 18, 2020, State Bond Commission meeting, a \$2,774,254.05 State grant requested by Speaker Aresimowicz was approved. This grant will be administered by the State Department of Energy and Environmental Protection. The grant was requested to cover four projects:

- Berlin High School Biscoglio Field – Synthetic Turf Field Conversion: \$1,700,000
- Scoreboard Replacement at Sage Park: \$214,254.05
- Construction of Restrooms and Storage Facilities at Sage Park: \$510,000, and
- Sage Park Road Relocation: \$350,000.

This motion is to appropriate the grant funds to the DEEP Athletic Facilities Improvements Grant account (500.25.2545.0.54000.00772). This will enable Town staff to begin design and bid work consistent with Town purchasing requirements.

Action Needed:

Move to appropriate a \$2,774,254.05 State Department of Energy and Environmental Protection grant for improvements to Biscoglio Field and various improvements at Sage Park to the DEEP Athletic Facilities Improvements Grant account.

Attachments:

None

Prepared By:

Jennifer Ochoa, Director of Community, Recreation and Park Services
Steven Wood, Superintendent of Parks and Grounds Department
Doug Solek, Facilities Director

Town of Berlin
Financial Status Report
Board of Finance Meeting on January 12, 2021

E - 3

GENERAL FUND

	<u>FY 2021</u>	<u>FY 2020</u>	<u>Notes</u>
<i>(budgeted amount excludes assigned fund balance)</i>			
Receipts			
Actual Receipts	\$67,231,834	\$65,838,977	
Budgeted Receipts	\$91,050,922	\$89,001,349	
% to Budget	73.8%	74.0%	
Current Year Tax Receipts <i>(as of November 30)</i>	\$61,332,220	\$60,487,426	
Current Tax Budget	\$78,789,139	\$78,284,891	
Current Tax Levy <i>(99.3%/99.1% collection rates)</i>	\$79,344,551	\$78,995,854	
% to Current Budget	77.8%	77.3%	
% to Current Levy	77.3%	76.6%	
Adopted budget target %	99.3%	99.1%	

Expenditures <i>(excludes capital expenditures)</i>			
Actual Expenditures	\$45,902,604	\$42,593,115	
Budgeted Expenditures	\$91,491,644	\$90,361,494	
% to Budget	50.2%	47.1%	

Storm-related Overtime (\$1445)	\$44,911	\$45,609	
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Legal (\$3828)	<u>Encumbered</u>	<u>Actual</u>	
Ciulla & Donofrio	\$72,950	\$62,050	Monthly retainer (\$9,500) plus extra charges (e.g., time in court, mediation)
Shipman & Goodwin	\$11,240	\$30,760	Labor attorney
Barclay Daman	\$17,802	\$7,199	Planning & Zoning (Atkins St.) expert attorney for Town Council
Joseph Fasi	\$19,458	\$543	Bond counsel
Phoenix Advisors	\$16,500	\$0	Bond advisor
Standard & Poor's	\$15,000	\$0	Bond rating
US Bank	\$2,750	\$0	Bond clearing
Source Media	\$1,250	\$0	Bond advertising
Michael Delorenzo	\$250	\$0	Marshal services
Total	<u>\$157,199</u>	<u>\$100,551</u>	

Budget	\$257,750
Budget Balance	\$0

	<u>Target Floor Fd Bal.</u>	<u>Actual Fund Bal.</u>	<u>Notes</u>
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INSURANCE FUNDS

Health Insurance Fund	\$2,262,384	\$1,492,388	The Health Insurance Fund balance is 16.5% of full year projected expenses - against a target reserve range of 25-50%. Although the fund balance is well below the floor, the cash balance is \$1,970,152.
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General Insurance Fund	\$1,000,000	\$1,404,201	The fund is used to pay Liability & Worker's Compensation insurance premiums for both the Town and BOE, on-going heart & hypertension claims from police officers, window/widower heart & hypertension claims, "fronting" reimbursable environmental remediation costs, small equipment claims where Town elects to self-insure and deductibles. Town policy is \$1 million floor and ceiling at 5% of General Fund budget (or \$4,573,796 for FY21). Displayed fund balance is net of H&H reserve and encumbrances for self-insured claims.
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TOTAL INSURANCE FUNDS	<u>\$3,262,384</u>	<u>\$2,896,589</u>	
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PENSION FUND

