

**Town of Groton, CT**  
**Tax Increment Financing**  
**Downtown Groton TIF District Master Plan**



FINAL – Adopted August 6, 2019

Town of Groton, CT

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## Introduction

The Town of Groton (the "Town") shall designate the Downtown Groton Tax Increment Financing District (the "District") and adopt this District Master Plan (the "District Master Plan") for the District to help generate strategic growth in its Downtown 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 purpose 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 Groton recognizes that TIF is an effective tool for economic development and seeks to use TIF to develop the Downtown Groton 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. This District Master Plan is consistent with the Town's Tax Increment Financing (TIF) Policy, Adopted March 6, 2018, and all applicable Federal, State, and local laws and regulation. The TIF Policy is included as Attachment 2.

## 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.

"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 Advisory Committee” means the committee designated by the Town and charged with advising and guiding the Town of the implementation of the Plan and any other Tax increment Financing Districts within the Town. The TIF Advisory Committee will consist of the Town of Groton Economic Development Commission.

“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.

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

“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. Grow and diversify the Town’s tax base through private investment.
- b. Grow and support economically diverse, long-term, stable employment opportunities for area residents.
- c. Improve Groton’s quality of life and place to serve residents, businesses and workers including:
  - I. Enhance the Town’s infrastructure development.
  - II. Create housing opportunities to attract and support workforce development.
  - III. Establish public spaces and cultural uses.
  - IV. Improve transportation and recreation infrastructure, including enhanced and well-connected pedestrian and bicycle facilities.

- V. Assist established businesses in the Town, thus assisting in retaining existing employment opportunities and expanding employment.
- VI. Revitalize areas or buildings in need of redevelopment, remediation, or rehabilitation.

The Town has created a framework that clearly articulates the *Design Principles, Uses, and Amenities*, and specific *Design Guidelines and Standards* for the area. These are presented in Attachment 1.

## B. Boundaries and Description of District

The Town has selected a portion of Downtown Groton for designation as a Tax Increment Financing District, hereto referred to as the “Downtown Groton” TIF District. The District encompasses an area generally known as Downtown Groton. It includes 145.04 acres located along both sides of Route 1 from Buddington Road east to Sunnyside Park. It is bounded on the south by the Amtrak rail line and on the north the boundary generally follows the Downtown Development (DDD) and Office Multiple Family (OMF) zone lines. The exact boundaries of the district are shown on the map included in Exhibit A. The area within the district represents a combination of both public and private structures and land and a variety of uses including residential, retail, and office and is integral to the vitality of the Town’s economy. All of the area is currently included in the Town’s Airport Development Zone and some portions are included in the Town’s Enterprise Zone. 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 Downtown Groton 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.

| <b>Table 1: Original Assessed Value (OAV) as a Percent of all Town Taxable Real Property</b>       |                 |
|--|-----------------|
| <b>OAV, Proposed Downtown Groton TIF District (Taxable Real Property)</b>                          | \$ 69,904,030   |
| <b>OAV, Existing TIF Districts (Taxable Real Property)</b>   | \$ 0            |
| <b>Total Proposed and Existing TIF Districts (Taxable Real Property)</b>                           | \$ 69,904,030   |
| <b>October 1, 2018 Gross Taxable Real Estate Grand List</b>  | \$3,251,777,985 |
| <b>Total OAV within TIF Districts as % of October 1, 2018 Gross Taxable Real Estate Grand List</b> | 2.15 %          |

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 Downtown Groton 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 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. Potential 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.

As of the date of the adoption of this TIF Master Plan, cost estimates are not known and it is not determined which projects from this list will be implemented. Any expenditure of TIF Revenues on projects from Table 2 below will require budget approval by the Town Council through its usual legislative processes.

**Table 2 - Downtown Groton TIF District Projects**

| <b>Project/Program/Category</b>          | <b>Description</b>  |
|--|---|
| <b>Sewer Improvements</b>                | Costs directly related to the District; the town may be required to relocate existing sewer lines, install new lines in redeveloped properties, and assist in the installation of new sewer laterals. This includes any design, engineering and other capital costs associated with sewer infrastructure projects required for the District.  |
| <b>Telecommunications Infrastructure</b> | Study the feasibility of broadband and wireless internet costs for the District to foster economic development  |
| <b>Stormwater improvement fund</b>       | The study of stormwater improvements for the District and funding for low impact development stormwater treatments where appropriate. Design, permitting, and construction costs as necessary.  |
| <b>Streetscape Improvements</b>          | Improve the streetscape along Route 1 and along other roadways, both public and private, within and adjacent to the District. Improvements including but not limited to medians, crosswalks, plantings, lighting, benches and signage, and possible signalization. Such improvements would provide recognizable pathways and would communicate clearly where the center of Groton is located, attracting business and patrons. The project includes any design, engineering and other capital costs associated with these projects. |
| <b>Road and Traffic Improvements</b>     | Improve roads, streets signals and other infrastructure that form the transportation routes most directly impacted by the creation of the District. Road construction and paving improvements within the TIF District, including but not limited to engineering and design work, sidewalk, bike and pedestrian crossing safety improvements, culvert repair, and catch basin and storm water infrastructure work.   |
| <b>Public Transit</b>                    | Costs associates with the study and implementation of Transit Oriented Development, bus rapid transit, shuttle bus and/or other public or privately run transportation route(s) expansion options linking TIF Districts and employment centers in Groton or linking   |

**Table 2 - Downtown Groton TIF District Projects**

| <b>Project/Program/Category</b>                                | <b>Description</b>   |
|--|--|
|  | transportation options to larger regional employment or housing centers outside of Groton.   |
| <b>Economic Development Studies</b>                            | Development and update of plans, analysis or strategies to further the goal of the redevelopment of the District.  |
| <b>Planning Studies</b>  | Route 1 Corridor study to determine street locations, curb cuts, and other design elements for the public and private circulation routes. Create a Route 1 redevelopment plan and design study to establish design standards for the Route 1 TIF District. Other studies and analysis for the District as needed.  |
| <b>Other Economic Development Projects and Programs</b>        | Events/festival support and promotion/marketing of the District. Credit Enhancement agreement review by third parties. Revolving loan fund and façade improvement program. Consultant services in support of economic development. Employment training for residents.  |
| <b>Small Business Revolving Loan Fund</b>                      | Establish a revolving loan fund for projects below the TIF eligibility threshold within the TIF District.  |
| <b>Professional Service and Administration</b>                 | Professional service and administration costs associated with the District and the implementation of the Development Program. Staff time for TIF administration; consultant services in support of TIF administration.   |
| <b>Environmental Remediation</b>                               | Phase I and Phase II environmental studies and remediation where necessary within the District.  |
| <b>Site Preparation and Relocation Costs</b>                   | Costs associated with preparing sites within the District for redevelopment, real property assembly costs and the costs, if any, associated with relocating individuals or businesses from sites within the District that will accommodate commercial redevelopment.   |
| <b>Land Development and Acquisition</b>                        | Develop available town land to ensure adequate public open space, public access, and recreational opportunities within and adjacent to the District for visitors and residents. Acquire new land where necessary to ensure adequate public open space and recreation opportunities within and adjacent to the District. This could include an area of assembly or a downtown "Town Green".                           |
| <b>Public Facilities</b>                                       | Provide adequate public restroom/changing room facilities in the District and at public recreation sites within or adjacent to the TIF District; Provide public amenities where appropriate. Design and installation or construction of public art projects within the district.   |
| <b>Improvements to Town Property, Public Spaces, and Parks</b> | Design and construction costs associated with a public park (including a possible parking area). The park could be located inside the District or adjacent to the District. It would provide an attractive amenity to the businesses located and to be located in the future within the District. The park is directly related to the development in the District and would support and promote District activities. |



## F. Private Development Description, Costs, and Financial Support

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 Groton 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 Downtown Groton TIF District are not provided as a matter of right. The Town's Credit Enhancement Guidelines and Requirements are presented in its *Town of Groton Tax Increment Financing Policy*, which is included as Attachment 2.

## 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:

| Table 3 – Financial Plan Characteristics  |               |
|---|---------------|
| <b>Original Assessed Value of Taxable Parcels in the Downtown Groton TIF District as of October 1, 2018</b> | \$ 69,904,030 |
| <b>Percent of Increased Assessed Value Located within the Downtown Groton TIF District to be Captured</b>   | 50%           |
| <b>Term of the Downtown Groton TIF District, in Years</b>   | 30 years      |
| <b>Maximum Public Indebtedness to which Downtown Groton TIF Revenues May be Pledged</b>                     | \$ 10,000,000 |

The TIF Revenues collected from the Downtown Groton 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 Downtown Groton TIF District are included in Exhibit C.

### B. Financing Structure and Flow of Funds

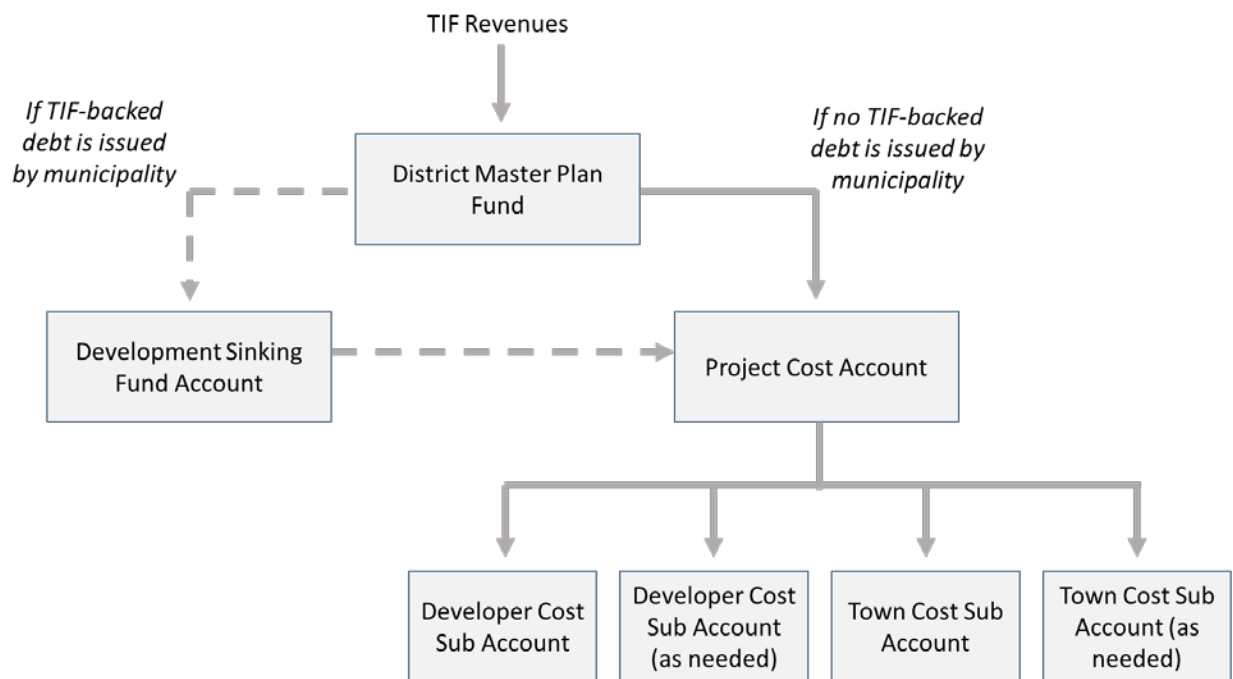
The Town reserves the right to incur debt to facilitate, in part or in whole, any of the aforementioned projects within the District Master Plan.

The Plan requires establishment of a District Master Plan Fund. Over the term of the Downtown Groton 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.

A District Master Plan Account will be created for each TIF District within the Town. 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 the District Master Plan Sinking Fund account that is insufficient to cover the annual obligations of that account.

Expenditures of TIF Revenues, other than for CEAs, will be included and approved as part of the Town's annual Capital Improvement Program. Expenditures for public facilities, improvements, and Programs (i.e., any expenditures of TIF Revenues for purposes other than CEAs) will be made only after the Town meets its obligations of any CEAs and any debt obligations that are secured by TIF revenues.

*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 Advisory 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. 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. TIF will only be applicable to the Town of Groton mill rate, and excludes any special assessments or taxing districts including: sewer, fire and other special assessments.

## 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 Advisory Committee shall be charged with advising and guiding Town staff on the implementation of the Plan including making recommendations on the priority order of projects to be funded.

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 Town Council following review and recommendations from Staff, and the TIF

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

Upon review and comment of the Town Manager, TIF Advisory Committee, and the Representative Town Committee and approval of the Town Council, the Town may at any time 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, CEA's or other obligations approved as part of the District Master Plan to the general fund.

