



Council Agenda

Council Chambers
Windsor Town Hall
May 1, 2006



7:30 PM Regular Council Meeting

1. ROLL CALL
2. PRAYER – Councilor Gegetskas
3. PLEDGE OF ALLEGIANCE – Councilor Gegetskas
4. PROCLAMATIONS/AWARDS
 - a) Proclamation Designating May as Older American’s Month
5. PUBLIC COMMUNICATIONS AND PETITIONS
(Three minute limit per speaker)
6. REPORT OF APPOINTED BOARDS AND COMMISSIONS
 - a) Board of Ethics
 - b) Board of Education
 - c) Economic Development Commission
7. TOWN MANAGER'S REPORT
8. COMMUNICATIONS FROM COUNCIL MEMBERS
9. REPORTS OF STANDING COMMITTEES
10. ORDINANCES
11. UNFINISHED BUSINESS
 - a) *Approve Fixed Assessment agreement for ING North America Insurance Corporation (Town Manager)
 - b) *Approve a Building Fee Reduction agreement for ING North America Insurance Corporation (Town Manager)
12. NEW BUSINESS
 - a) *Introduce a bond ordinance entitled, “AN ORDINANCE APPROPRIATING \$565,000 FOR COSTS IN CONNECTION WITH INTERSECTION IMPROVEMENTS IN THE VICINITY OF THE INTERSECTIONS OF DAY HILL ROAD AND MARSHALL PHELPS ROAD, DAY HILL ROAD AND NORTHFIELD DRIVE AND STATE ROUTE 75 AND INTERSTATE 91 AT EXIT



- 38, AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$565,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manager)
- b) *Set a Public Hearing for May 15, 2006 at 7:00 p.m. to hear a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$565,000 FOR COSTS IN CONNECTION WITH INTERSECTION IMPROVEMENTS IN THE VICINITY OF THE INTERSECTIONS OF DAY HILL ROAD AND MARSHALL PHELPS ROAD, DAY HILL ROAD AND NORTHFIELD DRIVE AND STATE ROUTE 75 AND INTERSTATE 91 AT EXIT 38, AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$565,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manager)
 - c) *Presentation of Facilities Reuse Study by Public Building Commission (Town Manager)
 - d) *Approve extension of annual audit services with the firm of McGaldrey & Pullen (Town Manager)
 - e) *Introduce 2007-2012 CIP program (Town Manager)
 - f) *Introduce an ordinance entitled, "AN ORDINANCE ADOPTING CONNECTICUT GENERAL STATUTES SECTION 12-129n TO PROVIDE PROPERTY TAX RELIEF FOR ELDERLY AND/OR DISABLED HOMEOWNERS." (Town Manager)
 - g) *Set a Public Hearing for June 5, 2006 at 7:15 p.m. to hear an ordinance entitled, "AN ORDINANCE ADOPTING CONNECTICUT GENERAL STATUTES SECTION 12-129n TO PROVIDE PROPERTY TAX RELIEF FOR ELDERLY AND/OR DISABLED HOMEOWNERS." (Town Manager)
 - h) *Introduce a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$235,000 FOR RENOVATIONS AND IMPROVEMENTS TO POQUONOCK ELEMENTARY SCHOOL AND AUTHORIZING THE ISSUE OF BONDS AND NOTES TO FINANCE THE PORTION OF THE APPROPRIATION NOT DEFRAID FROM GRANTS." (Town Manager)
 - i) *Set a Public Hearing for May 15, 2006 at 7:00 p.m. to hear a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$235,000 FOR RENOVATIONS AND IMPROVEMENTS TO POQUONOCK ELEMENTARY SCHOOL AND AUTHORIZING THE ISSUE OF BONDS AND NOTES TO FINANCE THE PORTION OF THE APPROPRIATION NOT DEFRAID FROM GRANTS." (Town Manager)
 - j) *Introduce a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$225,000 FOR RAINBOW ROAD CULVERT AND AUTHORIZING THE ISSUE OF BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manager)
 - k) *Set a Public Hearing for May 15, 2006 at 7:00 p.m. to hear a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$225,000 FOR RAINBOW ROAD CULVERT



AND AUTHORIZING THE ISSUE OF BONDS AND NOTES TO FINANCE APPROPRIATION." (Town Manager)

- l) *Introduce a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$445,000 FOR REPLACEMENT OF THE WHITE ROCK ROAD CULVERT AND AUTHORIZING THE ISSUE OF BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manager)
- m) *Set a Public Hearing for May 15, 2006 at 7:00 p.m. to hear a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$445,000 FOR REPLACEMENT OF THE WHITE ROCK ROAD CULVERT AND AUTHORIZING THE ISSUE OF BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manager)

13. * RESIGNATIONS AND APPOINTMENTS

14. MINUTES OF PRECEDING MEETINGS

- a) *Minutes of the April 3, 2006 Public Hearing (Town Manager's Proposed Budget for Fiscal Year 2006/2007)
- b) *Minutes of the April 3, 2006 Regular Town Council meeting
- c) *Minutes of the April 5, 2006 Special Town Council meeting (Budget Session)
- d) *Minutes of the April 10, 2006 Special Town Council meeting (Budget Session)
- e) *Minutes of the April 12, 2006 Special Town Council meeting (Budget Session)
- f) *Minutes of the April 17, 2006 Special Town Council meeting (Budget Session)
- g) *Minutes of the April 19, 2006 Special Town Council meeting (Budget Session)

15. PUBLIC COMMUNICATIONS AND PETITIONS

(Three minute limit per speaker)

16. EXECUTIVE SESSION

17. ADJOURNMENT

PROCLAMATION

Designating May as Older Americans Month in Windsor and the week of May 14-20, 2006 as National Senior Center Week

- Whereas,* Windsor is home to approximately 8,000 citizens over the age of 55, who are welcome to participate in programs offered by the Windsor Senior Center and the Caring Connection Adult Day Health Center; and
- Whereas,* older Americans are significant members of our society, investing their wisdom and experience to help enrich and better the lives of younger generations and helping to redefine aging; and
- Whereas,* through the wide array of services, the Windsor Senior Center empowers older citizens of Windsor to contribute to their own health and well-being as well as others; and
- Whereas,* the Windsor Senior and Adult Services in the Town of Windsor affirms the dignity, self-worth and independence of older persons by facilitating their decisions and actions, tapping their experiences, skills and knowledge and encouraging their contributions to the community; and
- Whereas,* Windsor recognizes the value of its Senior Citizens and strives to provide a wide range of services that include adult daycare, exercise programs, computer instruction, transportation, educational seminars, trips, parties, support services, as well as offering health related information.