		<u>Notes</u>
Total Liability <i>(as of 7/1/2020)</i> <i>(actuarial valuation liability was adjusted to remove FY21 retiree payouts)</i>	\$15,517,923	The Town of Berlin Retirement Income (Defined Benefit) Plan was amended for the last time effective July 1, 2000. As a result of this final amendment no new Town employees (excludes BOE employees covered by the Teacher's Retirement Fund) were eligible to participate in the plan. As part of the amendment, participants in the DB Plan have the option to be paid out with an annuity or a lump sum. In recent years, all retiring participants have elected the lump sum payout.
Cash Balances:		
Prudential <i>(as of 12/31/2020)</i>	\$614,956	
ICMA Plus <i>(as of 12/31/2020)</i>	<u>\$4,933,396</u>	
	<u>\$5,548,352</u>	
		Currently, the Town is executing a pay-as-you-go program to manage new retirements. The plan includes 9 active participants, 3 inactive but eligible participants and 18 annuitants.
Funding % - Total	35.8%	
Funding % - DB	4.0%	
Unfunded Liability	(\$9,969,571)	<u>Anticipated retirements:</u> FY21: 1 active w/ approx \$0.6 million payout February 2021 (already left Town employment); 1 inactive w/ approx \$1.2 million payout in April 2021; 2 additional retirements being considered w/ approx \$2.35 million net payout Annual annuity payments & total monthly fees: \$185,000

ACTIVE CAPITAL PROJECTS

	<u>% Complete*</u>	<u>Project Balance**</u>	<u>Notes</u>
High Road Bridge	100%	\$0	Project is complete. After the State audit the Town will reimburse the State for excess amount advanced for the project - actual project cost was less than original estimate. Town has been advised that the State audit may take up to 10 years once the project is closed. Town has reserved for excess funds.
Security Vestibules	100%	\$0	Grant reimbursement has been submitted to the State.
4-Bridge Rehabilitation	49%	\$0	Work is progressing on schedule and on budget. Two bridges in process and work will be completed by calendar year-end. The remaining two bridges will be started in the spring with an expected completion by calendar 2021 year-end.
Sage 1	91%	\$39,744	On budget & schedule. Project balance (unused project contingency) is expected to be available for use with Percival soccer field construction.

* % complete represents invoices received versus total expected project cost - this metric will lag actual construction completion

** Capital projects fund balance includes encumbrances.

Unexpended Education (2%) Account Tracking:

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Uncommitted Balance</u>	
BLAST Classroom	\$200,000	\$201,308	\$0	(\$1,308)	Complete - all POs closed
Gym Floors	\$117,775	\$117,775	\$0	\$0	Complete - all POs closed
McGee Gym Painting	\$37,225	\$26,650	\$0	\$10,575	Complete - all POs closed
Security Guard Equipment	\$25,000	\$12,710	\$0	\$12,290	Complete - all POs closed
TOTAL FY2019	<u>\$380,000</u>	<u>\$358,443</u>	<u>\$0</u>	<u>\$21,557</u>	
Hubbard Fire Alarm Upgrades	\$150,000	\$0	\$16,000	\$134,000	CES design encumbrance
McGee HVAC Unit #1	\$225,000	\$1,763	\$6,987	\$216,250	CES design encumbrance
TOTAL FY2020	<u>\$375,000</u>	<u>\$1,763</u>	<u>\$22,987</u>	<u>\$350,250</u>	
Balance available before FY19 rollover	\$69	\$0	\$0	\$69	
TOTAL 2% FUND BALANCE	<u>\$755,069</u>	<u>\$360,206</u>	<u>\$22,987</u>	<u>\$371,876</u>	

Risks

<u>Description</u>	<u>Projected Amt.</u>	<u>Probability</u>
Interest revenue	\$450,000	High
Bond Premium revenue	\$250,000	High
VNA revenue	\$300,000	High
Tax refund expense	\$40,000	High
Parks & Recreation revenue	\$100,000	Medium/High
Legal expenses	\$50,000	Medium
Pension payouts	\$1,200,000	Medium
Fall/Winter Storm expense	\$50,000	Medium

TOTAL

\$2,440,000

* Net of transfer to cover Eversource tax lawsuit settlement.