## B. Annual Reporting

The TIF Advisory 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:

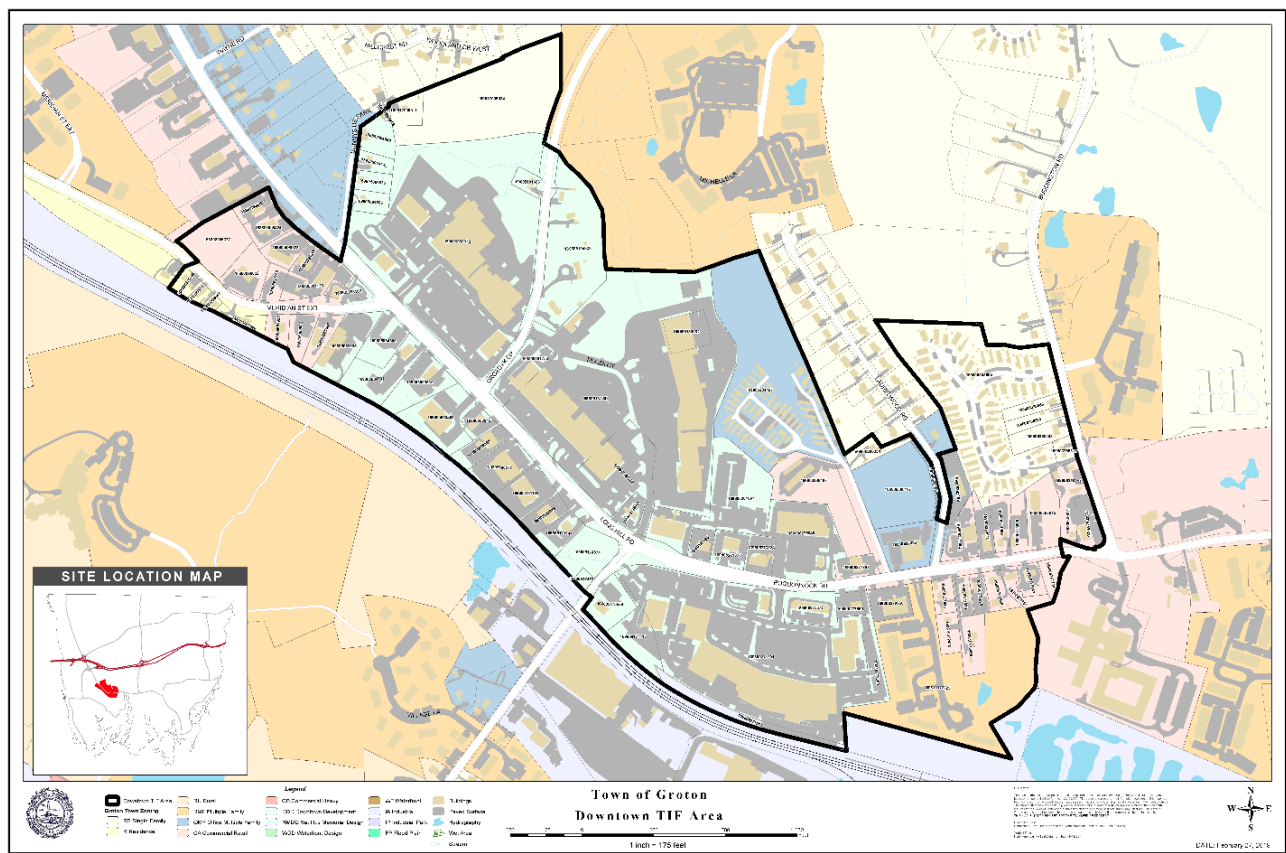
- Narrative description of public and private property improvements (new development, redevelopment, infrastructure) made to date
- Incremental property value to date above the Original Assessed Value and associated revenues
- Jobs created and retained through any credit enhancement agreements or other 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 Town has selected a portion of the Town that is generally known as Downtown Groton designation as a Tax Increment Financing District. The District includes 145.05 acres located along both sides of Route 1 from Buddington Road east to Sunnyside Park. It is bounded on the south by the Amtrak rail line and on the north the boundary generally follows the Downtown Development (DDD) and Office Multiple Family (OMF) zone lines. The exact boundaries of the district are shown on the maps below. The area within the district represents a combination of both public and private structures and land and a variety of uses including residential, retail, and office. The area within this district is integral to the vitality of the Town's economy. All of the area is currently included in the Town's Airport Zone and some portions are included in the Town's Enterprise Zone.

### *Map of the Downtown Groton TIF District*



### *Parcels in the TIF District*

Please see the table on the following pages.

| DOWNTOWN GROTON TIF DISTRICT, 2018 GRAND LIST ASSESSMENTS |                     |       |                           |                              |
|---|---------------------|-------|---------------------------|------------------------------|
| ID  | Property Location   | Acres | Gross Assessment, Taxable | Gross Assessment, Tax Exempt |
| 168808989955  | 699 MERIDIAN ST EXT | 0.395 | \$82,250                  | --                           |
| 168808995126  | 657 MERIDIAN ST EXT | 0.315 | \$86,100                  | --                           |
| 168808995191  | 665 MERIDIAN ST EXT | 0.14  | \$43,820                  | --                           |
| 168808996047  | 669 MERIDIAN ST EXT | 0.14  | \$47,810                  | --                           |
| 168808996377  | 0 MERIDIAN ST EXT   | 1.55  | \$142,310                 | --                           |
| 168808997090  | 689 MERIDIAN ST EXT | 0.435 | \$145,740                 | --                           |
| 168808998221  | 670 MERIDIAN ST EXT | 0.95  | \$240,730                 | --                           |
| 168808998564  | 587 LONG HILL RD    | 0.46  | \$454,090                 | --                           |
| 168808999156  | 694 MERIDIAN ST EXT | 0.405 | \$34,580                  | --                           |
| 168808999424  | 597 LONG HILL RD    | 0.62  | \$653,870                 | --                           |
| 169805080982  | 715 MERIDIAN ST EXT | 0.605 | \$16,940                  | --                           |
| 169805081980  | 729 MERIDIAN ST EXT | 0.54  | \$178,290                 | --                           |
| 169805082895  | 739 MERIDIAN ST EXT | 1.36  | \$434,630                 | --                           |
| 169805084781  | 681 LONG HILL RD    | 1.42  | \$578,970                 | --                           |
| 169805084888  | 671 LONG HILL RD    | 0.9   | \$229,530                 | --                           |
| 169805086635  | 687 LONG HILL RD    | 1.23  | \$949,130                 | --                           |
| 169805088408  | 721 LONG HILL RD    | 1.78  | \$801,920                 | --                           |
| 169805089367  | 743 LONG HILL RD    | 0.61  | \$380,520                 | --                           |
| 169805089458  | 731 LONG HILL RD    | 0.37  | \$379,960                 | --                           |
| 169805090323  | 609 LONG HILL RD    | 0.64  | \$412,650                 | --                           |
| 169805091135  | 625 LONG HILL RD    | 1.03  | \$760,900                 | --                           |
| 169805091218  | 611 LONG HILL RD    | 0.35  | \$245,770                 | --                           |
| 169805093102  | 627 LONG HILL RD    | 0.39  | \$482,510                 | --                           |
| 169805094525  | 30 SUNNYSIDE PK     | 0.445 | \$112,840                 | --                           |
| 169805094636  | 32 SUNNYSIDE PK     | 0.405 | \$80,290                  | --                           |
| 169805094745  | 36 SUNNYSIDE PK     | 0.375 | \$145,880                 | --                           |
| 169805094868  | 42 SUNNYSIDE PK     | 0.661 | \$91,490                  | --                           |
| 169805095908  | 76 SUNNYSIDE PK     | 0.05  | \$280                     | --                           |
| 169805098372  | 646 LONG HILL RD    | 12.95 | \$10,314,150              | --                           |
| 169805173944  | 799 LONG HILL RD    | 0.63  | \$625,520                 | --                           |
| 169805175589  | 873 POQUONNOCK RD   | 0.91  | \$327,040                 | --                           |
| 169805180277  | 757 LONG HILL RD    | 1.11  | \$1,221,990               | --                           |
| 169805181194  | 771 LONG HILL RD    | 1.1   | \$459,760                 | --                           |
| 169805181753  | 738 LONG HILL RD    | 1.05  | \$949,130                 | --                           |
| 169805182073  | 785 LONG HILL RD    | 0.53  | \$585,060                 | --                           |
| 169805186095  | 816 LONG HILL RD    | 0.41  | \$533,610                 | --                           |



| DOWNTOWN GROTON TIF DISTRICT, 2018 GRAND LIST ASSESSMENTS |                    |       |                           |                              |
|---|--------------------|-------|---------------------------|------------------------------|
| ID  | Property Location  | Acres | Gross Assessment, Taxable | Gross Assessment, Tax Exempt |
| 169805186252  | 786 LONG HILL RD   | 2.74  | \$760,270                 | --                           |
| 169805187608  | 740 LONG HILL RD   | 18.1  | \$6,812,400               | --                           |
| 169805189982  | 100 PLAZA CT       | 0.82  | \$460,390                 | --                           |
| 169805191686  | 109 DROZDYK DR     | 0.27  | \$93,520                  | --                           |
| 169805194323  | 54 DROZDYK DR      | 4.214 | \$253,610                 | --                           |
| 169805270848  | 928 POQUONNOCK RD  | 0.39  | \$169,050                 | --                           |
| 169805271876  | 944 POQUONNOCK RD  | 0.67  | \$345,940                 | --                           |
| 169805273824  | 958 POQUONNOCK RD  | 1.14  | \$327,740                 | --                           |
| 169805281097  | 904 POQUONNOCK RD  | 3.6   | \$3,381,840               | --                           |
| 169805284457  | 1042 POQUONNOCK RD | 9.4   | \$920,780                 | --                           |
| 169806275577  | 985 POQUONNOCK RD  | 0.98  | \$1,052,520               | --                           |
| 169806275848  | 970 POQUONNOCK RD  | 2.71  | \$1,806,910               | --                           |
| 169806277569  | 1023 POQUONNOCK RD | 0.345 | \$173,250                 | --                           |
| 169806277797  | 1004 POQUONNOCK RD | 0.47  | \$546,210                 | --                           |
| 169806279660  | 1041 POQUONNOCK RD | 0.73  | \$535,150                 | --                           |
| 169806286107  | 1010 POQUONNOCK RD | 2.33  | \$339,430                 | --                           |
| 169806288354  | 71 LAURELWOOD RD   | 0.525 | \$134,610                 | --                           |
| 169806370857  | 1028 POQUONNOCK RD | 1.14  | \$979,720                 | --                           |
| 169806372623  | 1043 POQUONNOCK RD | 0.12  | \$143,430                 | --                           |
| 169806373623  | 1057 POQUONNOCK RD | 0.31  | \$246,890                 | --                           |
| 169806373695  | 1065 POQUONNOCK RD | 0.35  | \$166,530                 | --                           |
| 169806373902  | 1064 POQUONNOCK RD | 0.46  | \$890,120                 | --                           |
| 169806374686  | 1071 POQUONNOCK RD | 0.485 | \$110,950                 | --                           |
| 169806374916  | 1066 POQUONNOCK RD | 0.48  | \$192,220                 | --                           |
| 169806374999  | 1078 POQUONNOCK RD | 0.545 | \$73,080                  | --                           |
| 169806375751  | 1085 POQUONNOCK RD | 0.405 | \$92,750                  | --                           |
| 169806375989  | 1084 POQUONNOCK RD | 0.545 | \$46,200                  | --                           |
| 169806376741  | 1091 POQUONNOCK RD | 0.42  | \$308,700                 | --                           |
| 169806377744  | 1099 POQUONNOCK RD | 0.42  | \$94,570                  | --                           |
| 169806382188  | 36 LAURELWOOD RD   | 0.67  | \$226,520                 | --                           |
| 169806383694  | 91 BUDDINGTON RD   | 9.26  | \$1,155,840               | --                           |
| 169806386493  | 59 BUDDINGTON RD   | 0.689 | \$36,750                  | --                           |
| 169806386566  | 75 BUDDINGTON RD   | 0.43  | \$84,000                  | --                           |
| 169806386570  | 69 BUDDINGTON RD   | 0.42  | \$49,070                  | --                           |
| 169806387015  | 1100 POQUONNOCK RD | 1.18  | \$360,570                 | --                           |
| 169806388021  | 1110 POQUONNOCK RD | 0.375 | \$105,630                 | --                           |

| DOWNTOWN GROTON TIF DISTRICT, 2018 GRAND LIST ASSESSMENTS |                    |       |                           |                              |
|---|--------------------|-------|---------------------------|------------------------------|
| ID  | Property Location  | Acres | Gross Assessment, Taxable | Gross Assessment, Tax Exempt |
| 169806388251  | 33 BUDDINGTON RD   | 0.56  | \$115,150                 | --                           |
| 169806388315  | 51 BUDDINGTON RD   | 0.25  | \$82,460                  | --                           |
| 169806389020  | 11 BUDDINGTON RD   | 0.63  | \$294,000                 | --                           |
| 169809177416  | 0 POQUONNOCK RD    | 1.218 | \$20,510                  | --                           |
| 169809271067  | 0 POQUONNOCK RD    | 1.038 | \$9,240                   | --                           |
| 169809271391  | 927 POQUONNOCK RD  | 14.09 | \$4,932,480               | --                           |
| 169810278369  | 0 POQUONNOCK RD    | 0.76  | \$20,580                  | --                           |
| 169810372225  | 1039 POQUONNOCK RD | 9.3   | \$6,389,740               | --                           |
| 169810372446  | 1047 POQUONNOCK RD | 0.475 | \$85,890                  | --                           |
| 169810373465  | 1049 POQUONNOCK RD | 0.855 | \$141,470                 | --                           |
| 169917006011  | 86 SUNNYSIDE PK    | 0.515 | \$118,860                 | --                           |
| 169917009034  | 0 DROZDYK DR       | 5.73  | \$41,230                  | --                           |
| 169805284457 M001   | 1042 POQUONNOCK RD | 0     | \$14,700                  | --                           |
| 169805284457 M003   | 1042 POQUONNOCK RD | 0     | \$7,280                   | --                           |
| 169805284457 M004   | 1042 POQUONNOCK RD | 0     | \$15,680                  | --                           |
| 169805284457 M005   | 1042 POQUONNOCK RD | 0     | \$7,910                   | --                           |
| 169805284457 M006   | 1042 POQUONNOCK RD | 0     | \$12,180                  | --                           |
| 169805284457 M010   | 1042 POQUONNOCK RD | 0     | \$6,300                   | --                           |
| 169805284457 M011   | 1042 POQUONNOCK RD | 0     | \$4,550                   | --                           |
| 169805284457 M012   | 1042 POQUONNOCK RD | 0     | \$13,230                  | --                           |
| 169805284457 M013   | 1042 POQUONNOCK RD | 0     | \$8,890                   | --                           |
| 169805284457 M014   | 1042 POQUONNOCK RD | 0     | \$5,180                   | --                           |
| 169805284457 M015   | 1042 POQUONNOCK RD | 0     | \$10,290                  | --                           |
| 169805284457 M016   | 1042 POQUONNOCK RD | 0     | \$4,340                   | --                           |
| 169805284457 M017   | 1042 POQUONNOCK RD | 0     | \$6,580                   | --                           |
| 169805284457 M018   | 1042 POQUONNOCK RD | 0     | \$17,430                  | --                           |
| 169805284457 M019   | 1042 POQUONNOCK RD | 0     | \$8,260                   | --                           |
| 169805284457 M020   | 1042 POQUONNOCK RD | 0     | \$10,360                  | --                           |
| 169805284457 M021   | 1042 POQUONNOCK RD | 0     | \$10,220                  | --                           |
| 169805284457 M022   | 1042 POQUONNOCK RD | 0     | \$7,210                   | --                           |
| 169805284457 M023   | 1042 POQUONNOCK RD | 0     | \$7,770                   | --                           |
| 169805284457 M024   | 1042 POQUONNOCK RD | 0     | \$12,040                  | --                           |
| 169805284457 M025   | 1042 POQUONNOCK RD | 0     | \$12,250                  | --                           |
| 169805284457 M026   | 1042 POQUONNOCK RD | 0     | \$6,440                   | --                           |
| 169805284457 M027   | 1042 POQUONNOCK RD | 0     | \$11,270                  | --                           |
| 169805284457 M028   | 1042 POQUONNOCK RD | 0     | \$4,410                   | --                           |