NOW, THEREFORE, BE IT PROCLAIMED BY THE MAYOR AND THE WINDSOR TOWN COUNCIL THAT:

The month of May be designated as Older American Month and that May 14, 2006 through May 20, 2006 be designated as Senior Center Week in Windsor. We call upon all citizens to recognize the special contributions of the Windsor Senior Center participants, and the special efforts of the staff and volunteers who work everyday to enhance the lives of older citizens of our community.





Donald S. Trinks

Agenda Item Summary

Date: May 1, 2006

To: Honorable Mayor and Members of the Town Council

Prepared by: James Burke, Economic Development Director

Reviewed by: Peter Souza, Town Manager 

Subject: Fixed Assessment Agreement - ING North America Insurance Corporation

Background

At its April 3, 2006 meeting, the Town Council referred this item to the Finance Committee for its review. The Finance Committee met on April 26, 2006 to evaluate the proposed agreement with ING North America Insurance Corporation (ING) for a fixed real property assessment as an economic development incentive for the location of a corporate office campus in Windsor.

Discussion/Analysis

Attached to this memorandum is a proposed Fixed Assessment Agreement with ING. This document is the product of negotiation between Town Staff, the Town Attorney and representatives of the company.

Briefly, the key points of consideration of the proposed agreement include:

Fixed Assessment. Town will fix the assessment for the real property for a full five (5) year period at an amount equal to the current assessed value of the real estate plus thirty (30%) percent of the value of the new building which the total amount is \$14,959,350. This will provide 70% abatement of the increased assessment of real property. The five-year period begins with the Grand List after receipt of a permanent building certificate of occupancy or on October 1, 2007.

Minimum Personal Property Taxes. During the fixed assessment period, Company will be obligated to pay taxes on the personal property without any fixed assessment. In any tax year, if the taxes due for personal property and real property are less than \$440,000, then the Company will also pay the difference.

Investment and Schedule. Company will expend at least \$65,000,000 in real estate improvements and \$7,500,000 in personal property by no later than September 30, 2008. This schedule will be extended by the Town Council for up to two (2) six (6) month periods provided that the Council finds that Company is diligently pursuing the project.

In the event that Company does not comply with the investment and schedule requirements, the Town may terminate the agreement and recover any tax benefits provided to Company.

Recruitment of Town Residents. Company will exercise good faith efforts to recruit qualified Town residents for part and full-time positions. Company is under no legal obligation to hire or retain any Town resident.

Operation. During the fixed assessment period and for three years following, Company will operate the Project in its ordinary course of business. Company may temporarily cease to operate the Project, in whole or in part for a cumulative period of no more than one (1) year as a result of a furlough of employees, a downturn of business or as a result of retrofitting, rebuilding, restoring, modifying or expanding the Project.

In the event that Company permanently ceases operations in excess of the cumulative over one (1) year time period, Town may: (i) terminate the Fixed Assessment and (ii) recover tax benefits provided to Company during the Fixed Assessment period.

Successors and Assigns; Assignment. All terms of the Agreement are binding on all successors and assigns. Company may assign its rights and obligations to certain parties outlined in the agreement, including affiliates and finance sources. Any other assignments are prohibited except with permission of the Windsor Town Council which permission shall not be unreasonably denied.

Financial Impact

Attached to this memorandum is a summary report of a 10-year fiscal impact analysis of the ING project. The analysis utilizes a model provided by Northeast Utilities to help communities to compare a "Do Nothing" scenario with a project including tax abatement and other incentives. For this analysis, the following inputs were used: a) 70%, five-year abatement of new real property assessment, b) the minimum values for building and personal property costs, c) accelerated depreciation of computer equipment, d) 50% building permit fee reduction based on minimum building cost, e) annual debt service for the infrastructure improvements using a 10-year term, and f) mill rate remains constant.

Based on the analysis, over the first ten years of the project, the Town will received \$6.92 million in net property tax revenues for an annual average of \$690,000. Overall, when increased debt service costs are deducted, the net gain in revenue will be \$6.48 million dollars for the ten-year period.

Other Board Action

The Economic Development Commission met on March 15, 2006 and voted unanimously to recommend approval of the proposed fixed assessment to the Town Council.

The ING site plan was approved by the Inland and Wetlands Commission on April 4th and by the Town Planning and Zoning Commission on April 11th.

The Finance Committee met on April 26, 2006 and gave its approval for recommendation of the Fixed Assessment Agreement (see attached) to the Town Council for their review and final approval.

Recommendations

If the Town Council is in agreement, it is recommended that the following resolution be adopted:

“RESOLVED that the Town Manager is authorized to sign and execute a fixed assessment agreement between the Town of Windsor and ING North America Insurance Corporation as an economic development incentive for the location of a corporate office campus in Windsor as outlined in the attached agreement.”

Attachments

ING Fixed Assessment Agreement

10-year fiscal impact analysis

FIXED ASSESSMENT AGREEMENT

THIS AGREEMENT made effective as of _____, 2006, by and between Town of Windsor, Connecticut, a governmental body organized under the laws of the State of Connecticut ("Town"), and ING North America Insurance Corporation, a Delaware corporation, ("Company").

RECITALS

- A. The development and construction of a 475,000 square foot corporate office facility to be located at 200 Northfield Drive, Windsor, Connecticut, is currently under consideration by Company.
- B. Town has adopted an Assessment Abatement Policy in accordance with Section 12-65(b) of the Connecticut General Statutes, as amended, (the "Policy"), which provides for the abatement or reduction of certain ad valorem real estate tax for, inter alia, "Significant Fiscal Impact Projects" as defined therein.
- C. Town has determined that said development qualifies as a Significant Fiscal Impact Project under the Policy and desires to offer the abatement of certain ad valorem real estate taxes hereafter to be assessed on said development as an inducement for Company to develop and construct it within Town.
- D. Town Council has adopted a resolution authorizing Town to enter into this Agreement.
- E. Town and Company now desire to enter into this Agreement to effect a Fixed Assessment of certain ad valorem real estate taxes which may be levied on said development.