Opportunities

<u>Description</u>	<u>Projected Amt.</u>	<u>Probability</u>
Debt service costs - deferred December 2020 principal *	\$110,000	High
Position vacancies - Town Planner, Golf Director	TBD	Medium/High
Utility savings - COVID-19 (closed Town and/or BOE buildings)	TBD	Medium/Low

TOTAL

\$110,000

TO: The Board of Finance

FROM: Aroscha Jayawickrema, Town Manager

DATE: December 22, 2020

**SUBJECT: Tax Abatement for Newport 903-913 Farmington Ave LLC
(Steele Center @ Farmington Ave)**

Summary of Agenda Item:

Newport 903-913 Farmington Ave LLC was approved for the construction of a mixed-use project at 889, 903 and 913 Farmington Avenue in late 2019 which will include 76 market rate apartments and 19,000 square feet of commercial and medical office space. They have requested a tax abatement on both the residential and commercial portions of the project. Based upon our Tax Abatement policy, with a planned investment of over \$17,000,000, Newport 903-913 Farmington Ave LLC is requesting a tax abatement of 10 years on the commercial component of the project of 70% for years 1 through 3, 60% for years 4 through 8, and 50% for years 9 and 10. For the residential component, they have requested a 5-year tax abatement of 80% in year 1, 70% in year 2, 60% in year 3, 50% in year 4, and 40% in year 5.

The Economic Development Commission recommends that the Town Council approve the tax abatement for Newport 903-913 Farmington Ave LLC.

Subsequent to the approval and recommendation for action by the Economic Development Commission, the Board of Finance suggested that the tax abatement be granted subject to Newport not receiving housing tax credits for the project from other State or federal sources and Newport has confirmed that it is amenable to this condition.

Actions Needed:

None

Attachments:

- 1) Tax Abatement Application
- 2) Estimated taxes and abated taxes on the residential portion of the project
- 3) Estimated taxes and abated taxes on the commercial portion of the project
- 4) A copy of the letter to abutters

Prepared By:

Christopher Edge, Economic Development Director

November 23, 2020

Mr. Chris Edge, Director Economic Development
Town of Berlin
240 Kensington Road
Berlin, CT 06237

RE: Revised and Amended - Tax Abatement Application – Steele Center @ Farmington Ave., Berlin, CT – Transit Oriented Development.

Dear Chris:

We are pleased that the Steele Center boulevard is completed, and we remain excited to commence vertical construction of Building B within the next thirty days. Building B shall be the first new building as part of the Steele Center @ Farmington Avenue Transient Oriented Development (TOD). However, we continue our renovation of the exiting building and site located at 861 Farmington Avenue. As we have stated many times, Mark and I remain proud and anxious to proceed and diligently work toward the phasing and eventual completion of this development.

As we prepare to launch construction of the mixed-use building located at 903 Farmington Avenue, and continued renovation of 861 Farmington Avenue, Newport is interested in pursuing a tax abatement for the Steele Center at Farmington Avenue development. If granted, this abatement will help us off-set a portion of the increase in construction related building products we are experiencing and cushion the time horizon necessary to stabilize occupancy of the multi-family and commercial spaces.

As you will find on the Tax Abatement Application and Addendum, we thought it would be helpful to provide you a brief recap of each building component of the Steele Center development. This Addendum describes key information necessary for you and your team's evaluation and consideration.

Please do not hesitate to contact us should you have questions or need any additional information from us.



Tony Valenti
Newport Report Group, LLC



Mark Lovley
Newport Realty Group, LLC

Town of Berlin

Department of Economic Development

Tax Abatement Application

Name of Operating Company: Newport Realty Group, LLC

Name of Parent Company (If applicable): N/A

Name of Entity that will own the real estate: _____

Mailing Address: 710 Main Street, Suite 11, Wallingford, CT 06495

Project Address (If applicable): See Addendum

Company Number: 85-1600458

Phone Number: (860) 276-8668 Email: TownofBerlin@development.com

Description of the business to be located in the facility including the types of products manufactured or distributed:

Entire buildings included in the Steeple Center Farmington Avenue
Transit Oriented Development

Project Description – Please include square footage of building to be constructed or renovated, a general description of machinery and equipment and other personal expected to be added to the grand list, expected project start and completion dates. Attach an additional sheet if needed.

