~AD HOC REPORT~

Belimo Air Controls—Deferral Assessment

Monday, June 25, 2012

Chairman Joseph Cavo called the meeting to order at 6:30 p.m. on Monday, June 25, 2012, in the Caucus Room, 3rd Floor, Danbury City Hall, 155 Deer Hill Avenue. Present were Committee members Stephen Darcy and Fred Visconti. Also present were Mayor Mark Boughton; Laszlo Pinter, Deputy Corporation Counsel; Wayne Sheppard, Chief of Staff for the Mayor's Office; David St. Hilaire, Director of Finance; Dennis I. Elpern, Director Planning & Zoning; Ex Officio: Benjamin Chianese, Jack Knapp and Warren Levy; Petitioner: John Coppola, Belimo Representative and Christopher Donohue, Esq.; and, members of the public.

Chairman Cavo introduced everyone present at the meeting and explained the purpose of the meeting.

Chairman Cavo opened up the meeting to Mr. Elpern in order to offer an explanation of the proposal before the Committee. Mr. Elpern explained that the Petitioner is seeking a 7-year deferral at 100% new construction of approximately $40 million. A pending issue which needed to be addressed prior to approval was regarding delinquent property taxes which has since been rectified by the previous property owner.

Attorney Donohue pointed out that at submission of Belimo's application, the site plan was not yet in place but now is. The tax deferral is needed in order to move forward with the construction.

Mr. Coppola pointed out that Belimo desires to remain in Danbury, construct a 200,000 square foot facility which is an energy efficient green building, a majority of their employees live in Danbury, Belimo's desire is to continue to grow their business in Danbury, more than double its size and provide additional employment opportunities to the community within the next 7-10 years. Belimo is a financially sound and strong company.

Mr. Sheppard pointed out that Belimo is one of the largest employers of clients from Ability Beyond Diability, their retention factor of employees is high—once an individual is hired, they do not leave the company.

Mayor Boughton echoed the sentiments expressed. He further pointed out that Belimo was taking an existing empty industrial building, transforming it and remedying all the environmental issues. He is thrilled Belimo chose to invest in Danbury's community with not only a major construction project but also the potential for significant job growth.

Mr. Visconti asked if the building would not be completed until the year 2014, why was the matter of a 7-year tax deferral being addressed. Mayor Boughton explained that the clock does not begin running until Belimo is given a CO. Belimo requested the 7 years beyond that timeframe as an incentive for the company to stay in Danbury and help to grow its business. The company will continue to pay taxes to the City for the property.

Mr. St. Hilaire pointed out that Belimo purchased an abandoned building rather than lease it which is a more permanent investment in the community.

Mr. Cavo pointed out that with the recent purchase of the building, the City will now receive tax revenue on the property, which previously was not being paid. Mr. Elpern said the building has been vacant for 16 years and this is a real opportunity for the City.

A motion was made by Councilman Darcy and seconded by Councilman Visconti that the Ad Hoc Committee recommends to the City Council the approval of a resolution and agreement to defer increase in tax assessment to Belimo Air Controls, Inc. on improvements to real property at 33 Turner Road, Danbury, Connecticut, pursuant to provisions of law and the agreement. The motion passed unanimously.

A motion to adjourn was made by Councilman Visconti and seconded by Councilman Darcy. The motion carried unanimously at 6:53 p.m.

Respectfully submitted,

_____

Joseph Cavo, Chairman

_____

Stephen Darcy

_____

Fred Visconti

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RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

_____A.D. 2012

RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY

WHEREAS, pursuant to CGS Section 12-65b and Code of Ordinances Section 18-25, Belimo Air Controls (USA) Inc., has applied for a deferral of assessment increase for property at W. Ridgebury Road (a/k/a Turner Road); and

WHEREAS, the City of Danbury Planning Department has reviewed and recommended to the City Council a deferral in accordance with stipulations contained in the ***Agreement to Defer Increase in Tax Assessment*** attached hereto; and

WHEREAS, it is in the best interest of the City of Danbury to offer said assessment deferral pursuant to the intent of the State and local law.