NOW, THEREFORE, in consideration of the mutual promises contained herein, Town and Company hereby agree as follows:

ARTICLE I – DEFINITIONS

Capitalized terms used and not defined herein shall have the definitions ascribed to them as set forth below:

Section 1.1 – Commencement Date. The term "Commencement Date" shall mean the date the Grand List is executed and confirmed by Town Assessor immediately following the date of the final certificate of occupancy for the Facility and completion of the conditions included in Sections 3.1 and 3.2 of this Agreement. Notwithstanding the foregoing, the parties agree that the Company may elect to have the Commencement Date be October 1, 2007, which election shall be provided to the Town in writing no later than September 1, 2007.

Section 1.2 – Facility. The term "Facility" shall mean all improvements on or about the Property of whatever kind or nature, including without limitation, all buildings, structures,

foundations, utilities, detention facilities, landscaping, curbing, light standards, walkways, access drives, parking areas but otherwise exclusive of personal property.

Section 1.3 – Investment In The Facility. The term “Investment In The Facility” shall mean all costs incurred by Company in development and construction of the Facility and, including without limitation, the cost of materials, labor, fixtures, leasing of equipment, and all other hard costs capitalized as part of the Project based on the application of generally accepted accounting principles, consistently applied.

Section 1.4 – Investment In Personal Property. The term “Investment in Personal Property” shall mean all costs incurred by Company in the fabrication, purchase, transportation and installation of all Personal Property located on or about the Property, including without limitation, all manufacturing and vendor costs, sales taxes, and all other hard costs capitalized as part of the Personal Property based on the application of general accounting principles, consistently applied.

Section 1.5 – Personal Property. The term “Personal Property” shall mean all personal property of Company located on or about the Property or used as a part of the Project, including without limitation, all equipment, furnishings, and computers.

Section 1.6 – Project. The term “Project” shall mean collectively the Facility, Personal Property and the Property.

Section 1.7 – Property. The term “Property” shall mean the premises generally known as 200 Northfield Drive, Windsor, Connecticut, together with any additions or reductions thereof, which hereafter shall be confirmed by an ALTA/ACSM survey based on protocols utilized by Company, and which shall be described by a narrative metes and bounds description of such premises prepared on the basis of the survey, by attachment hereto as Schedule 1.10, which shall be initialed by Town and Company when attached to this Agreement.

Section 1.8 - Fixed Assessment - The term "Fixed Assessment" shall refer to Town's authority under Connecticut General Statutes 12-65 b, fixing the assessment on the Facility and Property.

Section 1.9- Fixed Assessment Period - The term "Fixed Assessment Period" shall refer to a full five (5) assessment year period which shall begin upon the occurrence of the Commencement Date. Upon the passage of said five (5) year period, the fixed assessment period automatically shall expire subject to the provisions of Section 2.1.

ARTICLE II-TAX MATTERS

Section 2.1 – Fixed Assessment. Town and Company agree that the Fixed Assessment for the Facility and the Property shall be fully effective during the Fixed Assessment Period. Furthermore, in the event that Town cannot confer the Fixed Assessment at any time during the Fixed Assessment Period pursuant to a court order or change in law applicable to fixed assessment agreements entered into and effective prior to the date of such change in law, then the

term of the Fixed Assessment Period shall automatically be extended by such time period in order to provide a full five (5) year period in which the Fixed Assessment is effective to the extent permitted by applicable local and State law, and Town shall undertake all reasonable efforts to effect said extension.

During the Fixed Assessment Period, Town shall establish the assessment of the Property and the Facility at the Fixed Assessment amount of \$14,959,350.00, which amount represents the current valuation of the Property plus thirty (30%) per cent of the assessed value of the Facility.

Section 2.2– Minimum Real Estate Tax Payment. During the Fixed Assessment Period, Company agrees to pay for each tax year a minimum ad valorem real estate tax payment for the Facility and the Property based on a fixed assessment of the Facility and Property equal to the sum of \$14,959,350.00 at the then existing mil rate adopted by Town, subject to the provisions of this Agreement. Company shall make such payment no later than the applicable due dates of the tax billing or otherwise shall be subject to penalty interest for late payment. Effective upon the expiration or termination of the Fixed Assessment Period, Company shall have no further obligations under this Section 2.2.

Section 2.3– Personal Property Taxes and Minimum Tax Payment. Company agrees to pay all taxes levied on the Personal Property by Town during the Fixed Assessment Period. Company shall make such payment no later than the applicable due dates of the tax billing or otherwise shall be subject to penalty interest for late payment. In the event that the sum of taxes due for Personal Property plus taxes due for Facility and Property for any tax year occurring during the Fixed Assessment Period shall be less than the sum of four hundred forty thousand dollars (\$440,000.00) above the taxes currently due for the Property, then Company shall pay such difference concurrent with the payment of personal property tax due in accordance with Town's annual tax bill.

Section 2.4. Assessment and Revaluation. The Company shall have the right to appeal any increase in assessment due to a town wide property revaluation pursuant to Connecticut General Statutes, sections 12-117A and 12-119, as amended. The assessment of the Property for the period prior to the Commencement Date shall be determined in the normal course pursuant to state and local laws.

ARTICLE III– INVESTMENT IN THE PROJECT

Section 3.1 – Investment In The Facility. Company agrees to expend Investment In The Facility of not less than \$65,000,000.00 no later than September 30, 2008, which deadline shall be extended by the Town Council for up to two (2) six (6) month periods provided that Town finds Company is diligently and continuously pursuing the completion of the Project.

Section 3.2 – Investment In Personal Property. Company agrees to expend Investment In Personal Property of not less than \$7,500,000.00 no later than September 30, 2008, which deadline shall be extended by the Town Council for up to two (2) six (6) month periods provided that Town finds Company is diligently and continuously pursuing the completion of the Project.