See Addendum

Visit our Web Site <http://www.town.berlin.ct.us>

Town of Berlin, Connecticut • Chris Edge, Economic Development Director
240 Kensington Road • Berlin, CT 06037 • (860) 828-7005 • Fax: (860) 828-7180 • Email: cedge@town.berlin.ct.us

Town of Berlin

Department of Economic Development

Estimated Value of Real Estate Improvements: See Attachment

Estimated Value of Additional Personal Property: Nil

Number of Jobs to be Retained in Berlin: Nil

Number of Jobs to be Created: Approximately 50 Construction Related jobs

Additional Details (If needed):

Date

Anthony M. Valenti
Signature of Company Representative

Steele Center @ Farmington Avenue
Tax Abatement Application - Addendum
Submission Date: November 23, 2020

<u>Location</u>	<u>Building Description</u>	<u>Square Feet</u>	<u>Cost Per Square Foot</u>	<u>Estimated Costs / Value</u>
Building A - New Construction #10 Steele Boulevard	Office / Medical Office	13,300	\$160.00	\$ 2,128,000
Building B - New Construction #9 Steele Boulevard	Mixed-Use - Commercial and Multi-Family	22,000	\$216.00	\$ 4,750,000
Building C - New Construction #29 Steele Boulevard	Retail	1,600	\$200.00	\$ 320,000
Building D/E - New Construction # 35 Steele Boulevard	Multi-Family	60,000	\$165.00	\$ 9,900,000
861 Farmington Avenue - Renovation	Mixed-Use - Commercial and Multi-Family	<u>2,500</u>	\$100.00	\$ 250,000
Total:		<u>99,400</u>		<u>\$ 17,348,000</u>

PRO FORMA - 5 YEAR TAX ABATEMENT FOR APARTMENTS ONLY

Year	Actual Year	Estimated Assessment Increase ^A	Mill Rate	Tax Abatement	Abatement Percentage	Real Estate Taxes	Added Vehicles ^B	Real Estate Taxes (Post-Abatement)	Net Taxes
1	2022	0.050,000	33.93	\$218,569	80.00%	\$	\$77,191	\$54,627	\$ 131,616
2	2023	0.050,000	34.15	\$192,630	70.00%	\$	\$77,964	\$82,556	\$ 160,520
3	2024	0.050,000	34.44	\$166,346	60.00%	\$	\$80,390	\$110,900	\$ 191,290
4	2025	0.050,000	34.70	\$139,664	50.00%	\$	\$79,534	\$139,664	\$ 219,198
5	2026	0.050,000	34.96	\$112,569	40.00%	\$	\$80,335	\$168,834	\$ 249,159
6	2027	0.050,000	35.22			\$	\$81,127	\$203,534	\$ 364,660
7	2028	0.050,000	35.49			\$	\$81,946	\$235,660	\$ 367,606
8	2029	0.050,000	35.75			\$	\$82,785	\$267,803	\$ 370,587
9	2030	0.050,000	36.02			\$	\$83,584	\$299,861	\$ 373,545
10	2031	0.050,000	36.29			\$	\$84,425	\$327,136	\$ 376,561
11	2032	0.050,000	36.56			\$	\$85,267	\$354,327	\$ 379,594
12	2033	0.050,000	36.84			\$	\$86,109	\$386,535	\$ 382,643
13	2034	0.050,000	37.11			\$	\$86,973	\$396,759	\$ 385,732
14	2035	0.050,000	37.39			\$	\$87,861	\$390,999	\$ 388,860
15	2036	0.050,000	37.67			\$	\$88,725	\$393,257	\$ 391,982
16	2037	0.050,000	37.95			\$	\$89,612	\$395,531	\$ 395,143
17	2038	0.050,000	38.24			\$	\$90,522	\$397,823	\$ 398,345
18	2039	0.050,000	38.53			\$	\$91,410	\$399,131	\$ 401,541
19	2040	0.050,000	38.81			\$	\$92,342	\$399,457	\$ 404,800
20	2041	0.050,000	39.11			\$	\$93,252	\$399,801	\$ 408,053
		Total		\$ 829,721		\$ 5,870,036	1,701,272	\$5,040,315	\$ 6,741,587