| DOWNTOWN GROTON TIF DISTRICT, 2018 GRAND LIST ASSESSMENTS |                    |       |                           |                              |
|---|--------------------|-------|---------------------------|------------------------------|
| ID  | Property Location  | Acres | Gross Assessment, Taxable | Gross Assessment, Tax Exempt |
| 169805284457 M029   | 1042 POQUONNOCK RD | 0     | \$5,670                   | --                           |
| 169805284457 M030   | 1042 POQUONNOCK RD | 0     | \$16,030                  | --                           |
| 169805284457 M031   | 1042 POQUONNOCK RD | 0     | \$6,160                   | --                           |
| 169805284457 M032   | 1042 POQUONNOCK RD | 0     | \$9,170                   | --                           |
| 169805284457 M034   | 1042 POQUONNOCK RD | 0     | \$5,530                   | --                           |
| 169805284457 M035   | 1042 POQUONNOCK RD | 0     | \$11,060                  | --                           |
| 169805284457 M036   | 1042 POQUONNOCK RD | 0     | \$10,990                  | --                           |
| 169805284457 M037   | 1042 POQUONNOCK RD | 0     | \$12,740                  | --                           |
| 169805284457 M038   | 1042 POQUONNOCK RD | 0     | \$27,230                  | --                           |
| 169805284457 M039   | 1042 POQUONNOCK RD | 0     | \$24,360                  | --                           |
| 169805284457 M040   | 1042 POQUONNOCK RD | 0     | \$6,230                   | --                           |
| 169805284457 M041   | 1042 POQUONNOCK RD | 0     | \$5,320                   | --                           |
| 169805284457 M042   | 1042 POQUONNOCK RD | 0     | \$7,700                   | --                           |
| 169805284457 M043   | 1042 POQUONNOCK RD | 0     | \$12,110                  | --                           |
| 169805284457 M044   | 1042 POQUONNOCK RD | 0     | \$13,720                  | --                           |
| 169805284457 M045   | 1042 POQUONNOCK RD | 0     | \$5,810                   | --                           |
| 169805284457 M047   | 1042 POQUONNOCK RD | 0     | \$11,970                  | --                           |
| 169805284457 M048   | 1042 POQUONNOCK RD | 0     | \$13,370                  | --                           |
| 169805284457 M049   | 1042 POQUONNOCK RD | 0     | \$13,930                  | --                           |
| 169805284457 M050   | 1042 POQUONNOCK RD | 0     | \$29,400                  | --                           |
| 169805284457 M053   | 1042 POQUONNOCK RD | 0     | \$13,930                  | --                           |
| 169805284457 M054   | 1042 POQUONNOCK RD | 0     | \$9,800                   | --                           |
| 169805284457 M055   | 1042 POQUONNOCK RD | 0     | \$9,240                   | --                           |
| 169805284457 M059   | 1042 POQUONNOCK RD | 0     | \$6,370                   | --                           |
| 169805284457 M060   | 1042 POQUONNOCK RD | 0     | \$15,050                  | --                           |
| 169805284457 M061   | 1042 POQUONNOCK RD | 0     | \$21,350                  | --                           |
| 169805284457 M101   | 1042 POQUONNOCK RD | 0     | \$8,470                   | --                           |
| 169805284457 M131   | 1042 POQUONNOCK RD | 0     | \$18,620                  | --                           |
| 169805284457 M231   | 1042 POQUONNOCK RD | 0     | \$12,950                  | --                           |
| 169806383694 M001   | 91 BUDDINGTON RD   | 0     | \$49,630                  | --                           |
| 169806383694 M002   | 91 BUDDINGTON RD   | 0     | \$31,990                  | --                           |
| 169806383694 M003   | 91 BUDDINGTON RD   | 0     | \$27,370                  | --                           |
| 169806383694 M004   | 91 BUDDINGTON RD   | 0     | \$21,420                  | --                           |
| 169806383694 M005   | 91 BUDDINGTON RD   | 0     | \$17,780                  | --                           |
| 169806383694 M006   | 91 BUDDINGTON RD   | 0     | \$20,440                  | --                           |
| 169806383694 M007   | 91 BUDDINGTON RD   | 0     | \$14,980                  | --                           |

| DOWNTOWN GROTON TIF DISTRICT, 2018 GRAND LIST ASSESSMENTS |                   |       |                           |                              |
|---|-------------------|-------|---------------------------|------------------------------|
| ID  | Property Location | Acres | Gross Assessment, Taxable | Gross Assessment, Tax Exempt |
| 169806383694 M008   | 91 BUDDINGTON RD  | 0     | \$21,210                  | --                           |
| 169806383694 M009   | 91 BUDDINGTON RD  | 0     | \$22,610                  | --                           |
| 169806383694 M010   | 91 BUDDINGTON RD  | 0     | \$35,700                  | --                           |
| 169806383694 M011   | 91 BUDDINGTON RD  | 0     | \$18,900                  | --                           |
| 169806383694 M012   | 91 BUDDINGTON RD  | 0     | \$18,480                  | --                           |
| 169806383694 M013   | 91 BUDDINGTON RD  | 0     | \$21,770                  | --                           |
| 169806383694 M014   | 91 BUDDINGTON RD  | 0     | \$20,300                  | --                           |
| 169806383694 M015   | 91 BUDDINGTON RD  | 0     | \$25,060                  | --                           |
| 169806383694 M016   | 91 BUDDINGTON RD  | 0     | \$24,430                  | --                           |
| 169806383694 M017   | 91 BUDDINGTON RD  | 0     | \$16,800                  | --                           |
| 169806383694 M018   | 91 BUDDINGTON RD  | 0     | \$22,050                  | --                           |
| 169806383694 M019   | 91 BUDDINGTON RD  | 0     | \$41,370                  | --                           |
| 169806383694 M020   | 91 BUDDINGTON RD  | 0     | \$23,170                  | --                           |
| 169806383694 M021   | 91 BUDDINGTON RD  | 0     | \$18,900                  | --                           |
| 169806383694 M022   | 91 BUDDINGTON RD  | 0     | \$19,110                  | --                           |
| 169806383694 M023   | 91 BUDDINGTON RD  | 0     | \$17,570                  | --                           |
| 169806383694 M024   | 91 BUDDINGTON RD  | 0     | \$14,770                  | --                           |
| 169806383694 M025   | 91 BUDDINGTON RD  | 0     | \$15,260                  | --                           |
| 169806383694 M026   | 91 BUDDINGTON RD  | 0     | \$39,340                  | --                           |
| 169806383694 M027   | 91 BUDDINGTON RD  | 0     | \$17,920                  | --                           |
| 169806383694 M028   | 91 BUDDINGTON RD  | 0     | \$25,060                  | --                           |
| 169806383694 M029   | 91 BUDDINGTON RD  | 0     | \$38,920                  | --                           |
| 169806383694 M030   | 91 BUDDINGTON RD  | 0     | \$33,670                  | --                           |
| 169806383694 M031   | 91 BUDDINGTON RD  | 0     | \$22,540                  | --                           |
| 169806383694 M033   | 91 BUDDINGTON RD  | 0     | \$37,240                  | --                           |
| 169806383694 M035   | 91 BUDDINGTON RD  | 0     | \$39,480                  | --                           |
| 169806383694 M037   | 91 BUDDINGTON RD  | 0     | \$20,580                  | --                           |
| 169806383694 M039   | 91 BUDDINGTON RD  | 0     | \$23,590                  | --                           |
| 169806383694 M041   | 91 BUDDINGTON RD  | 0     | \$19,320                  | --                           |
| 169806383694 M043   | 91 BUDDINGTON RD  | 0     | \$22,190                  | --                           |
| 169806383694 M045   | 91 BUDDINGTON RD  | 0     | \$20,370                  | --                           |
| 169806383694 M047   | 91 BUDDINGTON RD  | 0     | \$16,800                  | --                           |
| 169806383694 M049   | 91 BUDDINGTON RD  | 0     | \$20,650                  | --                           |
| 169806383694 M051   | 91 BUDDINGTON RD  | 0     | \$30,660                  | --                           |
| 169806383694 M053   | 91 BUDDINGTON RD  | 0     | \$12,600                  | --                           |
| 169806383694 M101   | 91 BUDDINGTON RD  | 0     | \$9,240                   | --                           |

| DOWNTOWN GROTON TIF DISTRICT, 2018 GRAND LIST ASSESSMENTS         |                    |        |                           |                              |
|---|--------------------|--------|---------------------------|------------------------------|
| ID  | Property Location  | Acres  | Gross Assessment, Taxable | Gross Assessment, Tax Exempt |
| 169806383694 M102   | 91 BUDDINGTON RD   | 0      | \$12,530                  | --                           |
| 169806383694 M103   | 91 BUDDINGTON RD   | 0      | \$60,970                  | --                           |
| 169806383694 M104   | 91 BUDDINGTON RD   | 0      | \$0                       | --                           |
| 169806383694 M105   | 91 BUDDINGTON RD   | 0      | \$18,340                  | --                           |
| 169806383694 M106   | 91 BUDDINGTON RD   | 0      | \$19,390                  | --                           |
| 169806383694 M107   | 91 BUDDINGTON RD   | 0      | \$44,520                  | --                           |
| 169806383694 M108   | 91 BUDDINGTON RD   | 0      | \$24,010                  | --                           |
| 169806383694 M109   | 91 BUDDINGTON RD   | 0      | \$39,130                  | --                           |
| 169806383694 M110   | 91 BUDDINGTON RD   | 0      | \$57,890                  | --                           |
| 169806383694 M111   | 91 BUDDINGTON RD   | 0      | \$35,420                  | --                           |
| 169806383694 M112   | 91 BUDDINGTON RD   | 0      | \$29,400                  | --                           |
| 169806383694 M113   | 91 BUDDINGTON RD   | 0      | \$44,170                  | --                           |
| 169806383694 M114   | 91 BUDDINGTON RD   | 0      | \$45,080                  | --                           |
| 169806383694 M115   | 91 BUDDINGTON RD   | 0      | \$46,340                  | --                           |
| 169806386493 M001   | 59 BUDDINGTON RD   | 0      | \$34,510                  | --                           |
| 169809271391 0005   | 915 POQUONNOCK RD  | 0      | \$2,944,620               | --                           |
| 169809271391 S004   | 995 POQUONNOCK RD  | 0      | \$4,970,000               | --                           |
| 169809271391 S002   | 971 POQUONNOCK RD  | 0      | \$390,460                 | --                           |
| 169809271391 S003   | 1003 POQUONNOCK RD | 0      | \$508,130                 | --                           |
| 169805174762 E  | 880 POQUONNOCK RD  | 0.14   | \$0                       | \$12,250                     |
| 169805174874 E  | 0 POQUONNOCK RD    | 1.14   | \$0                       | \$239,400                    |
| 169806380107 E  | 0 POQUONNOCK RD    | 2.755  | \$0                       | \$205,590                    |
| 169806381089 E  | 0 LAURELWOOD RD    | 0.185  | \$0                       | \$12,000                     |
| TOTALS  |                    | 145.04 | \$69,904,030              | \$469,240                    |
|   |                    |        |                           |                              |
| TOTAL TAXABLE GROSS ASSESSMENT, PARCELS IN THE TIF DISTRICT       |                    |        | \$69,904,030              |                              |
| 2018 GROSS REAL ESTATE GRAND LIST                                 |                    |        | \$3,251,777,985           |                              |
| TAXABLE ASSESSED VALUES IN TIF DISTRICT AS A % OF 2018 GRAND LIST |                    |        | 2.15%                     |                              |


## Exhibit B: Assessor's Certificate of Original Assessed Value



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

In accordance with Sections 7-339ee (B) and 7-339gg (b) of the Connecticut General Statutes, I hereby certify that the total amount of gross taxable assessment of properties located in the Tax Increment Finance District, known as Downtown Groton TIF District as established by a vote of the Groton Town Council on August 6, 2019 does not exceed ten per cent of the total value of gross taxable real property on the Grand List of the Town of Groton as of October 1, 2018. As of the date of this certificate, the Downtown Groton TIF District is the sole Tax Increment Finance District within the Town of Groton.

The total gross taxable assessment for all real property located in the Downtown Groton TIF District as of the Grand List of October 1, 2018 equals \$69,904,030 which is equal to 2.15% of the total gross taxable assessment of all real property within the Town of Groton as of the Grand List of October 1, 2018.

  
Mary D Gardner, CCMA II  
Assessor  
August 20, 2019

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

Please see the following pages for tables.