Section 3.3 – Schedule. No later than September 30, 2008 or at the end of any approved extension period as provided in Section 3.1 and Section 3.2, Company shall furnish Town with a

certificate confirming Company's satisfaction of the obligations contained in Sections 3.1 and 3.2 hereof. Company, at the request of Town, further shall furnish Town with general information substantiating the expenditure of such investment. Town acknowledges that any certification from a third party architect, managing contractor, engineer, general contractor, vendor or manufacturer, which certifies such investment will satisfy any request by Town for additional evidence verifying the expenditure of such investment.

Section 3.4 – Failure to Comply. In the event the Company has not expended Investment in the Facility of not less than \$65,000,000 or expended Investment in Personal Property of not less than \$7,500,000 by September 30, 2008 or at the end of any approved extension periods as provided in Section 3.1 and Section 3.2, Town shall be entitled to terminate this Agreement. In the event Company (i) has elected that the Commencement Date be October 1, 2007 as set forth in Section 1.1 of this Agreement, and (ii) the Company has not expended Investment in the Facility of not less than \$65,000,000 or expended Investment in Personal Property of not less than \$7,500,000 by September 30, 2008 or at the end of any approved extension periods as provided in Section 3.1 and Section 3.2, the Town shall be entitled to: (i) terminate this Agreement and (ii) recover all tax benefits provided to Company during the Fixed Assessment Period. In the event of such termination by Town, then Town and Company shall not have any further obligation under this Agreement.

ARTICLE IV – EMPLOYMENT MATTERS

Section 4.1 – Town Residents. Company shall exercise good faith efforts to recruit qualified residents of Town to fill part and full-time positions used for the Project; provided, however, that Company is under no legal obligation to hire any resident of Town for such purposes, it being understood that Company, in its sole discretion, will make the ultimate determination on whether or not a resident is qualified to fill a position or to hire such person.

ARTICLE V – – OPERATION OF PROJECT

Section 5.1 – Operation. Effective upon the Commencement Date and for a time period of eight (8) consecutive years thereafter, Company shall operate the Project in its ordinary course of business; provided that Company may temporarily cease to operate the Project, in whole or in part for a cumulative period of no more than one (1) year, in its ordinary course of business as a result of a furlough of employees, a downturn of business or as a result of retrofitting, rebuilding, restoring, modifying or expanding the Project. After the expiration of said eight (8) year time period, the provisions of this Article V shall be null and void and shall be of no further force and effect.

Section 5.2 – Remedies. In the event that Company permanently ceases operations at the Project in excess of the cumulative over one (1) year time period above, Town shall be entitled to (i) terminate the Fixed Assessment for the balance of the Fixed Assessment Period, if any, immediately following such cessation of operations, and (ii) recover all tax benefits provided to Company during the Fixed Assessment Period; provided, however, that Town furnishes notice of its election under clauses (i) and (ii) hereof to Company within sixty (60) days immediately

following said cumulative over one (1) year period. Company shall provide written notice of any and all cessation of operations to Town and written notice of the resumption of operations. Failure to do so shall be grounds for termination of this agreement by Town. In the event that Company has instituted appropriate administrative or legal proceedings challenging the amount of the statutory assessment of the Facility and Property, payment of any and all taxes shall be in accordance with Connecticut General Statute section 12-117.

ARTICLE VI- REPRESENTATIONS AND WARRANTIES

Section 6.1 – Town Representations and Warranties. Town hereby represents and warrants to Company as follows:

- 6.1.1 This Agreement is in material compliance with Town Charter and ordinances and with the Connecticut General Statutes, et seq. and all other applicable local and State law.
- 6.1.2 Town is a municipality duly organized and operating under the laws of the State.
- 6.1.3 Town has the power to enter into this Agreement and to carry out its obligations hereunder.
- 6.1.4 The execution and delivery of this Agreement, the conferral of the Fixed Assessment to Company, the performance of its other obligations contained in this Agreement, the consummation of the other transactions contemplated hereby, and the fulfillment of the compliance with the terms and conditions of this Agreement, by Town are not prevented by or result in a breach of, the terms, conditions or provisions of Town Charter, any statute, law, ordinance or regulation by which Town is bound, or any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Town is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.
- 6.1.5 This Agreement has been duly authorized by Town Council, and is a valid and binding obligation of Town, and is enforceable in accordance with its terms against Town.
- 6.1.6 The representative of Town executing this Agreement is in good standing with Town, and is authorized to execute and deliver this Agreement, in such capacity.
- 6.1.7 There is no claim or litigation, or to the best of Town’s knowledge, threat of any claim or litigation, against Town with respect to its execution and delivery of this Agreement or otherwise pertaining to the conferral of the Fixed Assessment or any other matter contained in this Agreement.
- 6.1.8 There are no actions, suits or administrative or legal proceedings pending, to the best of its knowledge, threatened against or affect Town or before

any arbitrator or any governmental body in which there is a reasonable possibility of an adverse decision which could materially affect the financial condition of Town or which in any manner raises any question about the ability of Town to perform its obligations under this Agreement.

Section 6.2 – Company Representations and Warranties. Company hereby represents and warrants to Town as follows:

- 6.2.1 Company is a corporation organized under the laws of the State of Delaware and is in good standing with the Secretary of State of Delaware and is qualified to transact business in the State of Connecticut.
- 6.2.2 Company has the power to enter into this Agreement to carry out its obligations hereunder.
- 6.2.3 The execution and delivery of this Agreement, the performance of the obligations of Company contained in this Agreement, the consummation of the other transactions contemplated hereby, and the fulfillment of the compliance with the terms and conditions of this Agreement by Company are not prevented by or result in a breach of, the terms, conditions or provisions of any statute, law, ordinance or regulation by which Company is bound, or any contractual restriction, financing, agreement or instrument of whatever nature to which Company is now a party by which it is bound, nor do they constitute default under any of the foregoing.
- 6.2.4 This Agreement has been duly authorized by Company, and is a valid and binding obligation of Company and is enforceable in accordance with its terms against Company.
- 6.2.5 The officer of Company executing this Agreement is in good standing with Company and is authorized to execute and deliver this Agreement, in such capacity.
- 6.2.6 There is no claim or litigation, to the best of Company's knowledge, threat of any claim or litigation, against Company with respect to its execution and delivery of this Agreement, the conferral of the Fixed Assessment or any other matter contained in this Agreement.
- 6.2.7 There are no actions, suits or proceedings pending or, to the best of its knowledge, threat against or effect to Company or before any arbitrator or any governmental body in which there is a reasonable possibility of an adverse decision which could materially affect the ability of Company to perform its obligations under this Agreement.