PRO FORMA - 10 YEAR TAX ABATEMENT - COMMERCIAL ONLY

Year	Actual Year	Estimated Assessment Increase ^A	Mill Rate	Tax Abatement	Abatement Percentage	Real Estate Taxes	Personal Property Taxes	Real Estate Taxes (Post-Abatement)	Net Taxes
1	2022	3,990,000	33.93	\$84,766	70.00%	\$135,362	\$20,307	\$40,814	\$60,921
2	2023	3,990,000	34.16	\$85,477	70.00%	\$136,596	\$20,510	\$40,919	\$61,439
3	2024	3,990,000	34.44	\$86,193	70.00%	\$137,419	\$20,715	\$41,236	\$61,941
4	2025	3,990,000	34.70	\$86,870	60.00%	\$138,450	\$20,922	\$55,330	\$76,302
5	2026	3,990,000	34.96	\$87,693	60.00%	\$139,482	\$21,132	\$55,795	\$76,927
6	2027	3,990,000	35.22	\$88,321	60.00%	\$140,514	\$21,343	\$56,214	\$77,537
7	2028	3,990,000	35.49	\$88,953	60.00%	\$141,568	\$21,556	\$56,635	\$78,192
8	2029	3,990,000	35.75	\$89,590	60.00%	\$142,650	\$21,772	\$57,060	\$78,832
9	2030	3,990,000	36.02	\$90,239	60.00%	\$143,720	\$21,990	\$57,484	\$79,469
10	2031	3,990,000	36.29	\$90,899	60.00%	\$144,793	\$22,210	\$57,909	\$80,100
11	2032	3,990,000	36.56			\$145,864	\$22,432	\$58,334	\$80,736
12	2033	3,990,000	36.84			\$146,978	\$22,656	\$58,761	\$81,376
13	2034	3,990,000	37.11			\$148,080	\$22,883	\$59,191	\$82,013
14	2035	3,990,000	37.39			\$149,191	\$23,111	\$59,620	\$82,652
15	2036	3,990,000	37.67			\$150,310	\$23,342	\$60,050	\$83,292
16	2037	3,990,000	37.95			\$151,437	\$23,576	\$60,487	\$83,933
17	2038	3,990,000	38.24			\$152,573	\$23,812	\$60,927	\$84,577
18	2039	3,990,000	38.53			\$153,717	\$24,050	\$61,370	\$85,223
19	2040	3,990,000	38.81			\$154,870	\$24,290	\$61,816	\$85,871
20	2041	3,990,000	39.11			\$156,032	\$24,533	\$62,264	\$86,521
		Total		\$ 652,322		\$ 2,999,496	\$ 447,142	\$ 2,057,174	\$ 2,504,316

December 23, 2020

Dear Berlin Property Owner,

The Town of Berlin Economic Development Commission has received an application pursuant to its Tax Partnership Program. This involves a phase in of increases in real property taxes resulting from the development of 4 new buildings at 889, 903 and 913 Farmington Avenue. The applicant, Newport 903-913 Farmington Ave LLC will be constructing a mixed-use project including 76 high-end market rate apartments and 19,000 square feet of retail. Newport 903-913 Farmington Ave LLC has requested a tax abatement on the new development. This will not affect the taxes on your property, but will help a developer to build a new and exciting project by our Train Station in Berlin.

This matter is **scheduled** to be considered at the Town Council meeting on **Tuesday January 5th by Webex at 7:00 PM**. I am providing you this notice because you are the owner of record of a nearby property. The Town Council has requested that all property owners within 500 feet of the subject property be notified that this application will be considered at the meeting on January 5, 2021.

Please call me at 828-7005 if you have any questions in this regard.

Sincerely,

Chris Edge
Economic Development Director