### Tax Increment Financing Assessment Increase Scenarios - Downtown Groton TIF District

| 1% Scenario          |                |                      |                        | 2% Scenario    |                      |                        |
|----------------------|----------------|----------------------|------------------------|----------------|----------------------|------------------------|
| TIF Year             | Assessed Value | Change               | Cumulative Value Added | Assessed Value | Change               | Cumulative Value Added |
| Pre-TIF*             | \$ 69,904,030  | \$ -                 | \$ -                   | \$ 69,904,030  | \$ -                 | \$ -                   |
| 1                    | \$ 70,603,070  | \$ 699,040           | \$ 699,040             | \$ 71,302,111  | \$ 1,398,081         | \$ 1,398,081           |
| 2                    | \$ 71,309,101  | \$ 706,031           | \$ 1,405,071           | \$ 72,728,153  | \$ 1,426,042         | \$ 2,824,123           |
| 3                    | \$ 72,022,192  | \$ 713,091           | \$ 2,118,162           | \$ 74,182,716  | \$ 1,454,563         | \$ 4,278,686           |
| 4                    | \$ 72,742,414  | \$ 720,222           | \$ 2,838,384           | \$ 75,666,370  | \$ 1,483,654         | \$ 5,762,340           |
| 5                    | \$ 73,469,838  | \$ 727,424           | \$ 3,565,808           | \$ 77,179,698  | \$ 1,513,327         | \$ 7,275,668           |
| 6                    | \$ 74,204,536  | \$ 734,698           | \$ 4,300,506           | \$ 78,723,292  | \$ 1,543,594         | \$ 8,819,262           |
| 7                    | \$ 74,946,582  | \$ 742,045           | \$ 5,042,552           | \$ 80,297,757  | \$ 1,574,466         | \$ 10,393,727          |
| 8                    | \$ 75,696,048  | \$ 749,466           | \$ 5,792,018           | \$ 81,903,713  | \$ 1,605,955         | \$ 11,999,683          |
| 9                    | \$ 76,453,008  | \$ 756,960           | \$ 6,548,978           | \$ 83,541,787  | \$ 1,638,074         | \$ 13,637,757          |
| 10                   | \$ 77,217,538  | \$ 764,530           | \$ 7,313,508           | \$ 85,212,623  | \$ 1,670,836         | \$ 15,308,593          |
| 11                   | \$ 77,989,714  | \$ 772,175           | \$ 8,085,684           | \$ 86,916,875  | \$ 1,704,252         | \$ 17,012,845          |
| 12                   | \$ 78,769,611  | \$ 779,897           | \$ 8,865,581           | \$ 88,655,212  | \$ 1,738,337         | \$ 18,751,182          |
| 13                   | \$ 79,557,307  | \$ 787,696           | \$ 9,653,277           | \$ 90,428,317  | \$ 1,773,104         | \$ 20,524,287          |
| 14                   | \$ 80,352,880  | \$ 795,573           | \$ 10,448,850          | \$ 92,236,883  | \$ 1,808,566         | \$ 22,332,853          |
| 15                   | \$ 81,156,409  | \$ 803,529           | \$ 11,252,379          | \$ 94,081,621  | \$ 1,844,738         | \$ 24,177,591          |
| 16                   | \$ 81,967,973  | \$ 811,564           | \$ 12,063,943          | \$ 95,963,253  | \$ 1,881,632         | \$ 26,059,223          |
| 17                   | \$ 82,787,652  | \$ 819,680           | \$ 12,883,622          | \$ 97,882,518  | \$ 1,919,265         | \$ 27,978,488          |
| 18                   | \$ 83,615,529  | \$ 827,877           | \$ 13,711,499          | \$ 99,840,169  | \$ 1,957,650         | \$ 29,936,139          |
| 19                   | \$ 84,451,684  | \$ 836,155           | \$ 14,547,654          | \$ 101,836,972 | \$ 1,996,803         | \$ 31,932,942          |
| 20                   | \$ 85,296,201  | \$ 844,517           | \$ 15,392,171          | \$ 103,873,711 | \$ 2,036,739         | \$ 33,969,681          |
| 21                   | \$ 86,149,163  | \$ 852,962           | \$ 16,245,133          | \$ 105,951,186 | \$ 2,077,474         | \$ 36,047,156          |
| 22                   | \$ 87,010,655  | \$ 861,492           | \$ 17,106,625          | \$ 108,070,209 | \$ 2,119,024         | \$ 38,166,179          |
| 23                   | \$ 87,880,761  | \$ 870,107           | \$ 17,976,731          | \$ 110,231,613 | \$ 2,161,404         | \$ 40,327,583          |
| 24                   | \$ 88,759,569  | \$ 878,808           | \$ 18,855,539          | \$ 112,436,246 | \$ 2,204,632         | \$ 42,532,216          |
| 25                   | \$ 89,647,165  | \$ 887,596           | \$ 19,743,135          | \$ 114,684,971 | \$ 2,248,725         | \$ 44,780,941          |
| 26                   | \$ 90,543,636  | \$ 896,472           | \$ 20,639,606          | \$ 116,978,670 | \$ 2,293,699         | \$ 47,074,640          |
| 27                   | \$ 91,449,073  | \$ 905,436           | \$ 21,545,043          | \$ 119,318,243 | \$ 2,339,573         | \$ 49,414,213          |
| 28                   | \$ 92,363,563  | \$ 914,491           | \$ 22,459,533          | \$ 121,704,608 | \$ 2,386,365         | \$ 51,800,578          |
| 29                   | \$ 93,287,199  | \$ 923,636           | \$ 23,383,169          | \$ 124,138,701 | \$ 2,434,092         | \$ 54,234,671          |
| 30                   | \$ 94,220,071  | \$ 932,872           | \$ 24,316,041          | \$ 126,621,475 | \$ 2,482,774         | \$ 56,717,445          |
| <b>30-year Total</b> |                | <b>\$ 24,316,041</b> |                        |                | <b>\$ 56,717,445</b> |                        |

Assumptions:

\*Original Assessed Value (OAV) as of October 1, 2018 Grand List

- 30-year TIF term

- 1.0% and 2.0% annual valuation increase projections are for planning purposes



### Tax Increment Financing Revenue Scenarios - Downtown Groton TIF District, with 50% Capture

|                                 |           | 1% Scenario            |  | 2% Scenario            |  |
|---------------------------------|-----------|------------------------|--|------------------------|--|
| TIF Year                        | Mill Rate | Cumulative Value Added | Incremental Tax Revenue for TIF Purposes (50% Capture) | Cumulative Value Added | Incremental Tax Revenue for TIF Purposes (50% Capture) |
| Pre-TIF*                        | 24.17     | \$ -                   | \$ -   | \$ -                   | \$ -   |
| 1                               | 24.17     | \$ 699,040             | \$ 8,448   | \$ 1,398,081           | \$ 16,896  |
| 2                               | 24.17     | \$ 1,405,071           | \$ 16,980  | \$ 2,824,123           | \$ 34,130  |
| 3                               | 24.17     | \$ 2,118,162           | \$ 25,598  | \$ 4,278,686           | \$ 51,708  |
| 4                               | 24.17     | \$ 2,838,384           | \$ 34,302  | \$ 5,762,340           | \$ 69,638  |
| 5                               | 24.17     | \$ 3,565,808           | \$ 43,093  | \$ 7,275,668           | \$ 87,926  |
| 6                               | 24.17     | \$ 4,300,506           | \$ 51,972  | \$ 8,819,262           | \$ 106,581   |
| 7                               | 24.17     | \$ 5,042,552           | \$ 60,939  | \$ 10,393,727          | \$ 125,608   |
| 8                               | 24.17     | \$ 5,792,018           | \$ 69,997  | \$ 11,999,683          | \$ 145,016   |
| 9                               | 24.17     | \$ 6,548,978           | \$ 79,144  | \$ 13,637,757          | \$ 164,812   |
| 10                              | 24.17     | \$ 7,313,508           | \$ 88,384  | \$ 15,308,593          | \$ 185,004   |
| 11                              | 24.17     | \$ 8,085,684           | \$ 97,715  | \$ 17,012,845          | \$ 205,600   |
| 12                              | 24.17     | \$ 8,865,581           | \$ 107,141   | \$ 18,751,182          | \$ 226,608   |
| 13                              | 24.17     | \$ 9,653,277           | \$ 116,660   | \$ 20,524,287          | \$ 248,036   |
| 14                              | 24.17     | \$ 10,448,850          | \$ 126,274   | \$ 22,332,853          | \$ 269,893   |
| 15                              | 24.17     | \$ 11,252,379          | \$ 135,985   | \$ 24,177,591          | \$ 292,186   |
| 16                              | 24.17     | \$ 12,063,943          | \$ 145,793   | \$ 26,059,223          | \$ 314,926   |
| 17                              | 24.17     | \$ 12,883,622          | \$ 155,699   | \$ 27,978,488          | \$ 338,120   |
| 18                              | 24.17     | \$ 13,711,499          | \$ 165,703   | \$ 29,936,139          | \$ 361,778   |
| 19                              | 24.17     | \$ 14,547,654          | \$ 175,808   | \$ 31,932,942          | \$ 385,910   |
| 20                              | 24.17     | \$ 15,392,171          | \$ 186,014   | \$ 33,969,681          | \$ 410,524   |
| 21                              | 24.17     | \$ 16,245,133          | \$ 196,322   | \$ 36,047,156          | \$ 435,630   |
| 22                              | 24.17     | \$ 17,106,625          | \$ 206,734   | \$ 38,166,179          | \$ 461,238   |
| 23                              | 24.17     | \$ 17,976,731          | \$ 217,249   | \$ 40,327,583          | \$ 487,359   |
| 24                              | 24.17     | \$ 18,855,539          | \$ 227,869   | \$ 42,532,216          | \$ 514,002   |
| 25                              | 24.17     | \$ 19,743,135          | \$ 238,596   | \$ 44,780,941          | \$ 541,178   |
| 26                              | 24.17     | \$ 20,639,606          | \$ 249,430   | \$ 47,074,640          | \$ 568,897   |
| 27                              | 24.17     | \$ 21,545,043          | \$ 260,372   | \$ 49,414,213          | \$ 597,171   |
| 28                              | 24.17     | \$ 22,459,533          | \$ 271,423   | \$ 51,800,578          | \$ 626,010   |
| 29                              | 24.17     | \$ 23,383,169          | \$ 282,586   | \$ 54,234,671          | \$ 655,426   |
| 30                              | 24.17     | \$ 24,316,041          | \$ 293,859   | \$ 56,717,445          | \$ 685,430   |
| <b>30-year Total</b>            |           |                        | <b>\$ 4,336,089</b>                                    |                        | <b>\$ 9,613,240</b>                                    |
| <b>30-year Total (NPV @ 3%)</b> |           |                        | <b>\$ 2,343,362</b>                                    |                        | <b>\$ 5,151,863</b>                                    |

Assumptions:

\*Pre-TIF mill rate for October 1, 2018 Grand List

- 30 year TIF term
- 0.0% mill rate escalator used for planning purposes
- 1.0% and 2.0% annual assessment increase projections are for planning purposes
- Net Present Value (NPV) calculated using 3% discount rate

## Exhibit D: Notice of Public Hearing

### PUBLISHER'S CERTIFICATE

State of Connecticut  
County of New London, ss. New London

Personally appeared before the undersigned, a Notary Public within and for said County and State, Michelle Ruocco, Legal Advertising Clerk, of The Day Publishing Company Classifieds dept, a newspaper published at New London, County of New London, state of Connecticut who being duly sworn, states on oath, that the Order of Notice in the case of

28532 PUBLIC HEARING NOTICE TOWN OF GROTON July 2, 2019 The

A true copy of which is hereunto annexed, was published in said newspaper in its issue(s) of

06/21/2019

Cust: GROTON TOWN/TOWN CLERK/PI  
Ad #: d00830344

*Michelle Ruocco*

Subscribed and sworn to before me

This Friday, June 21, 2019

*Maryelle Jolmsky*  
5/31/24

Notary Public

My commission expires

RECEIVED  
TOWN CLERK'S OFFICE

2019 JUL - 1 PM 4: 04

RECORDED VOL. PAGE

*Betsy Moukowsky*  
TOWN CLERK GROTON, CT

28532  
PUBLIC HEARING NOTICE  
TOWN OF GROTON  
July 2, 2019  
The Groton Town Council will hold a PUBLIC HEARING on the Town of Groton, CT Tax Increment Financing for the establishment of a TIF district and the adoption of a TIF District Master Plan, on July 2, 2019, at 6:30 pm Community Room 1, Town Hall Annex, 134 Groton Long Point Road, Groton, Connecticut to review and discuss the following:  
The establishment of a TIF district and the adoption of the Resolution Authorizing the Creation of the Downtown Groton Tax Increment Financing District and Adopting the Downtown Groton Tax Increment Financing District Master Plan for the District. The proposed Downtown Groton TIF District includes 145.45 acres located along both sides of Poquonick Road and Long Hill Road (U.S. Route 1) from Buddington Road west to Sunnyside Park. It is bounded on the south by the Amtrak rail line and the north boundary generally follows the Downtown Development District (DDD) and Office Multiple Family (OMF) zone lines, which are specifically depicted in the proposed Downtown Groton Tax Increment Financing District Master Plan.  
All interested persons may be heard and written communications may be received at the PUBLIC HEARING. Copies of the Resolution and the Downtown Groton Tax Increment Financing District Master Plan are available for public inspection during normal business hours at the Town Clerk's Office in the Town Hall, the Office of Planning and Development Services at the Town Hall Annex, and on the Town of Groton website [www.groton-ct.gov](http://www.groton-ct.gov). Held at Groton, Connecticut this 21st day of June, 2019.  
Betsy Moukowsky  
Groton Town Clerk

## Exhibit E: Minutes of Public Hearing



### Town of Groton, Connecticut

#### Certified Copy

#### Town Council

45 Fort Hill Road  
Groton, CT 06340  
Town Manager: 860-441-6630  
Town Clerk: 860-441-6640

I, Betsy Moukawsher, Town Clerk of the Town of Groton, Connecticut, do hereby certify that the following is a true and correct copy of Resolution Number 2019-32-2 duly adopted at a Special meeting of the Town Council of the Town of Groton, Connecticut on July 2, 2019 at which meeting a duly constituted quorum of the Town Council was present and acting throughout and that such Resolution has not been modified, rescinded or revoked and is at present in full force and effect:

#### TAX INCREMENT FINANCING DISTRICT Downtown Groton/Route 1 PUBLIC HEARING

Mayor Granatosky recessed the meeting at 6:39 p.m. and opened the Public Hearing. She invited citizens to state their names for the record if they would like to speak.

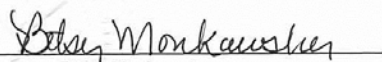
#### 2019-32 - 2 TIF Master Plan Downtown/Route 1 - Public Hearing

Director of Planning and Development Jon Reiner gave a brief overview to explain the conception and uses for a Tax Increment Financing (TIF) District. He stated that the first district to be considered is the Downtown area. He stated that he is working with the City of Groton on another district at the five corners section of the City. He stated that TIF Districts may grow to extend their boundaries. He stated that tax increment financing is not a new tax or a new fee. He stated that it uses an increment of future taxes on projects that haven't been built. He stated that it's not a given that someone can utilize the program. He stated that there are a number of requirements that must be adhered to such as a minimum threshold. He pointed out that there will be two changes from the original proposed TIF Master Plan: updating the mill-rate and the change to the TIF Advisory Committee from being a stand-alone Committee to being a part of the Economic Development Commission.

In response to Councilor Heede, Mr. Reiner explained that any project considered under TIF would have to enter into a credit enhancement agreement with the Town. That agreement can only be reached if the property owner is, at a minimum, spending at least one million dollars of improvements to the property. The property owner would need to show that the TIF is needed for that project in order to complete the project, and a number of other thresholds. He stated that if the property was to be sold, the credit enhancement program would be extinguished at the time of the sale. He stated that this would not prevent the buyer from entering into some sort of negotiation with the Town for a new project.

Gretchen Chipperini, 87 Phoenix Drive, stated that she is not opposed to having TIF, but that she is against designated districts. She stated that there is no requirement by the State of Connecticut to create districts. She stated that she would prefer to view the Town as a whole and that projects be accepted based on the merit and functionality of each proposal. She stated that she conducted a study from the Ledyard Town border and what businesses contribute to the Grand List. She stated that she studied Mystic. She shared her findings. She stated that the area with the highest probability of success would include areas with a high traffic density with access to the highway. She stated that the downtown area does not have this criterion. She stated that if a TIF project fails, it will be a disaster. She stated that if the Town is going to embark on a TIF program, they should at least select projects that have a chance to succeed in being attractive to new business. She stated that Downtown Groton is not that. She stated that anything near the highway that has access to utilities should be considered as number one, Mystic is number two, and the Downtown area is number three. She disparaged the Rt. 117 area as not desirable. She stated that projects should be judged on their merits and not by districts. She said that the committee will determine if a proposed project meets the criteria.