Attention: Ronald Falkner

With a copy to:

Brown Rudnick Berlack Israels LLP
CityPlace I, 38th Floor
Hartford, CT 06106
Attn: Mark A. Asmar

or at such other addresses as the parties may indicate in writing to the other by personal delivery, overnight courier, or certified or registered mail, return receipt requested, with proof of delivery thereof. Notices and requirements shall be deemed delivered to the address set forth above (a) when delivered in person on a business day, (b) on the same business day received if delivered by overnight courier, or (c) on the third business day after being deposited in any main or branch United States Post Office when sent by registered mail, return receipt requested.

Section 8.2– Successors and Assigns; Assignment. Company may not assign its rights and obligations under this Agreement except with permission of the Windsor Town Council which permission shall not be unreasonably denied. Notwithstanding the foregoing, the Town and the Company agree that the Company may assign its rights and interests in this Agreement without the permission of the Windsor Town Council (i) to any parent, grandparent, subsidiary or affiliate of the Company, (ii) to any company into which the Company or its parent or grandparent is merged or which results from the merger of the Company, or its parent, grandparent with any other entity, or (iii) to any purchaser of the Project in connection with a sale/leaseback or other financing arrangement including but not limited to the holder of any mortgage on the Project. All of the terms and provisions of this Agreement shall be binding on and inure to the benefit of all of the successors and assigns of the parties hereto.

Section 8.3– Amendment. This Agreement sets forth all the promises, inducements, agreements, conditions, and understandings between Company and Town relative to the fixing the assessments on the Facility and the Property and there are no promises, agreements, conditions, or understandings, either oral or written, express or implied, between them related thereto, other than as herein set forth. No subsequent alteration, amendment, change, or addition to this Agreement shall be binding on the parties hereto unless authorized in accordance with law and reduced in writing and signed by them.

IN WITNESS WHEREOF, this Agreement has been executed by authorized representatives of the parties hereto and is effective as of the aforesaid date.

TOWN OF WINDSOR

By: _____

Name: _____

Title: _____

**ING NORTH AMERICA INSURANCE
CORPORATION**

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENTS

STATE OF CONNECTICUT)
) ss.:
TOWN OF WINDSOR)

The foregoing instrument was acknowledged before me on _____, 2006 by _____ and _____, as the _____ and _____, respectively, of Town of Windsor, on behalf of said Town.

My commission expires: _____

(SEAL)

Notary Public

STATE OF CONNECTICUT)
) ss.:
COUNTY OF HARTFORD)

The foregoing instrument was acknowledged before me on _____, 2006 by _____, as the _____ of ING North America Insurance Corporation, a Delaware corporation.

My commission expires: _____

(SEAL)

Notary Public

#

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Project Summary

10-year Fiscal Impacts

Project Summary: 10-Year Fiscal Impacts

Project Name	ING	Rounded	Do Nothing
Scenario 1: No Development			
Cumulative Ten-Year Revenue		572,000	
Taxes on Existing Property	\$ 572,260		\$ 572,000
Taxes on Land Sold	\$ -		
Scenario 2: Project Gets Built			
Taxes on Remaining Property	\$ 572,260	\$ 572,000	
PILOT Payments	\$ 2,083	\$ 2,000	
Total New Prop. & Equip. Taxes from Project	\$ 6,327,423	\$ 6,327,000	
Total Net Property Taxes	\$ 6,901,766	\$ 6,902,000	
Tax Difference Between Build and No Build	\$ 6,329,506	\$ 6,330,000	
Summary Information			
Permit Fee	\$ 422,500	\$ 423,000	
Total Net Taxes plus Permits	\$ 7,324,266	\$ 7,324,000	
Estimated Project Related Costs			
Project-Related Net Additional Town Operating Costs	\$ 844,686	\$ 845,000	
Total One-Time Purchases	\$ -	\$ -	
Total Project-Related Costs	\$ 844,686	\$ 845,000	
Surplus Taxes Net of Project Costs	\$ 6,479,580	\$ 6,480,000	
			Net Gain with Project
			\$ 6,480,000