NOW, THEREFORE, BE IT RESOLVED THAT Mark D. Boughton, Mayor of the City of Danbury, be and hereby is authorized to execute and record the ***Agreement to Defer Increase in Tax Assessment between the City of Danbury and Belimo Air Controls (USA) Inc.,*** pursuant to the approvals and conditions contained therein and in accordance with the provisions of law.

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AGREEMENT TO DEFER INCREASE IN TAX ASSESSMENT

This is an Agreement entered into this _____ day of _____ 2012, by and between **Belimo Air Controls (USA), Inc.** , (hereinafter "Belimo") in the City of Danbury, County of Fairfield, State of Connecticut and the **City of Danbury**, a municipal corporation organized and existing under the laws of the State of Connecticut (the "City").

WHEREAS, Belimo applied to the City under § 18-25 of the Code of Ordinances for a deferral of assessment increases for certain property which Belimo proposes to develop as additional corporate headquarters space; and

WHEREAS, said application is attached hereto as Schedule A and incorporated herein by reference, and is hereinafter referred to as the "Application"; and

WHEREAS, the property which Belimo proposes to improve/develop is located at W. Ridgebury Road (a/k/a Turner Road), Danbury, Connecticut, and has a Tax Assessor Map Lot Number of A17001 (the "Property"); and

WHEREAS, the Property has an assessed value on the October 1, 2010 grand list of Four Million Four Hundred Ninety Eight Thousand Dollars and 00/100 ($4,498,000.00); and

WHEREAS, on July ___, 2012, the City Council ("Council) of the City of Danbury approved a proposed assessment deferral Application between the City and Belimo, pursuant to which Belimo will be obligated to construct facilities and other improvements thereon (the "Improvements") in accordance with said application, attached hereto and made a part hereof; and

WHEREAS, Belimo intends to complete construction of the Improvements by December 31, 2014; and

WHEREAS, Belimo estimates that the cost of construction of Improvements will be Forty million dollars ($40,000,000.00); and

WHEREAS, the Planning Department reviewed the Application submitted and recommended to the Council of the City of Danbury that the Application meets the eligibility and design criteria specified in § 18-25 of the Code of Ordinances; and

WHEREAS, on July ___, 2012, the Council accepted the recommendation of the Planning Department, made certain findings required by § 18-25 of the Code of Ordinances of the City of Danbury and authorized by the Mayor to execute this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and the representations made by Belimo in the Application, the parties hereby agree as follows:

1. Upon completion of the construction of the Improvements made in accordance with the Application and upon certification by the Planning Department as hereinafter set forth in paragraph 2 below, and upon issuance of a certificate of occupancy for the Improvements, the entire increase in the assessment of the Property due to the Improvements shall be deferred each year for a period of seven (7) years immediately following issuance of the certificate of occupancy, provided that if the value of the Improvements, as determined pursuant to this contract, is less than three million dollars ($3,000,000.00), said deferral period shall be as provided in said Ordinance § 18-25.

2. The Improvements shall be completed on or before December 31, 2014. In the event that on said date, the Planning Department has not certified (or has denied such certification) that the Improvements have been completed in accordance with the eligibility and design criteria set forth in § 18-25 of the Code of Ordinances and in accordance with the terms of this Agreement or at any time if the Planning Department determines that the owner or lessee or the property is in default under this Agreement and has failed to cure said default after notice and opportunity to do so, this Agreement shall terminate as of that date, and G.E. Capital shall be liable for the increase in taxes for which it would have been liable in the absence of this Agreement. The Planning Department shall forward a copy of its certification that the construction or improvement has been performed in accordance with this Agreement to the Assessor of the City of Danbury ("Assessor"). In the event that the Planning Department denies such certification, it shall send a copy of its denial to the Assessor, who shall readjust his tax records in accordance with the provisions of this section. Belimo may apply to the Planning Department for an extension of time in which to complete the Improvements, which extension the Planning Department may approve for good cause shown. In no event shall such extension of time exceed a period of one (1) year.

