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Strong v. Strong
TOWN OF GROTON, CT

TAX ABATEMENT AGREEMENT

THIS AGREEMENT entered into this 3RD day of December, 1975 by and between the TOWN OF GROTON, (hereinafter called "Town"), acting herein by Clinton H. Strong, its Town Manager, hereunto duly authorized, and MYSTIC RIVER HOMES, INCORPORATED, (hereinafter called "Homes") a nonprofit corporation organized and existing under the laws of the State of Connecticut, with a principal place of business in the Town of Groton, County of New London and State of Connecticut, acting herein by J. Nelson Harger, its President hereunto duly authorized,

W I T N E S S E T H

WHEREAS there is a need in the Town of Groton for housing for elderly persons at reasonable rentals;

WHEREAS Homes is endeavoring to establish a project of housing for the elderly upon certain premises described hereinafter to be known as Mystic River Homes;

WHEREAS Homes has received a loan in the amount of \$820,000.00 from the Farmers Home Administration of the United States Department of Agriculture for financing the first phase of said project;

WHEREAS said project is dependent upon and contingent upon the granting of an 80% tax abatement by the Town pursuant to the enabling ordinance adopted by the Groton Town Council on December 4, 1972; and

WHEREAS the interests of the Town will be served by this agreement, which will enable Homes to maintain the rental rates for said project below the prevailing market rates for similar housing.

NOW THEREFORE, in consideration of the mutual promises and agreements set forth hereinafter, the parties do hereby agree as follows:

1. Homes is the owner of two certain tracts of land with the appurtenances thereto situated at Noank in the Town of Groton, County of New London and State of Connecticut, more particularly bounded and described in a warranty deed from George A. Ford, Jr. and Ardyce H. Ford to Mystic River Homes, Incorporated dated January 5, 1971 and recorded in the Groton Land Records at Volume 253, Page 694.

2. Homes agrees to construct and maintain upon a portion of said property approximately 96 units of housing solely for elderly persons of low or moderate income, 48 units and a community building to be constructed in the first phase and 48 additional units to be constructed in the second phase if market conditions prove favorable.

3. The minimum rentals for the first phase of said project (including all utilities except telephone) are estimated by Homes as follows:

8 efficiency apartments @ 108.00 per month

24 one-bedroom apartments @ 135.00 per month

16 two-bedroom apartments @ 160.00 per month

4. Homes further agrees as follows:

a. Monies equal to the amount of said tax abatement shall be used solely for one or more of the following purposes:

1. To reduce rents below the levels which would be achieved in the absence of such abatement;
2. To improve the quality and design of such housing;
3. To effect occupancy of such housing by persons and families of varying income levels within limits determined by the State Commissioner of Community Affairs; and

4. To provide necessary related facilities or services in such housing.

b. Said abatement shall terminate at any time when such housing is not solely for elderly persons of low or moderate-income, or when said housing ceases to fulfill the purposes stated in Section 8-215 and 8-216 of the Connecticut General Statutes.

c. Homes shall give all assurances required by the Town Manager of Groton and by the Commissioner of Community Affairs that the amount of said tax abatement shall be used for the purposes stated in sub-section (a) above and stated in Sections 8-215 and 8-216 of the Connecticut General Statutes.

d. Homes shall permit the Town Manager and the Commissioner of Community Affairs to inspect said premises for any reasonable purpose, including determining that said premises are being used for the purposes stated in sub-section (a) above and stated in Sections 8-215 and 8-216 of the Connecticut General Statutes.

5. The Town hereby grants to Homes a tax abatement amounting to 80% of the taxes on the real estate, buildings and the contents thereof referred to in paragraph 2 hereinabove for a period of fifty (50) years commencing with the assessment of September 1, 1975; provided, however, that a building permit for said project shall be issued to Homes by the appropriate Town Authority during said assessment year.

6. It is also agreed between the parties that this agreement shall terminate upon the transfer, in whole or in part, of the real estate referred to in Paragraph 2 above by Homes without the approval of the Town.

IN WITNESS WHEREOF, the parties have caused their names and seals to be set hereunto on the day and year first written above.

In the Presence of:

TOWN OF GROTON

[Handwritten signature]

By *[Handwritten signature]*
Clinton H. Strong, Town Manager

MYSTIC RIVER HOMES, INCORPORATED