Fiscal Impact Model

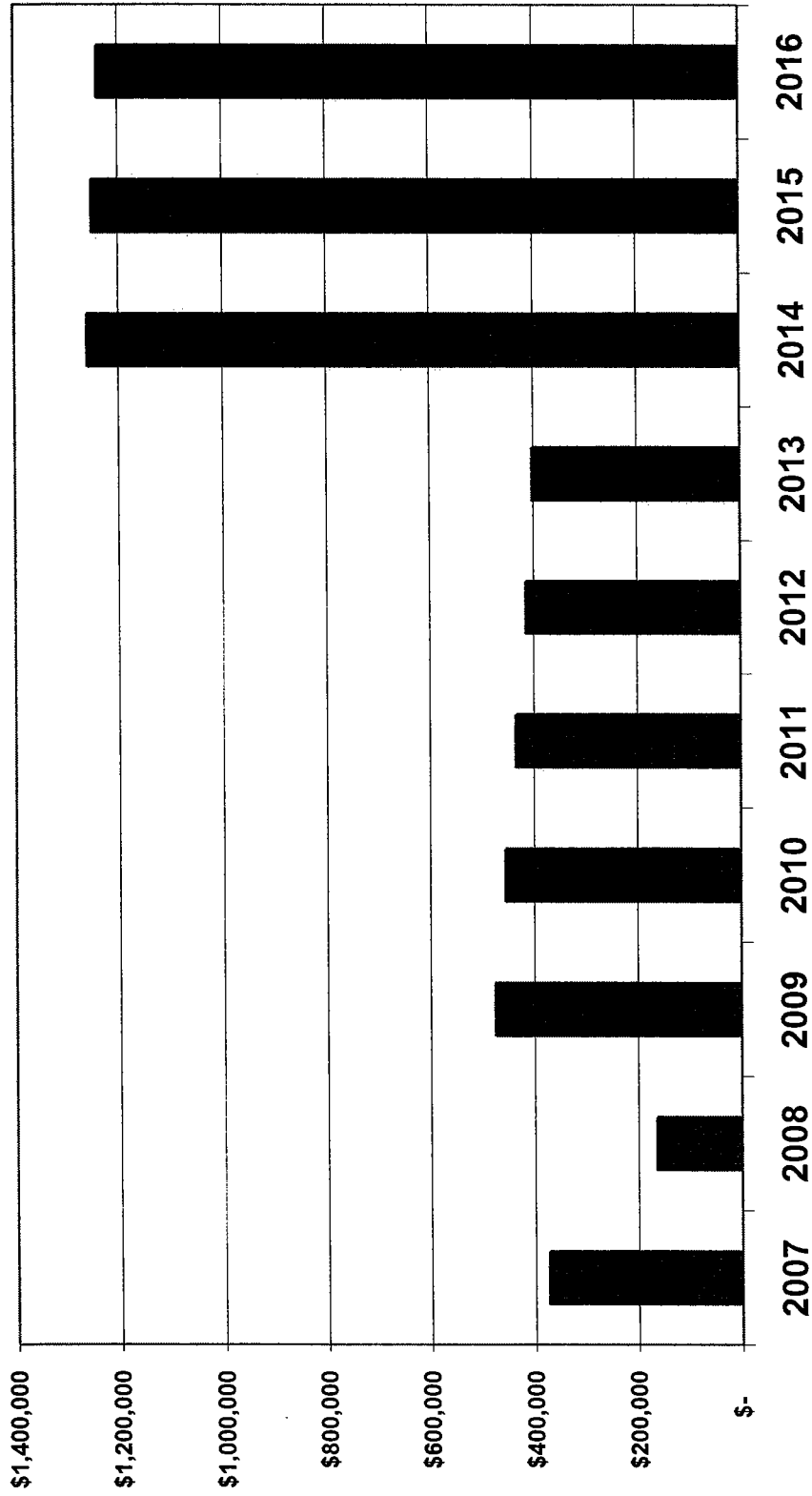
Project: ING

Windsor

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10-Yr. Total
Impact on Town Operating Budget	\$ 57,226	\$ 152,753	\$ 570,559	\$ 550,448	\$ 530,337	\$ 510,226	\$ 497,226	\$ 1,354,386	\$ 1,344,330	\$ 1,334,275	
Total New Property & Remaining Taxes	\$ 316,875	\$ 105,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,901,766
Permit Fee	\$ -	\$ 93,854	\$ 93,854	\$ 93,854	\$ 93,854	\$ 93,854	\$ 93,854	\$ 93,854	\$ 93,854	\$ 93,854	\$ 422,500
Project-Related Net Additional Town Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total One-Time Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 844,686
Surplus Taxes/Fees to the Community	\$ 374,101	\$ 164,524	\$ 476,705	\$ 456,594	\$ 436,483	\$ 416,372	\$ 403,372	\$ 1,260,532	\$ 1,250,476	\$ 1,240,421	\$ 6,479,580

April 27, 2006

Net Project-Specific Annual Taxes/Fees




Agenda Item Summary

Date: May 1, 2006

To: Honorable Mayor and Members of the Town Council

Prepared by: James Burke, Economic Development Director

Reviewed by: Peter Souza, Town Manager 

Subject: Building Permit Fee Reduction Agreement – ING North America Insurance Corporation

Background

At its April 3, 2006 meeting, the Town Council referred this item to the Finance Committee for their review. The Finance Committee met on April 26, 2006 to discuss the proposed building permit fee reduction as an economic development incentive for the location of a corporate office campus in Windsor.

Discussion/Analysis

Attached to this memorandum is a proposed Building Permit Fee Reduction Agreement with ING North America Insurance Corporation (ING). This document is the product of negotiation between Town Staff and Town Attorney and representatives of the Company.

Briefly, the key points of the proposed agreement include:

Permit Fee Reduction. Town agrees that all building permit fees for the project will be reduced by one half of the normal permit fees. There will be no reduction of any land use or zoning fees or charges.

Term. The Agreement runs to the date the final Certificate of Occupancy for the project is issued to Company.

Payment Rebate. Company to repay the reduced building permit fees if it fails to construct a facility with a value equal to or greater than \$65 million dollars by September 30, 2008, or at the end of any approved extensions.

Successors and Assigns; Assignment. All terms of the Agreement are binding on all successors and assigns. Company may assign its rights and obligations to certain parties outlined in the agreement, including affiliates and finance sources. Any other assignments are prohibited except with permission of the Town Council which permission shall not be unreasonably denied.

Financial Impact

Based on the Minimum Improvement value included in the proposed Fixed Assessment Agreement, the proposed 50% reduction in building permit fees for the ING project will be approximately \$422,500.

The fiscal impact of the ING project is more fully described in a separate memorandum regarding the Fixed Assessment Agreement which will also be presented at the May 1st Town Council Meeting.

Other Board Action

The Finance Committee met on April 26, 2006 and gave its approval for recommendation of the Building Fee Reduction Agreement (see attached) to the Town Council for their review and final approval.

Recommendation

If the Town Council is in agreement, that the following resolution be adopted:

“RESOLVED that the Town Manager is authorized to sign and execute an agreement between the Town of Windsor and ING North America Insurance Corporation for a building permit fee reduction as an economic development incentive for the location of a corporate office campus in Windsor as outlined in the attached agreement.”

Attachments

Building Permit Fee Reduction Agreement

BUILDING PERMIT FEE REDUCTION AGREEMENT

THIS AGREEMENT made effective as of _____, 2006, by and between Town of Windsor, Connecticut, a governmental body organized under the laws of the State of Connecticut ("Town"), and ING North America Insurance Corporation, a Delaware corporation, ("Company").

