

~AD HOC REPORT~
Praxair Deferral of Assessment
Tuesday, January 20, 2015

14

Chairman Joseph Cavo called the meeting to order at 6:00 p.m. on Tuesday, January 15, 2015, in the Caucus Room, 3rd Floor, Danbury City Hall, 155 Deer Hill Avenue. Present were Committee members Jack Knapp, Thomas Saadi, Fred Visconti, and Ex Officio Members Vinny DiGilio, Peter Nero, and Warren Levy. Benjamin Chianese arrived at 7:15 p.m. Also present were Les Pinter, Corporation Counsel; Bruce Tuomala, Director of Economic Development; and Wayne Shepperd, Mayor's Office; Stephan Bull, Chamber of Commerce President; Petitioner Omar Vargas, Praxair Head of Government Relations; Timor Sharif Chairman's Chief of Staff; Brian Morgan, Project Manager for Headquarters Project; Roy and Greg Steiner of Berkshire Corporate Park; and members of the public including David Bennett. Gregg Seabury was absent due to illness.

Mr. Pinter outlined the request and requirements for tax deferral for real property, and the status of the Praxair request to date.

Mr. Vargas discussed Praxair's decision to remain in Connecticut and commented on the financial benefits to the greater Danbury area.

Mr. Morgan provided details of their corporate headquarters plan with a single three story building and attached garage. Their preliminary plan was displayed and it was noted they expect to finalize it within a month, groundbreaking this summer and move in early 2017 if possible.

Mr. Roy Steiner reviewed the history and success of Berkshire Corporate Park and commented on the Praxair project. Mr. Greg Steiner added comments regarding the benefits of long-term ownership.

Mr. Tuomala noted the importance of Praxair to Danbury.

Mr. Bull noted the importance of the Praxair project and commented on their history with Danbury. He discussed quality, job creation, and philanthropy and stated that Praxair is an excellent corporate citizen. Mr. Bull also pointed out that the Berkshire Corporate Park developers are long-standing, excellent corporate citizens as well and he encouraged approval of the project.

Mr. Shepperd stated Praxair's philanthropy is greatly appreciated along with the job creation aspect.

Mr. Knapp received answers from Praxair to questions regarding number of employees and growth, and answers from Mr. Pinter regarding deferral amounts.

Mr. Saadi received answers from Praxair regarding who will apply and hold the deferral - a holding company will be the property owner (wholly owned by Praxair) and Praxair will be a tenant of that holding company. Job retention was also discussed as was the long-term nature Praxair remaining in Danbury. Later in the meeting, he inquired regarding sales tax exemption with regard to procurement.

Mr. Nero discussed economic benefits to Danbury and types of jobs created.

Mr. Levy noted that Berkshire is a reputable company; Danbury offers great benefits; and that this project will be a tremendous enhancement to the community.

Mr. Chianese received answers to questions on the land ownership.

Mr. DiGilio expressed support for the project.

Mr. Knapp received answers to questions regarding adjustments that would be made if estimated costs increase or decrease.

It was noted for the record that Mr. David Bennett asked to speak.

Mr. Visconti received detailed answers to the State's 3-part incentive package and details of the deferment. He also received answers to questions regarding traffic later in the meeting.

Mr. Pinter commented further on the deferral - benefits, jobs, etc., and the trade-off for that economic development value. He also discussed ways to achieve continuity of commitment.

Mr. Steiner responded to Mr. Cavo's questions regarding 3 remaining large parcels. Mr. Morgan answered questions regarding open bidding processes for construction and project management.

A motion was made by Councilman Knapp, and seconded by Councilman Saadi, recommending that the City Council adopt a Resolution to execute and record the Agreement to defer the increase in tax assessment between the City of Danbury and Berkshire West LLC, pursuant to the approvals and conditions contained therein and in accordance with the provisions of law. With the amendment by Councilman Saadi, seconded by Councilman Visconti, that Corporation Counsel work with the petitioners to draft the agreement to include a provision that there are some protections regarding transferability; retention of at least 400 jobs in Danbury (if that number dips [more than 5% per Councilman Knapp], that it be brought back into compliance within 60 to 90 days; and that there be a 5 year report to Council on (compliance) status either through the Office of Economic Development or Praxair. The amendment and main motion passed unanimously.

A motion was made by Councilman Saadi and seconded by Councilman Visconti, that the Ad Hoc Committee be adjourned. The motion passed unanimously at 7:30 p.m.

Respectfully Submitted,

Joseph Cavo, Chairman

Jack Knapp

Thomas Saadi

Fred Visconti

Gregg Seabury