3. This Agreement is further contingent upon the following conditions:

a. In addition to the certification requirements set forth in paragraph 2 above, the Property shall be subject to inspection and certification by the Building Inspector and Health Director, as being in conformance with such provisions of the state building and health codes and local housing codes as may apply, and by the Zoning Enforcement Officer to ensure conformance with the Danbury Zoning Regulations, as required;

b. The assessment deferral shall continue only as long as the Improvements to the Property continue to meet design criteria and specifications approved in this Agreement and as long as the use of the Property remains a use authorized by Section 18-25 of the City of Danbury Code of Ordinances as may be amended from time to time;

c. The assessment deferral shall cease if there is any delinquency in the payment of taxes on the Property;

d. The assessment deferral shall cease upon the sale or transfer of the Property unless the new owner of the Property shall enter into a new contract with the City incorporating all the terms of this Agreement as herein provided.

In the event that the assessment deferral ceases for any reason set forth in subparagraphs (b), (c), or (d) of this paragraph, the full installment of taxes due beginning on the July 1, October 1, January 1, or April 1, immediately following the cessation date shall be due on the Property and the Improvements as if this Agreement had never been executed.

4. The Assessor shall have the sole responsibility to determine the cost and value of the Improvements, subject to any rights of appeal which Belimo may have.

5. No later than thirty (30) days after the date this Agreement is executed, Belimo shall (a) file a copy of the executed Agreement with the Assessor, who shall adjust his records accordingly, and (b) file the Agreement in the office of the Town Clerk of the City of Danbury for recording on the Danbury Land Records.

6. This Agreement shall not necessarily affect the assessment of any items of personal property which may hereafter be located on the Property nor necessarily such real property assessment as may be established by the assessing authority.

7. This Agreement sets forth all (and is intended by the parties hereto to be an integration of all) of the promises, agreements, conditions, understandings, warranties and representations between

the parties hereto with respect to the assessment and the imposition of real property taxes on the Property and all improvements thereto, and there are no promises, agreements conditions, understandings, warranties or representations, oral or written, express or implied, between them with respect to said assessment and taxes other than as set forth herein.

8. This Agreement may not be modified or amended except a written agreement signed by the parties.

9. A ruling by any court or administrative body that a portion of this Agreement is invalid or unconstitutional shall have no effect on the other terms hereof which shall remain in full force and effect and binding on the parties hereto.

10. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Connecticut.

IN WITNESS WHEREOF, the parties have executed this Agreement and affixed their hands and seals this _____ day of July 2012.

Signed, sealed and delivered
in the presence of:

CITY OF DANBURY

_____

_____

Mark D. Boughton, Its Mayor
hereunto duly authorized

_____

SEAL IMPRESSED AND ATTESTED

Date:_____

_____

Jean Natale, Legislative Assistant

BELIMO AIR CONTROLS (USA), INC.

_____

_____

_____

Date:_____

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STATE OF CONNECTICUT }
} ss: Danbury
COUNTY OF FAIRFIELD }

On this the day of July 2012, before me, the undersigned officer, personally appeared Mark D. Boughton, who acknowledged himself to be the Mayor of the CITY OF DANBURY, Connecticut, a municipal corporation, and that he, as such Mayor, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the municipal corporation as such Mayor, and as the free act and deed of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

_____
Notary Public
Commissioner of the Superior Court

STATE OF CONNECTICUT }
} ss: Danbury
COUNTY OF FAIRFIELD }

On this the day of July 2012, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of Belimo Air Controls (USA) Inc., a Connecticut corporation, and that she/he as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Belimo Air Controls (USA), Inc., by him/herself as _____.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

_____
Notary Public
Commissioner of the Superior Court