RECITALS

- A. The development and construction of a 475,000 square foot corporate office facility with an estimated capital cost in excess of Sixty-Five Million Dollars (\$65,000,000) to be located at 200 Northfield Drive, Windsor, Connecticut ("Project"), is currently under consideration by Company.
- B. Town has adopted a Building Permit Fee Reduction Policy under which Town Council may grant, on a case-by-case basis, the reduction of building permit fees for construction activities if such building permits are for a "Significant Fiscal Impact Project", i.e., a project with a capital investment in real estate equal to or greater than 2.5% of the Taxable Grand List in place at the time of application.
- C. Town has determined that the Project qualifies as a Significant Fiscal Impact Project under the Policy and has authorized the reduction of all building permit fees for the Project so as to equal fifty per cent (50%) of normal building permit fees.
- D. Town and Company desire to enter into this Agreement so as to effect such reduction of building permit fees for the Project.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

ARTICLE I – PERMIT FEE REDUCTION

Town shall reduce by one-half the normal permit fees for all building permits procured by Company, its employees, agents, contractors, or subcontractors for construction of the Project.

Notwithstanding the provisions of this Article I, there shall be no reduction of any land use or zoning fees, environmental fees, or other charges which Town may assess in connection with the planning, development and construction of the Project in accordance with the published schedule of fees and charges for the same, a copy of which is attached hereto as Exhibit A and incorporated herein.

ARTICLE II – TERM

This Agreement shall commence on the effective date hereof and shall expire at such time as a final Certificate of Occupancy is issued for the Project.

ARTICLE III–PAYMENT

Company acknowledges that the inducement to Town to provide a reduction in the building permit fees for the Project is the promise of Company to construct a facility with a capital investment equal to or greater than Sixty-Five Million Dollars (\$65,000,000) by no later than September 30, 2008, which deadline shall be extended by the Town Council for up to two (2) six (6) month periods provided that the Commencement Date under the Fixed Assessment Agreement between the Town and the Company is similarly extended. If Company fails to construct a facility with a capital investment equal to or greater than Sixty-Five Million Dollars (\$65,000,000) by September 30, 2008 or at the end of any approved extensions, it shall repay Town any building permit fee savings on written demand of Town.

ARTICLE IV - ASSIGNMENT

Company may not assign its rights and obligations under this agreement except with permission of the Town Council, which permission shall not be unreasonably denied. Notwithstanding the foregoing, the Town and the Company agree that the Company may assign its rights and interests in this Agreement without the permission of the Town Council (i) to any parent, grandparent, subsidiary or affiliate of the Company, (ii) to any company into which the Company or its parent or grandparent is merged or which results from the merger of the Company, or its parent, grandparent with any other entity, or (iii) to any purchaser of the Project in connection with a sale/leaseback or other financing arrangement including but not limited to the holder of any mortgage on the Project. All of the terms and provisions of this Agreement shall be binding on and inure to the benefit of all of the successors and assigns of the parties hereto.

[Remainder of page is intentionally blank.]

[Signature page follows.]

IN WITNESS WHEREOF, this Building Permit Fee Reduction Agreement has been executed by authorized representatives of the parties hereto and is effective as of the aforesaid date.

TOWN OF WINDSOR

By: _____
Name: _____
Title: _____

ING NORTH AMERICA INSURANCE CORPORATION

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF CONNECTICUT)
) ss.:
TOWN OF WINDSOR)

The foregoing instrument was acknowledged before me on _____, 2006 by _____ and _____, as the _____ and _____, respectively, of Town of Windsor, on behalf of said Town.

My commission expires: _____

(SEAL)

Notary Public

STATE OF CONNECTICUT)
) ss.:
COUNTY OF HARTFORD)

The foregoing instrument was acknowledged before me on _____, 2006 by _____, as the _____ of ING North America Insurance Corporation, a Delaware corporation.

My commission expires: _____

(SEAL)

Notary Public

EXHIBIT A
APPLICATION FEE SCHEDULE

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<u>Fines and Fees</u>	<u>Fund</u>	<u>Authority</u>	<u>Fee</u>	<u>Last Action</u>
Development Services				
Building Inspection				
Building Permit	General Fund	Resolution	\$30 for 1st \$1,000	12/05/1997
Building Permit	General Fund	Resolution	\$13/\$1,000 after 1st	6/21/1999
Square footage price used to calculate cost of a new home	General Fund	Resolution	\$75 per sq.ft.	5/05/2003
Re-inspection fee on contractor projects	General Fund	Resolution	\$25 per inspection	5/05/2003
Working without permits	General Fund	Resolution	A fee equal to double permit fee	5/05/2003
Coin-Operated Self-Serve Laundry License	General Fund	Resolution	\$50/year	5/05/2003
Coin-Operated Self-Serve Laundry License Renewal	General Fund	Resolution	\$30/year	5/05/2003
ZBA Residential Appeal & Application Fee	General Fund	ZBA	\$80	5/05/2003
ZBA Commercial/Ind. Appeal & Application Fee	General Fund	ZBA	\$125	5/05/2003
Motor Vehicle Location Approvals	General Fund	ZBA	\$70	5/20/1985
Motor Vehicle Location Reapprovals	General Fund	ZBA	\$35	5/20/1985
Maps - photocopy	Special Revenue	Resolution	\$4	5/01/1989
Fire Prevention				
Blasting permits	General Fund	CGS Chapter 541, Section 29-349	\$20	10/01/1987
Storing explosives	General Fund	CGS Chapter 541, Section 29-349	\$25	10/01/1987
Wood stoves	General Fund	Resolution	\$30	4/27/2005
Oil tanks	General Fund	Resolution	\$30	4/27/2005
Commercial Amusement Fee	General Fund	Resolution	\$100 fee & \$1,000 bond	6/29/1981
Inland Wetlands				
Summary Ruling:				
Residential lot containing wetlands or regulated area	General Fund	CGS 22a-36 to 22a-45	\$100 per lot	4/01/2005
Modification to existing owner-occupied lot	General Fund	CGS 22a-36 to 22a-45	\$25/lot	5/12/1989
Agricultural or recreational regulated area affected by proposed activity	General Fund	CGS 22a-36 to 22a-45	\$100 per lot	4/01/2005
Commercial, industrial or residential multi-family or other use	General Fund	CGS 22a-36 to 22a-45	\$300 plus \$100/lot or acre	5/12/1989
Plenary Ruling:				
Residential lot containing wetland or regulated area	General Fund	CGS 22a-36 to 22a-45	\$200 per lot	5/12/1989
Agricultural or recreational with reg. area affected by proposed activity	General Fund	CGS 22a-36 to 22a-45	\$200 per acre	5/12/1989
Commercial, industrial or multi-family or other use	General Fund	CGS 22a-36 to 22a-45	\$600 plus \$100/lot or acre	5/12/1989
Permit revisions as they affect wetlands/watercourses	General Fund	CGS 22a-36 to 22a-45	\$90	4/01/2005
Wetlands permit renewal	General Fund	CGS 22a-36 to 22a-45	\$70	4/01/2005
Amendments to map or regulations	General Fund	CGS 22a-36 to 22a-45	\$250	4/01/2005
Cease and desist order	General Fund	CGS 22a-36 to 22a-45	\$250	4/01/2005