IN WITNESS WHEREOF, the undersigned has affixed her signature and the corporate seal of the Town of Groton this 16<sup>th</sup> day of September, 2019.

  
Betsy Moukawsher  
Groton Town Clerk

  
Date Certified

## Exhibit F: Written Advisory Opinion from Planning Commission

### MEMORANDUM

TO: Town Council  
FROM:  Planning Commission  
DATE: June 21, 2019  
SUBJECT: Referral Under CGS 8-24: Downtown TIF District Master Plan

---

At its meeting on June 11, 2019, the Planning Commission reviewed the above referenced referral and made the following motion:

**MOTION:** The Planning Commission recognizes that Tax Increment Financing (TIF) is a tool that can be used to implement a number of recommendations of the 2016 Plan of Conservation and Development (POCD). The Commission finds the Downtown TIF District Master Plan, as developed per Chapter 105b of the CGS, is consistent with the 2016 Plan of Conservation and Development as it promotes community character, encourages sustainable land use development, and provides a tool for development that is consistent with the following recommendations:

- Provide incentives to encourage mixed-use developments and higher housing densities in the Nodes and Special Focus Areas where support services, infrastructure, or transit are located. (POCD Recommendation 3-16)
- Update the Downtown Groton Plan and engage with stakeholders to adjust or expand the plan for current and future investment opportunities and to create a viable mixed-use downtown. (POCD Recommendation 3-26)

The Planning Commission recognizes that a large project that will require TIF funding may not present itself for a number of years. However, there are projects that the town should pursue using TIF or other available funds to plan for orderly development within the Downtown Groton TIF District. The Commission recommends, as a priority, that TIF funding be used to develop a Route 1 corridor/downtown master plan with the following priorities:

- identify areas where public spaces (such as plazas where the public can informally gather and programmed activities can happen to create a "sense of place") should be located within the district and establish design components when developed.
- identify improvements along Route 1 that provides safe and free-flowing pedestrian and bicycle access along and across the road
- identify vehicle and pedestrian circulation patterns through and connecting the larger properties in the TIF district
- identify Route 1 streetscape improvements and establish design components for use on private properties when developed
- identify public transportation opportunities and locations, including a rail station

Motion made by Pritchard, seconded by Zod, so voted unanimously.

DGJ:klh



## Exhibit G: Town Legislative Action

### Item 1: Town Council Referral Memorandum

#### MEMORANDUM

TO: John Burt, Town Manager  
FROM: Jonathan J. Reiner, Director of Planning and Development  
DATE: July 2, 2019

SUBJECT: Tax Increment Financing (TIF) Route 1/Downtown Groton TIF public hearing and approval

---

#### ISSUE

The Town of Groton held a public hearing on the Downtown/Route 1 Groton Tax Increment Financing (TIF) District Master Plan on July 2, 2019. After the close of the public hearing, the Town Council has the opportunity to discuss the plan and any public hearing testimony prior to a vote on the adoption of the TIF District and the TIF District Master Plan.

#### BACKGROUND

TIF is used to invest in economic development by allowing some or all of public and/or private costs associated with a development to be financed over time by increases in the property tax revenues that are generated by the new development. TIF programs do not impact existing taxes paid to the town and only apply to an increment of new taxes if and when new development is completed. A TIF policy which outlines the process of planning for, reviewing, approving and implementing TIF Districts was adopted by the Town Council on March 6, 2018 (TIF Policy attached).

Town staff, the TIF Advisory Committee and the Town of Groton Economic Development Commission has been working towards the completion of the Downtown/Route 1 Master Plan for over one year (attached). On January 2, 2019, the Groton TIF Advisory Committee voted unanimously to recommend the draft Downtown/Route 1 Groton Tax Increment Financing (TIF) District Master Plan to the Economic Development Commission. On January 3, 2019 the Economic Commission voted unanimously to approve the draft Downtown/Route 1 Groton Tax Increment Financing (TIF) District Master Plan for referral to the Town Council.

Upon determination by the Town Council that the TIF Master Plan satisfies the requirements of the Connecticut General Statutes, as specified in Chapter 105b. Tax Increment Districts (see attached), and that it is in the Town's best interest to adopt, the Town Council submitted the TIF District Master Plan to the Planning Commission. The Planning Commission found that the proposed TIF District Master Plan is consistent with the Plan of Conservation and Development.

At this time, it is requested that the Town Council discuss any changes to the TIF District and Master Plan per any comments discussed at the public hearing, and move the mater to a vote for adoption.

## ALTERNATIVES

To recommend a resolution to determination that the TIF Master Plan satisfies the requirements of the Connecticut General Statutes, as specified in Chapter 105b. Tax Increment Districts, and further to adopt said resolution, to adopt the TIF District and to adopt the TIF District Master Plan as amended.

No action.

## Item 2: Certified Resolution



### Town of Groton, Connecticut

#### Certified Copy

#### Town Council

45 Fort Hill Road  
Groton, CT 06340  
Town Manager: 860-441-6630  
Town Clerk: 860-441-6640

I, Betsy Moukawsher, Town Clerk of the Town of Groton, Connecticut, do here by certify that the following is a true and correct copy of Referral Number 2019-32, duly adopted at a meeting of the Town Council of the Town of Groton, Connecticut on August 6, 2019, at which meeting a duly constituted quorum of the Town Council was present and acting throughout and that such Referral has not been modified, rescinded or revoked and is at present in full force and effect:

#### RESOLUTION 2019-32 TO ADOPT THE DOWNTOWN GROTON TAX INCREMENT FINANCING DISTRICT AND DOWNTOWN GROTON TIF DISTRICT MASTER PLAN

WHEREAS, the Town of Groton has completed a town-wide market analysis with a recommendation to research and implement tax increment financing (TIF) in Groton, and

WHEREAS, TIF is used to invest in economic development by allowing some or all of public and/or private costs associated with a development to be financed over time by increases in the property tax revenues that are generated by the new development, and

WHEREAS, the TIF District will contribute to the economic growth and well-being of Groton, and

WHEREAS, the Town of Groton adopted a Tax Increment Financing Policy on March 6, 2018 which outlines the process of planning for, reviewing, approving and implementing TIF districts, and

WHEREAS, the Town Council in accordance with Chapter 105b of the Connecticut General Statutes referred the Downtown Groton TIF District Master Plan to the Planning Commission more than 90 days prior to the public hearing to determine the Plan's consistency with the Groton Plan of Conservation and Development, and

WHEREAS, the Planning Commission determined the Downtown Groton TIF District Master Plan is consistent with the Groton Plan of Conservation and Development, and

WHEREAS, the Groton TIF Advisory Committee voted to recommend the Downtown Groton TIF District Master Plan to the Economic Development Commission, and

WHEREAS, the Economic Development Commission recommends passing the Downtown Groton TIF District Master Plan, and

WHEREAS, a public hearing was advertised in a paper of general circulation within Groton and was held on July 2, 2019 for said plan and district, and

WHEREAS, the Tax Increment Financing Plan will be a new economic development tool to encourage development and redevelopment in planned targeted areas in Groton, and

WHEREAS, the Town Council determined that the Downtown Groton TIF District area is in need of rehabilitation, and redevelopment work and is suitable for mixed use and downtown development, and

WHEREAS, the original assessed value of the proposed tax increment district plus the originals assessed value of other TIF districts is less than ten percent of the total value of taxable property within Groton as of October 1, 2018, and now therefore be it

RESOLVED, pursuant to Connecticut General Statutes Chapter 105b, Sections 7-339cc through 7-339kk, the Town Council hereby establishes a TIF District consisting of approximately 145.05 acres located along both sides of Poquonnock Road and Long Hill Road (U.S. Route 1) from Buddington Road to west to Sunnyside Park. It is bounded on the south by the Amtrak rail line and the north boundary generally follows the Downtown Development District (DDD) and Office Multifamily (OMF) zone lines, which are specifically depicted in the proposed Downtown Groton Tax Increment Financing District Master Plan map, and be it further

RESOLVED, that the Town Council hereby adopts the Downtown Groton TIF District Master Plan as recommended and amended due to comments received during the public hearing on July 2, 2019, and be it further

RESOLVED that said District and Plan shall go into effect on August 6, 2019.

IN WITNESS WHEREOF, the undersigned has affixed her signature and the corporate seal of the Town of Groton this 7<sup>th</sup> day of August, 2019.

  
Betsy Moukawsher  
Groton Town Clerk

  
Date Certified

## Attachment 1: Groton Downtown TIF Guidelines

Please see the guidelines attached below.



# GROTON DOWNTOWN TIF GUIDELINES

**Horsley Witten Group**  
*Sustainable Environmental Solutions*

55 Dorrance Street • Suite 200 • Providence, RI 02903  
401-272-1717 • [horsleywitten.com](http://horsleywitten.com)



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## Purpose

The purpose of this document is to provide design principles and standards that will be applied to Tax Increment Finance (TIF) applications in the Town of Groton Downtown district. The purpose of the TIF District is to enable development of a different type and scale than what has historically been developed in Groton. TIF districts are established to facilitate private investment, creating mixed use centers at different scales consistent with the Plan of Conservation and Development (POCD), the Town's TIF Policy, and other planning efforts that have occurred in recent years. High levels of urban design are required, and higher densities that may not have been financially feasible prior to using TIF are expected. The purpose of TIF is to close any financial gaps that would otherwise make this outcome infeasible in order to create new vibrant nodes of mixed use development.

# Design Principles

The following design principles shall apply to TIF applications in mixed use areas:

1. **A Vibrant Public Realm** – “Public realm” is a term of art in urban/village planning that is used to discuss any area where people have the opportunity to mingle, gather, and visually experience their surroundings. The term often refers to the street right-of-way, park areas, side walks, bike paths, plazas, and similar features. Any of these areas may be publicly or privately owned. In Groton’s mixed use areas, great care will be taken to provide a public realm that works as a connected system of accessible and attractive spaces that will foster positive interaction between residents, visitors, and businesses. All projects will contain a vibrant public realm or create ways to connect and be a part of a larger public realm.
2. **Environmental Best Practices** – The days when urban development was incompatible with achieving environmental objectives are in the past. The Town of Groton envisions mixed use at various scales that incorporates state-of-the-art “best practices” in the areas of construction management, stormwater management, waste management, and landscaping.
3. **A Mix of Uses and Densities** – The Town recognizes that market demand will play an important role in determining the types of uses and densities that are built in mixed use districts. The Town also acknowledges that the most economically resilient mixed use centers are those that foster a diverse mix of commercial uses that can respond to market trends and innovations over time. Similarly, housing shall be provided within mixed use districts and should provide options for individuals and households at all levels of abilities, incomes, and preferences.
4. **Pedestrian First** – The Town understands that accommodations for automobiles within mixed use areas are essential to their success. However, the Town also recognizes that the most successful and memorable mixed use centers are those where pedestrians feel safe and welcome. Circulation within newly developed or redeveloped mixed use areas in Groton shall be designed with the highest priority placed on developing a safe, attractive, accessible, and intuitive pedestrian network. The use of bicycles as an alternative form of transportation shall be incorporated into all development proposals.
5. **Quality Architecture** – Buildings and signs will be designed in a manner that conveys high quality design and a thoughtful approach to developing a sense of place within mixed use areas. Traditional building forms, high quality building materials, and attention to detail will be apparent and integral to the design process.

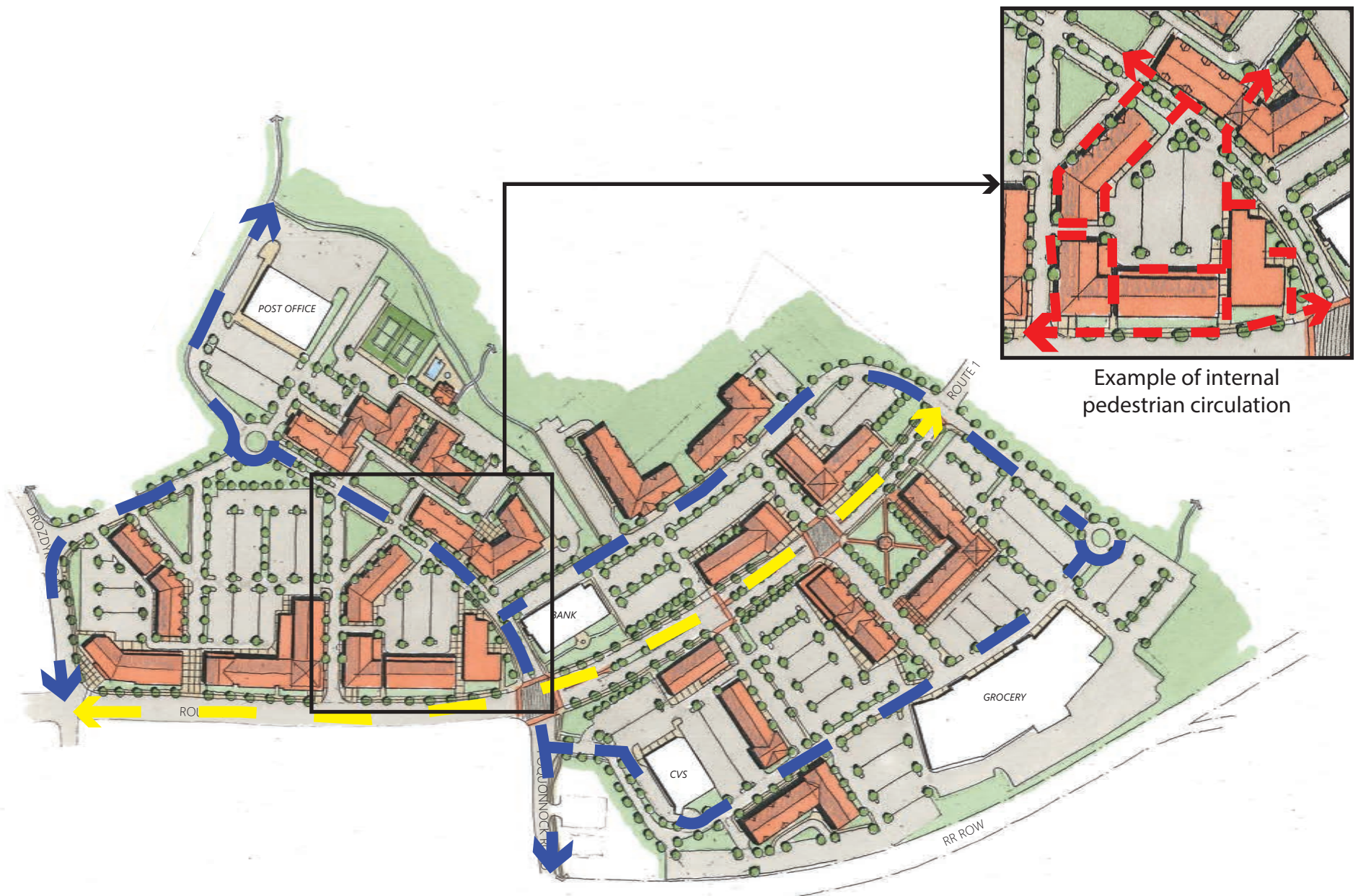
## Anticipated Uses

It is the goal of the Town of Groton to use mixed use TIF Districts as a mechanism to enhance the economic health, sense of place, and vibrancy of our community through the inclusion of amenities and certain uses. Applicants shall look for opportunities to incorporate the following elements into development proposals as appropriate:

1. Commercial service needs, restaurants, employment, offices, education, cultural and other elements should be incorporated into the downtown TIF district.
2. Housing units specifically designed to meet the needs of all persons and ages, including those in need of universal design components.
3. Housing that addresses all income levels, but is targeted at middle income housing.
4. Housing that can serve a range of household sizes (i.e., from studio to three-bedroom units).
5. Publicly accessible public space for cultural and recreational purposes in the form of plazas, parklets, or other similar features.
6. Amenities that are designed to meet the everyday needs of visitors, residents, and workers such as indoor meeting spaces, laundry facilities, recreational amenities, or other similar items should be included.
7. Building form and architecture are integral to establishing an identity for the district, and no single-story “big box” buildings are allowed if utilizing TIF. Multi-story buildings more effectively define the public realm, mix uses, and create street-level activity from morning to night.

## Design Guidelines and Standards

The following pages provide basic guidelines for seven issues related to urban design: building form and placement, circulation, stormwater management, property frontage, landscaping, lighting, and utility lines. These guidelines are provided as visual illustrations of the high quality design expected within TIF Districts. More detailed requirements and guidance are included in the Zoning Regulations and any associated Design Guidelines.



## Vehicular & Pedestrian Circulation

This conceptual plan for the Downtown TIF District illustrates the different circulation patterns that must be considered by future proposals. The vehicular path shown in yellow represents the existing through traffic on Route 1. It is important to limit turning movements on and off of this route by optimizing connections throughout the district. That traffic circulation pattern is shown in blue. Further, a clear network of sidewalks, crosswalks, and other pedestrian connections must be built into each site design as depicted in the inset.





Make choices clear inside intersections.



Combine landscaping, stormwater treatment, and pedestrian space.



Different textures for different modes.



Pedestrian crossings must be readily identifiable by all modes of transportation.



## Circulation

The networks of circulation in mixed use areas should be designed to balance the needs of motorists, cyclists, and pedestrians. Design techniques that will reinforce this approach include placing parking areas behind buildings and connecting parking areas "off-street." Pedestrian connections between buildings should resemble a safe, broad, and easily identifiable ways of walking through areas that may also be occupied by automobiles.







Bioswale Inter-Flume



Bioretention swale after a storm event



Curbside Rain Garden



Bioretention swale



Tree Trench



Tree Trench, after a storm event



Bioswale Inter-Flume

## Stormwater Management

To the maximum extent practicable, stormwater management strategies shall incorporate green infrastructure elements to treat runoff.





## Property Frontage

Buildings that sit along a street or private way shall be located in a manner that establishes an active "front yard." The facade and entrance way should engage the public realm as a safe and active place for pedestrians. Parking and travel lanes do not belong in the front yard of buildings in mixed use districts.





Using landscapes as part of connectivity



Native species



Small public spaces



Combination of hard and softscapes



Tree-trench combined with hardscape

## Landscape

All areas of a site that are not rendered impervious through the development of structures, parking features, circulation features, or other hardscape features shall be landscaped. Landscape areas should be dominated by ornamental plants, shrubs, and trees that require little to no maintenance.

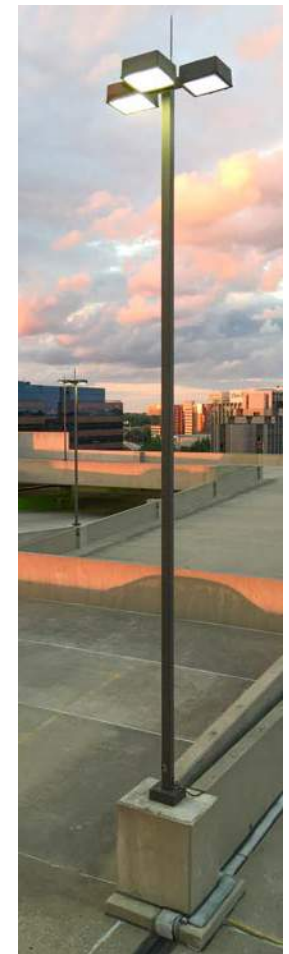




Lighting can be integrated with bollards and other walkway features to enhance safety and create a welcoming environment.



Decorative lighting can reflect traditional (left) or contemporary (right) design elements and should be integrated thoughtfully into pedestrian walkways and gathering areas.



Decorative light standards and fixtures weather traditional or contemporary (left) should be used. Industrial style lighting (right) should not be used.

## Lighting

Lighting for streets, parking areas, and civic/gathering spaces shall be decorative in form, scale, and finish, with detailed, articulated treatments for the base, post, fixture and crown.





Before: utility lines overhead.

## Utility Lines

Burying utility lines makes service far less vulnerable to natural hazards. With redevelopment existing utilities will be buried and all new development will include underground utilities.



After: with the removal of utility lines.





More contemporary architecture can still incorporate traditional techniques to reduce massing.



Mixed use buildings use different textures and materials to illustrate the location of different uses, while residential structures use articulation across a more uniform texture.



New construction can incorporate traditional architectural elements.

## Building Form & Placement

Multi-story buildings shall clearly articulate the base, middle, and top of building through the use of cornices, borders of distinct material, or other articulating features on every visible surface of the building.

The use of TIF is considered by the Town of Groton to represent a public/private partnership. It is anticipated that developers will make investments in studies or public improvements that will help the Town advance its own improvements program. Potential improvements or studies to be financed by the developer will be discussed and negotiated on a case-by-case basis and will address issues related to the TIF District. The goal of the Town is to create agreements that are fair and support the interests of the Town as well as the developer. In some cases, the Town may benefit from studies or data collection that help to make strategic decisions about infrastructure investment going forward. In other cases, the Town may be looking for physical improvements that will go beyond the boundaries of a particular development proposal. Potential improvements could include, but would not be limited to (see next page):

1. Pedestrian improvements. Striping, crosswalks, pathways, sidewalk and other similar features are critical to the success of the Downtown District.
2. Stormwater infrastructure. Improvements to existing infrastructure may be needed to better serve the district as a whole and help the Town comply with its MS4 requirements under the state permit.
3. Streetscape furnishings. Safe and attractive streetscapes are considered essential components of the public realm in the Downtown TIF district. The Town may look for opportunities to include these in future agreements.
4. Parks/public art. To strengthen the Downtown as a destination and establish more of a unique identity, parks and/or public art installations may be an appropriate improvement to include with a TIF agreement.
5. Street crossings. Crosswalks, traffic signals, decorative lighting, and wayfinding signage will contribute to the character of the district and may be an appropriate target for public improvements.
6. Transit infrastructure. Bus stops, public bike racks and similar features will strengthen the everyday accessibility of the district. Custom designed, high quality shelters and other transit oriented features will help to establish a unique identity for the downtown.



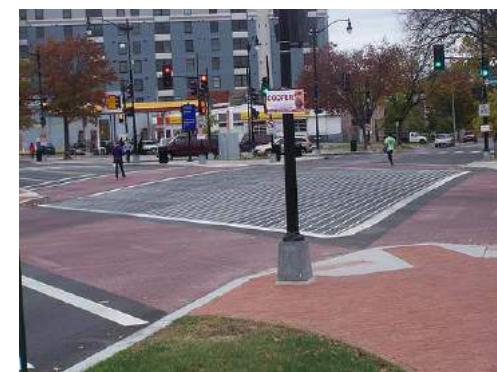


6



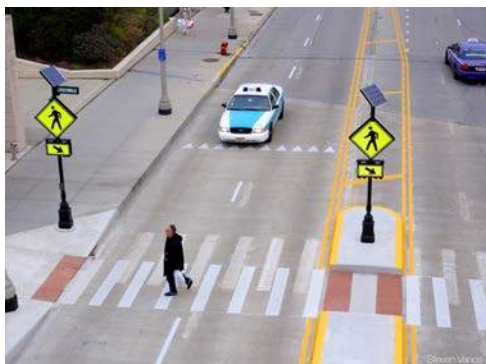
Transit Infrastructure

5



Street Crossings

1



Pedestrian Improvements

2



Stormwater Infrastructure

3



Streetscape Furnishings

4



Parks/ Public Art

## Attachment 2: Town of Groton Tax Increment Financing Policy

On March 6, 2018 the Town of Groton adopted its *Town of Groton Tax Increment Financing Policy*, attached below.



# **Town of Groton Tax Increment Financing Policy**

Prepared for the Town of Groton by Camoin Associates

Adopted by the Groton Town Council on March 6, 2018

## **I. Town of Groton TIF Policy**

To support economic development, the Town of Groton, may consider the creation of and adoption of Tax Increment Financing (TIF) Districts. TIF is a financing tool that can be used by municipalities to invest in economic development. It allows some or all of public and/or private costs associated with development to be financed over time by increases in the property tax revenues that are generated by the new development or redevelopment. Connecticut Statute, as specified in Chapter 105b - Tax Increment Districts authorizes municipalities in Connecticut to create tax increment financing (TIF) districts for the purposes of economic development.

The following shall be the Town of Groton's Policy to guide the process of planning for, reviewing, approving, and implementing TIF Districts. The details of each TIF District will be contained in the District's TIF Development Plan. In addition, the Town's establishment and implementation of TIF Districts will be consistent with all other applicable Federal, State, and local laws and regulations.

### **1. Purpose**

The Town understands the usefulness of TIF in economic development as part of its long-term economic development planning and implementation, including the Town's Plan of Conservation and Development and its recently completed Zoning and Market Analysis. In designating TIF District(s) and adopting TIF District Master Plan(s), the Town seeks to accomplish the following goals:

- a. Grow and diversify the Town's tax base through private investment.
- b. Grow and support economically diverse, long-term, stable employment opportunities for area residents.
- c. Improve Groton's quality of life and place to serve residents, businesses and workers including:
  - I. Enhance the Town's infrastructure development.
  - II. Create housing opportunities to attract and support workforce development.
  - III. Establish public spaces and cultural uses.
  - IV. Improve transportation and recreation infrastructure, including enhanced and well-connected pedestrian and bicycle facilities.
  - V. Assist established businesses in the Town, thus assisting in retaining existing employment opportunities and expanding employment.
  - VI. Revitalize areas or buildings in need of redevelopment, remediation, or rehabilitation.

### **2. TIF District Master Plan Requirements**

To establish a TIF District Groton will prepare and approve a TIF District Master Plan applicable to such district. This will include:

- a. A legal description of the boundaries of the TIF District and a listing of all properties (lots and parcels) within the district including tax map and tax identification numbers, gross assessed value of taxable real property for each lot within the district and for the district as a whole based on the most current assessed value, a description of the present condition and current use of all land and buildings within the TIF District, and an indication for each lot or parcel if it is subject to any special tax districts or zones currently, such as an Enterprise Zone or Business Improvement District.
- b. A statement on how the creation of the TIF District meets some or all of the stated purposes contained in the Town's TIF Policy and that it is needed for successful development or redevelopment to occur within the TIF District.
- c. Maximum Duration of TIF District in number of years– The preferred TIF District term will be a maximum of thirty (30) years. While State law allows terms up to fifty (50) years, this will only be considered as special circumstances by the Town.
- d. A determination with supporting data that the Original Assessed Value (OAV) of taxable real property of the TIF District plus the OAV of taxable real property of all existing TIF Districts within the Town do not exceed ten percent (10%) of the total value of taxable real property within the municipality as of October 1st of the year immediately preceding the establishment of the TIF District.
- e. Description of projected future public and private development or redevelopment to occur within the District, to include size, type, and uses; public and private site, building, and infrastructure improvements to be completed in the district and related areas; and estimated costs for all components.
- f. Annual estimated, projected assessed value of taxable real property and associated annual estimated, projected tax revenues, as well as the value and associated revenues above the OAV for all parcels within the district.
- g. 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 General Fund (percent for each between 0% and 100%; combined total must equal 100%).
- h. Maximum percentage and estimated, projected dollar amount of incremental revenues captured for TIF District purposes to directly support private development or redevelopment.
- i. A description of the method(s) to provide direct support to developers, property owners, or businesses using incremental captured TIF District revenues including abatements, credit enhancement agreements, or any other methods of direct support.
- j. Details on any other financing mechanisms that are tied to or impacted by the TIF, including a statement of (i) whether the TIF includes the issuance of Municipal Bonds or any other form of municipal public debt; and (ii) the relationship with any special district or zone tax assessments including Enterprise Zones, Business Improvement Districts, and Tax Abatements.
- k. A description of the methods the Town will use to annually track and report on TIF District performance and detailed associated financials.

- I. Any other requirements imposed by section 7-339ff of the Connecticut General Statutes or successor provision thereof, as may be from time to time amended, at the time such TIF District Master Plan is approved, including but not limited to the financial plan required thereunder.
3. Process for Drafting, Reviewing, and Approval of a TIF District Master Plan(s) in the Town of Groton
  - a) TIF District Master Plans for review and consideration of approval shall be prepared by appropriate Town Staff at the request of the Town Council and or Town Manager.
  - b) Staff will utilize a TIF Advisory Committee for guidance in development of a TIF District Master Plan.
  - c) Once drafted by Town Staff with guidance from the TIF Advisory Committee, the Draft TIF District Master Plan will be sent to the Economic Development Commission for review and recommendation. The Economic Development Commission shall review the Draft for consistency with the Town's TIF Policy and its ability to meet stated economic development purposes.
  - d) Upon review and receipt of recommendations from the Economic Development Commission, the Draft TIF District Master Plan shall be sent to the Town Council for review and comment.
  - e) Upon determination by the Town Council that the TIF Master Plan satisfies the requirements of the Connecticut General Statutes, as specified in Chapter 105b. Tax Increment Districts, and is in the Town's best interest to adopt, the Town Council shall submit the TIF District Master Plan to the Planning and Zoning Commission or Planning Commission. The Plan shall be submitted to the Planning and Zoning Commission or the Planning Commission at least ninety (90) days prior to the public hearing date for the TIF Master Plan by the Town Council requesting a study of the TIF District Master Plan and a written advisory opinion. The Planning and Zoning Commission or Planning Commission shall render a written advisory opinion as to whether the proposed TIF District Master Plan is consistent with the Plan of Conservation and Development.
  - f) The Town Council shall hold a public hearing on the proposed TIF District and TIF District Master Plan. Such public hearing shall be properly noticed at least 10 days prior to the public hearing pursuant to the requirements of Chapter 105b of the Connecticut General Statutes.
  - g) Following the Public Hearing, the Town Council shall act to consider establishment of the TIF District and adoption of the TIF District Master Plan applicable to such district. The Town Council is not required to act the same day as the Public Hearing.
  - h) If approved by the Town Council, the TIF District Master Plan shall become effective at a date set by the Town Council and its implementation will be carried forth by Town Administration with guidance as needed from the TIF Advisory Committee. Any resulting agreements with developers, property owners, or businesses, such as Credit Enhancement Agreements, must also be approved by the Town Council following review and recommendations from Staff, the TIF Advisory Committee, and the Economic Development Commission.
  - i) The creation and approval of a TIF District Master Plan shall not relieve any developer from complying with any other regulatory and/or permitting requirements which may be necessary as part of such developer's project.

- j) The Town through its Staff 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.

#### 4. TIF District Development Financing Mechanisms

In addition to public infrastructure and improvements, the Town may support certain industrial, commercial, residential, mixed-use or retail improvements, downtown development or transit-oriented development within TIF Districts, or a combination thereof, using TIF revenues. The Town's preferred method of providing assistance to property owners, businesses, and developers of property within a TIF District is through Credit Enhancement Agreements (CEAs), however, the Town may choose to utilize other methods as appropriate including issuance of municipal debt and utilizing TIF tax revenues to support debt repayment, tax abatements, or fixed valuation agreements.

Credit Enhancement Agreement (CEA): CEAs are the preferred mechanism for providing assistance to property owners and/or developers undertaking development projects within the Town's TIF Districts. A CEA is a contractual agreement between the Town and applicant that allows the Town to provide reimbursements of future incremental property tax revenues to property owners. This policy outlines the eligibility requirements, guidelines, process, and other details for how and when the Town may enter into CEAs.

The Town reserves the right to negotiate CEAs individually with property owners or developers of any properties within the TIF District. CEAs may provide a reimbursement of up to 100% of the incremental real property tax revenue produced from the captured assessed value on the particular property, and up to the full term of the TIF District. Under any CEA, the Town's obligation to make a periodic payment under the 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 other words, in any CEA, the Town shall not obligate itself to make payments the applicant without receiving incremental tax revenues nor shall it be obligated to make payments if there is no increased assessed value.

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

Property Tax Abatements: Property tax abatements involve reducing a portion of property taxes owed for specified reasons. In Connecticut, they can be used by communities to reduce taxes for a specified period of time for certain types of new construction or rehabilitation including residential and commercial/industrial, subject to State law. They have been the traditional method used by communities in Connecticut to incentivize private development for the purpose of economic development at the municipal level. Their use is very limited in terms of time period over which incentives can be provided, the types of property and uses for which abatements can be provided, and the percent of taxes to be paid that can be abated. Within TIF districts, abatements or CEAs can be utilized according the Town's TIF District Master Plan.

Revenue Bonds: Revenue Bonds provide a method for financing public and private (through public-private partnership) infrastructure and development costs. They are a means of debt financing available to municipalities. Revenue bonds distinguish themselves from general obligation (GO) bonds through their method of repayment; unlike GOs which rely on taxation,

revenue bonds are guaranteed by the specific revenues generated by the issuer. In the case of use for financing for economic development, an example would be utilizing parking fees to pay back a revenue bond issued to build a parking garage. Within a TIF District and according to a TIF District Master Plan, future incremental revenues from new property taxes on taxable real property can be utilized to help finance public and private development costs including infrastructure and site improvements.

Fixed Assessment Agreements (FAA): With a TIF District the municipality can agree to set a fixed valuation on a property for up to fifteen years providing the Town and the owner/developer with predictability in tax liability. All Fixed Assessment Agreements shall be recorded in the Groton land evidence records.

#### Use of Multiple Incentives

In all cases the Town shall not allow "double dipping," providing tax incentives from more than one program on the same dollar value of new investment such as providing Enterprise Zone tax benefits and TIF tax benefits.

The Town also reserves the right to transfer revenues from any TIF Development Accounts that are in excess of funds needed to meet its obligations specified in its TIF District Master Plans and any related CEAs to its General Fund and utilize funds for General Fund purposes at any time during the life of the TIF.

While the Town may provide a reimbursement of up to 100% of the incremental real property tax revenue produced from the captured assessed value on the particular property for the duration of the TIF District, it shall be the Town's policy to provide no more than 50%, on average annually, of incremental real property tax revenue as reimbursement to the developer, business, or property owner regardless of whether achieved through a Credit Enhancement Agreement, Tax Abatement, or Fixed Valuation Agreement. Reimbursement in excess of this 50% threshold will only be considered when the potential benefits as measured by the potential to achieve the Town's goals, as stated in this policy, to the Town are considered to be significantly high.

## 5. TIF District Credit Enhancement Guidelines and Requirements

### *General Provisions*

#### A. Terms

The specific terms of each CEA will be negotiated between the Town and the applicant. Agreements can extend between one (1) and thirty (30) years; and up to 100% of the annual TIF Revenues associated with the captured incremental value from the property can be reimbursed to the property owner depending on the merit in achieving the Town's purpose for CEAs. Under any CEA, the Town's obligation to make a periodic payment under the 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 other words, in any CEA, the Town shall not obligate itself to make payments without receiving incremental tax revenues nor shall it be obligated to make payments if there is no increased assessed value. The percentage of annual TIF Revenues that are reimbursed to the

property owner may be adjusted over the life of the Agreement. In no case, shall a CEA extend beyond the life of the TIF District. While the Town may provide a reimbursement of up to 100% of the incremental real property tax revenue produced from the captured assessed value on the particular property for the duration of the TIF District, it shall be the Town's policy to provide no more than 50%, on average annually, of incremental real property tax revenue as reimbursement to the developer, business, or property owner regardless of whether achieved through a Credit Enhancement Agreement, Tax Abatement, or Fixed Valuation Agreement. Reimbursement in excess of this 50% threshold will only be considered when the potential benefits as measured by the potential to achieve the Town's goals, as stated in this policy, to the Town are considered to be significantly high.

B. Level of Funding Adjustments

During the application process and during the life of the TIF District (and CEA), the applicant 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 placed in the Town's General Fund or applied to the TIF Districts.

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

For projects within an enterprise zone or receiving other Town-provided direct tax benefit, the applicant will contractually agree not to take the Town enterprise zone reduced assessed value on land and buildings benefit or to receive any other direct Town tax benefit for any phase of the project benefitting from a CEA. The Applicant cannot receive benefit from both a CEA and another Town financial incentive on the same incremental value.

6. CEA Requirements

The Town may 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 can be demonstrated by:

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

The following requirements will also be considered:

- a. The Applicant is financially capable to undertake the project demonstrated by submitting one or more of the following:
  - i. 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.

- ii. 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.
  - iii. The Applicant's most recent corporate (or other entity) annual report indicating availability of sufficient funds to finance the development, together with explanatory material interpreting the report.
  - iv. Evidence indicating availability of funds if the applicant will personally finance the development.
- b. The Applicant is compliant with statutory and regulatory guidelines of the Town and State of Connecticut.
- c. The project represents a minimum private investment of at least one million dollars (\$1,000,000) in development or redevelopment costs. This minimum investment cannot include the cost of acquisition of the property.
- d. The Applicant's equity contribution (excluding all debt, local, state, and federal support including tax credits, grants, and other support) to the project is a minimum of ten percent (10%) of the development or redevelopment costs.
- e. Reasonable buildout timeline for investment and completion of construction with documentation indicating the buildout completion plans with supporting market/feasibility information.
- f. Developer has pursued use of other available funding and incentives and has integrated other sources to the extent possible.
- g. Developer provides sufficient financial information as deemed necessary by the Town for planning and administration of the TIF District including information for the consideration of TIF District and CEA approval AND annual information following TIF District and CEA approval on the status of the development including a description of development completed, jobs created, jobs retained, and total private investment made.
- h. Submission of any other documentation requested by the Town to help ensure that the Town will benefit through new investment, new employment, or other public benefits.

#### 7. Guidelines That Determine Level of Municipal Participation in CEAs

In considering and negotiating support for private development costs, the level of support given by the Town should be based on the potential of the project to advance the Town's purpose for utilizing TIF, as stated under Section II.1. Purpose, above.

#### 8. CEA 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, city taxes, sewer mill rates, etc...
- e. Current original assessed value of taxable real property
- f. Description of proposed project
- g. Description of proposed use(s) for site (residential, commercial, retail, industrial, etc.)
- h. Description of how the proposed project meets the Town's TIF purposes as stated in its TIF Policy
- 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

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 Developer from complying with any other regulatory and/or permitting requirements which may be necessary as part of the Developer's project such as site plan, wetlands, building permits, etc.

Application Fee: At the time of the final application submission and after preliminary advisement by Town staff, a non-refundable fee of \$5,000 will be made by the applicant to help fund Town expenses for staff time and any other direct expenses such as required legal fees.

#### 9. CEA Application Process

A property owner, or a developer that has secured an interest in real property within an approved or proposed TIF District, may approach the Town seeking the potential use of a CEA. If a developer, the property interest must include sufficient rights to purchase the property upon a definitive event. The steps outlined below detail the full CEA approval process.

Step 1: Preliminary Advisement with applicant by Town Staff (Office of Planning and Development Services (OPDS), Finance, and Tax Assessor)

Step 2: Application preparation by OPDS with input by Finance and Town Manager

Step 3: Application submission by OPDS if all required information is supplied by applicant

Step 4: Review and approval by Town Manager



Step 5: Review and Recommendation by TIF Advisory Committee and referral of application to: Economic Development Commission, and Representative Town Meeting

Step 6: Submission to Town Council for review and approval

Step 7: Implementation and tracking by Town Staff

Additional CEA process and requirements may be contained within individual TIF District Master Plans that add to or exceed the requirements contained in this policy.

10. Amendment procedure

Amendments to this policy shall be completed in the same manner, as required by Connecticut and local laws and ordinances, as the adoption of this policy.

## II. Appendices

### Appendix A.

#### Introduction and Background to Connecticut TIF State Law

Tax Increment Financing ("TIF") is a financing tool that can be used by municipalities to invest in economic development. It allows some or all of public and/or private costs associated with development to be financed over time by increases in the property tax revenues that are generated by the new development or redevelopment. Chapter 105b of the Connecticut General Statutes, titled "Tax Increment Districts", authorizes Connecticut municipalities to create TIF Districts for the purposes of economic development.

The following is an overview of the TIF process, components and requirements per the Connecticut General Statutes. This information provides guidance for the Town of Groton's TIF Policy, which in turn, provides the framework, process, and details for any TIF District(s) and TIF District Master Plan(s) to be adopted by the Town.

##### 1. TIF Process

Use of TIF by Connecticut municipalities does not require State approval, and its structure and details are determined by the local legislative process. However, the State does require the creation and local adoption of a TIF District Master Plan to create and utilize a TIF District. The municipality's legislative body must adopt a TIF District Master Plan for each TIF District. The TIF District Master Plan is adopted at the same time the TIF District is created. The TIF District creation and approval process includes the following steps:

- a. The municipality's legislative body affirms TIF will contribute to the economic growth or well-being of the municipality or to the betterment of the health, welfare or safety of the inhabitants of the municipality.
- b. At least 90 days prior to establishing a TIF District and approval of a TIF District Master Plan, submit such plan to the municipality's Planning Commission requesting a study of the plan and a written advisory opinion prior to approval of such plan. Such written advisory opinion shall include a determination of whether the plan is consistent with the municipality's plan of conservation and development.
- c. Hold a public hearing on the proposal to establish the TIF District and adopt the TIF District Master Plan.
- d. The municipality's legislative body confirms that the TIF District meets all eligibility criteria and assessed value requirements in accordance with applicable Connecticut General Statutes.
- e. Submission of TIF District Master Plan to the municipality's legislative body.
- f. The municipality's legislative body establishes the TIF District and approves the TIF District Master Plan applicable to such district.

##### 2. TIF District Master Plan Components

The TIF District Master Plan must include:

- a. The boundaries of the TIF district by legal description.
- b. A list of the tax identification numbers for all lots or parcels within the TIF District.

- c. A description of the present condition and uses of all land and buildings within the TIF District.
- d. A description of the public facilities, improvements, or programs within the tax increment district anticipated to be added and financed in whole or in part.
- e. A description of the industrial, commercial, residential, mixed-use, or retail development/improvements; downtown development; or transit-oriented development within the TIF District anticipated to be financed in whole or in part.
- f. A financial Plan detailing the schedule of incremental tax revenues.
- g. A plan for the proposed maintenance and operation of the TIF District after the planned capital improvements are completed, if applicable.
- h. The maximum duration of the TIF District, which may not exceed a total of fifty (50) tax years, beginning with the tax year in which the TIF District is established.

### 3. Financial Plan Components

The Financial Plan of the TIF District Master Plan must include:

- a. Cost estimates for the public improvements and developments anticipated in the TIF District Master Plan.
- b. The maximum amount of indebtedness, if any, to be incurred to implement the TIF District Master Plan.
- c. Sources of anticipated revenues, including TIF and any other revenues.
- d. A description of the terms and conditions of any agreements, including any anticipated assessment agreements, contracts, credit enhancement agreements (CEA), or other obligations related to the TIF District Master Plan.
- e. Estimates of the increased assessed values of the TIF District.
- f. The portion of the increased assessed values to be applied to the District Master Plan as captured assessed values and resulting tax increments in each year of the plan. Captured value is the amount, as a percentage or stated sum, of increased real assessed value that is utilized from year to year to finance project costs pursuant to the TIF District Master Plan.  
*Note: A municipality can designate an amount up to 100% of incremental value to be utilized for specified TIF purposes or any amount less than 100%. The amount of tax increment revenues to be designated is determined by designating captured assessed value, subject to any assessment agreements. Whatever amount of incremental revenues that are not utilized for specified TIF purposes accrue to the General Fund. The applicant cannot receive a CEA or other TIF benefit if they are also utilizing any state or local tax incentives such as, but not limited to Enterprise zones, Urban Jobs, Airport Development Zone, or other property tax incentives. Subject to any assessment agreements provided by the TIF statute or the TIF Plan.*
- g. Specify the maximum percentage of TIF revenues to be utilized to support private developers through credit enhancement agreements or other mechanisms (such as bonding).

### 4. TIF District Limitations

A municipality can have multiple TIF Districts; however, all TIF Districts combined are subject to the following limitation:

**The original assessed value of all taxable real property of the TIF District plus the original assessed value of all taxable real property of all existing TIF Districts within the municipality may not exceed ten percent (10%) of the total value of taxable real property within the municipality as of October 1st of the year immediately preceding the establishment of the TIF District.**

5. TIF Revenues Uses

Connecticut General Statutes § 7-339hh enables a municipality to use all or part of TIF revenues in connection with costs of improvements within the TIF District, costs of improvements outside the TIF District which are directly related to or are made necessary by the establishment or operation of the TIF District, or for support of economic development, environmental improvements or employment training associated with the TIF District. This includes, but is not limited to: infrastructure, services made necessary by the project, repayment of debt service on municipal or private developer costs, and support or leverage for further economic development within or related to the district. More specifically, TIF revenues can be used for the following non-exclusive purposes:

- a. Public infrastructure improvements
- b. Façade improvements
- c. Project development and redevelopment costs (including transit-oriented and downtown district development)
- d. Capital costs
- e. Remediation costs
- f. Land assembly costs (forming a single site from a number of parcels)
- g. Technical and marketing assistance
- h. Revolving loans
- i. Professional services
- j. Repayment of private debt incurred by private developer
- k. Administrative expenses, including personnel, studies, reports, and/or administration for Main Street managers
- l. Business development and expansion assistance for TIF district property owners
- m. TIF district establishment costs
- n. Off-Site (related to TIF District)
  - i. Roadways, water/sewer
  - ii. Public safety
  - iii. School
  - iv. Mitigate adverse impacts (e.g. new traffic)
- o. Economic development and environmental
  - i. Economic development initiatives
  - ii. Workforce training
  - iii. Environmental mitigation

Dedicated TIF revenues **cannot** be used for General Fund purposes. The portion of incremental revenues not dedicated for TIF purposes are used for General Fund expenses.

## 6. TIF Use with other Financing Tools

TIFs can and should be used with other public and private financing tools as appropriate and available. They are not meant to be used “instead of” or “exclusive of” other financing mechanisms. TIF can, but does not have to be, used in conjunction with municipal bonding and related debt service. As available during the life of the District, TIF can be used to directly pay for specified costs or pay down debt service associated with the TIF District. A detailed overview of Economic Development Finance Tools is contained in the Appendix.

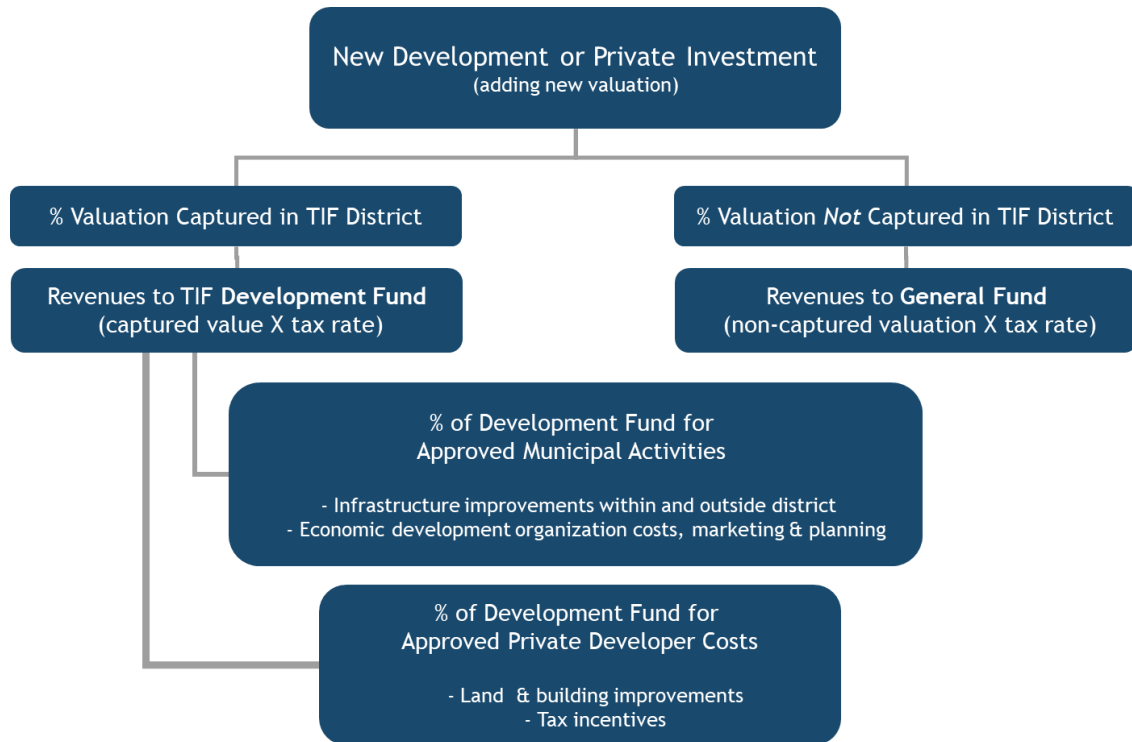
## 7. TIF Use to Directly Support Private Development

In addition to helping finance public costs to support economic development, TIFs can be used to help finance private developers’ costs to spur further private investment. If a Town chooses to help finance private development costs, the Town should, as a matter of policy, require developers to demonstrate that “but for” the TIF support a project would not occur and that they have utilized and exhausted all other financing mechanisms, such as state and federal grants and tax credit programs

Municipalities can assist private developers with financing through property tax abatements. They can also utilize TIF for such purposes. TIFs can be used to support private development by reimbursing the private developer a portion (up to 100%) of property taxes resulting from new investment annually through what is known as a “credit enhancement agreement” (CEA). The CEA is a binding legal contract developed and agreed to as part of the TIF District process that can be used by the private developer to offset some private development costs and be used to support or enhance financing for the private developer. If the municipality chooses to provide CEAs it should do so in the form of a percentage of paid incremental taxes to be returned as opposed to a fixed dollar amount to protect itself from an underperforming TIF development. The municipality should also have an application process and guidelines for helping determine if the Town should support development through a CEA as part of a TIF District and to what extent it should support it. The municipality shall also prohibit a developer from what is known as “double dipping,” providing tax incentives from more than one program on the same dollar value of new investment, such as providing Enterprise Zone tax benefits and TIF tax benefits

Figure 1 below shows how revenues are dedicated under a TIF arrangement.

Figure 1



## APPENDIX B

### 1. Glossary of Tax Increment Financing Terms

- a. Captured Assessed Value – the amount, as a percentage or stated sum, of increased real assessed value that is utilized from year to year to finance project costs pursuant to the TIF District Master Plan.
- b. Credit Enhancement Agreement – agreement with developer or business to return a portion of real property taxes paid annually over a specified period of time to offset development costs
- c. Current Assessed Value – the assessed value of all taxable real property within a TIF District as of October first of each year that the TIF District remains in effect.
- d. Incremental Assessed Value – the valuation amount by which current assessed value of a TIF District exceeds the original assessed value of the TIF District. If the current assessed value is equal to or less than the original assessed value, there is no incremental assessed value.
- e. Original Assessed Value (OAV) – assessed value of all taxable real property (land & buildings) within a TIF District as of October first of the tax year immediately preceding the year in which the TIF District was established by the legislative body of the municipality.
- f. Tax Abatement – Connecticut law allowing communities to reduce a portion of property taxes owed for specified reasons for a fixed time period of time; more restrictive than CEAs
- g. TIF District – Those property(ies) wholly within the corporate limits of the municipality that have been established and designated as such pursuant to the Connecticut General Statutes and that is to be developed under the TIF District Master Plan applicable to such district.
- h. TIF District Master Plan – a statement of means and objectives prepared and approved by the municipality relating to a TIF 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 7-339ff of the Connecticut General Statutes.
- i. TIF Revenues – revenues generated by incremental real assessed value within a TIF District

## 2. Tools for Financing Economic Development

Tax Increment Financing (TIF) provides a method for communities to support economic development by helping finance public and private investments for development within a specified district. In addition to TIF, there are other financing mechanisms to assist with economic development financing, all of which can be used either separate from or within a TIF District Plan.

### *Property Tax Abatement*

Property tax abatements involve reducing a portion of property taxes owed for specified reasons. In Connecticut, they can be used by communities to reduce taxes for a specified period of time for certain types of new construction or rehabilitation including residential and commercial/industrial, subject to property tax laws detailed in the Connecticut General Statutes C.G.S. Sec. 12-81. They have been the traditional method used by communities in Connecticut to incentivize private development for the purpose of economic development at the municipal level. Their use is very limited in terms of time period over which incentives can be provided, the types of property and uses for which abatements can be provided, and the percent of taxes to be paid that can be abated. TIF provides an alternative to the use of tax abatements through what is known as a credit enhancement agreement (CEA), which provide far greater flexibility on these matters and are discussed further below. Plus, within TIF districts, abatements or CEAs can be utilized according the Town's district plan.

### *Historic Tax Credits*

Historic Tax Credits can also be utilized to help offset development costs. The Connecticut Historic Rehabilitation Tax Credit Program (C.G.S. Sec. 10-416c) establishes a 25% tax credit on the Qualified Rehabilitation Expenditures associated with the rehabilitation of a Certified Historic Structure for either 1) residential use of five units or more, 2) mixed residential and nonresidential use, or 3) nonresidential use consistent with the historic character of such property or the district in which such property is located. An additional credit is available for projects that include affordable housing as provided in section 8-39a of the general statutes. Similar Federal Tax Credits of 20% are also available, which together with the State credits covers a total of 45% of qualified expenditures

#### Program Specifics:

- a. 25% tax credit of the total qualified rehabilitation expenditures
- b. 30% tax credit of the total qualified rehabilitation expenditures if the project includes an affordable housing component provided at least 20% of the rental units or 10% of for sale units qualify under CGS Section 8-39a.
- c. \$31.7 million in tax credit reservations are available each fiscal year
- d. Per project cap is up to \$4.5 million in tax credits
- e. Qualified rehabilitation expenditures are hard costs associated with rehabilitation of the certified historic structure; site improvements and non-construction costs are excluded
- f. Buildings must be listed on the National or State Register of Historic Places, either individually or as part of an historic district



- g. All work must comply with the Secretary of the Interior's Standards for Rehabilitation
- h. State tax credits may be combined with the 20% federal historic preservation tax credits provided the project qualifies under federal law as a substantial rehabilitation of depreciable property as defined by the Internal Revenue Service
- i. Tax credit vouchers are issued after completion of rehabilitation work or, in phased projects, completion of rehabilitation work to an identifiable portion of the building placed in service
- j. Tax credits are available for the tax year in which the building or, in phased projects, an identifiable portion of the building is placed in service
- k. Tax credits can only be used by C-corporations with tax liability under Chapters 207 through 212 of the Connecticut General Statutes
- l. Tax credits can be assigned, transferred or conveyed in whole or in part by the owner to others up to three times

#### *Bonds*

General Obligation bond (GO): A GO is a bond issued by the municipality that is backed by the municipality's full faith and credit (including taxing authority). GO bonds are obligated to be paid back regardless of the completion and performance of the use for which they were issued. They are typically used by municipalities to finance significant public infrastructure projects including roads, sewer, water, and facilities.

Revenue Bonds: Revenue Bonds provide a method for financing public and private (through public-private partnership) infrastructure and development costs. They are a means of debt financing available to municipalities. Revenue bonds distinguish themselves from general obligation (GO) bonds through their method of repayment; unlike GOs which rely on taxation, revenue bonds are guaranteed by the specific revenues generated by the issuer. In the case of use for financing for economic development an example would be utilizing parking fees to pay back a revenue bond utilized to build a parking garage. Within a TIF district and according to a TIF District Master Plan future revenues from new property taxes can be utilized to help finance public and private development costs including infrastructure and site improvements.

#### *Tax Increment Financing*

The purpose of Tax Increment Financing (TIF) is to assist a developer with redevelopment through various mechanisms, including the fixing of tax assessments, abatements, payment for credit enhancement agreement, bonds, and funding of infrastructure to support development. State guidelines for TIF are included in C.G.S. 7-339cc to 7-339kk

Through a TIF, future property tax revenues from new development and/or above current property valuations within a specified district (parcel or set of parcels) can be dedicated to pay portions of public and/or private development. This can include any of the following or a mix of the following:

- a. Placing into TIF development fund to dedicate to paying off public costs for infrastructure and economic development related to the district

- b. Credit Enhancement Agreements – a binding legal agreement with a property owner or developer to reduce future property taxes related to new development by a specified percentage (0-100%) for a specified period of time (up to 50 years). This reduction in future property taxes represents a future flow of funds which can then be used by the property owner or development to enhance their credit in obtaining additional private debt or equity.
- c. Tax Abatement – see explanation above – more restrictive than CEAs but can still be utilized within a TIF District
- d. Fixed assessment agreement – With a TIF District the municipality can agree to set a fixed assessment on a property for up to fifteen years providing the owner/developer with predictability in tax liability.
- e. Payment stream for public finance including bonds explained above
- f. General Obligation bond (GO) – A GO is a bond issued by the municipality that is backed by the municipality's full faith and credit (including taxing authority). GO bonds are obligated to be paid back regardless of the completion and performance of the use for which they were issued. They are typically used by municipalities to finance significant public infrastructure projects including roads, sewer, water, and facilities.
- g. Revenue Bonds – Revenue Bonds provide a method for financing public and private (through public-private partnership) infrastructure and development costs. They are a means of debt financing available to municipalities. Revenue bonds distinguish themselves from general obligation (GO) bonds through their method of repayment; unlike GOs which rely on taxation, revenue bonds are guaranteed by the specific revenues generated by the issuer. In the case of use for financing for economic development an example would be utilizing parking fees to pay back a revenue bond utilized to build a parking garage. Within a TIF district and according to a TIF District Master Plan future revenues from new property taxes can be utilized to help finance public and private development costs including infrastructure and site improvements. However, if revenue bond funds are used to support private development then the bond revenues will not be tax-exempt, contrary to if they are used for public infrastructure.