Agenda Item Summary

Date: May 1, 2006

To: Honorable Mayor and Members of the Town Council

Prepared By: James Burke, Economic Development Director

Reviewed By: Peter Souza, Town Manager 

Subject: Bond ordinance for Infrastructure Improvements - ING Corporate Office Project – Northfield Drive

This memorandum recommends approval of a request for Economic Development Incentive Program (EDIP) funding for public infrastructure required for the development of the ING North America Insurance Corporation (ING) corporate office project on Northfield Drive. The recommended actions include introduction of a bond ordinance and setting a public hearing. This matter is presented in conjunction with other Council Agenda Items regarding assessment abatement and building permit fee reduction for the same project.

Background

ING has requested assistance from the Town's Economic Development Incentive Program (EDIP) to construct public improvements to support the development of a new corporate office campus in the Day Hill Road Corporate Area. The proposed improvements include intersection capacity enhancements at Day Hill Road and Northfield Drive, Day Hill Road and Marshall Phelps Road, and Poquonock Avenue and I-91. The work will involve right-of-way acquisitions, grading, lane widening, traffic signal modifications, and other related work.

ING has plans to build a four-story glass and pre-cast office building containing more than 475,000 SF on an 80-acre landscaped campus. The project will be operational at the end of 2007 and will employ 2,000 persons (1,700 ING employees and 300 consultant employees) with an estimated annual payroll and benefits of \$140 million dollars.

The Town of Windsor adopted an Economic Development Policy in April, 1993 which includes guidelines for the Economic Development Incentive Program (EDIP). The EDIP is designed to encourage development by having the Town fund infrastructure improvements in the public right-of-way or public easements which benefit the requester. In exchange for this funding, the Town expects to be able to recoup its investment from new tax revenue within an appropriate period of time.

Discussion/Analysis

The estimated cost for the off-site road improvement projects is approximately \$1.6 million dollars. ING has proposed Town assistance in the amount of \$750,000. Under the EDIP guidelines, the Town expects to recoup its investment in the form of new tax dollars within an appropriate time. The average annual property taxes from the facility for the first five years with a proposed fixed assessment are estimated to be approximately \$ 463,000 dollars. This could permit the Town to cover the project cost within a two-year period.

Financial Impact

As noted above, the anticipated tax revenues from the ING development will allow repayment of the proposed infrastructure cost within two-years of completion. It is proposed that \$565,000 be bonded and the balance of \$185,000 be funded using the General Fund undesignated, unreserved Fund

Balance. Staff anticipates requesting Town Council to appropriate the \$185,000 on May 15th. This action would coincide with the Town Council's consideration of the proposed bond ordinance.

The estimated annual debt service on the \$565,000, 10 year bond issue is \$72,000. The bonds are planned to be issued in the Spring of 2007 and debt service payment would begin in Fiscal Year 2008.

The overall fiscal impact of this project is discussed in the separate Agenda Item Summary for the assessment abatement and building permit fee reduction elements of this project.

Other Board Action

The Economic Development Commission (EDC), at its March 15th regular meeting, voted unanimously to recommend to the Town Council that up to \$750,000 be appropriated for the public infrastructure improvements associated with the ING corporate office campus project on Northfield Drive. A report from the EDC is attached.

ING received approval of its site plans from the Inland and Wetlands Commission on April 4 and from the Town Planning and Zoning Commission on April 11.

The Town Planning and Zoning Commission will review the proposed improvements in accordance with Section 8-24 of the Connecticut General Statutes prior to the Town Council public hearing and action on the proposed bond ordinance.

Recommendations

It is recommended that the Town Council approve funding of up to \$565,000 plus cost of financing for the design and construction of public infrastructure for the ING Project.

If the Council concurs with this recommendation, then the following motions would be appropriate:

1) Waiving of the Reading

“RESOLVED, that the reading into the minutes of the text of the ordinance entitled. “AN ORDINANCE APPROPRIATING \$565,000 FOR COSTS IN CONNECTION WITH INTERSECTION IMPROVEMENTS IN THE VICINITY OF THE INTERSECTIONS OF DAY HILL ROAD AND MARSHALL PHELPS ROAD, DAY HILL ROAD AND NORTHFIELD DRIVE AND STATE ROUTE 75 AND INTERSTATE 91 AT EXIT 38, AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$565,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION” is hereby waived, the full text of the ordinance having been distributed to each member of the Council and copies being made available to those persons attending this meeting; and that the full text of the ordinance be recorded in the minutes of this meeting.”

2) Introduce an Ordinance

“MOVE to introduce an ordinance entitled, “AN ORDINANCE APPROPRIATING \$565,000 FOR COSTS IN CONNECTION WITH INTERSECTION IMPROVEMENTS IN THE VICINITY OF THE INTERSECTIONS OF DAY HILL ROAD AND MARSHALL PHELPS ROAD, DAY HILL ROAD AND NORTHFIELD DRIVE AND STATE ROUTE 75 AND INTERSTATE 91 AT EXIT 38, AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$565,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION.”

3) Set a Public Hearing

“RESOLVED, that a Public Hearing be held at the Windsor Town Hall on Monday, May 15, 2006 at 7:00 p.m. (prevailing time) on the foregoing ordinance entitled, “AN ORDINANCE APPROPRIATING \$565,000 FOR COSTS IN CONNECTION WITH INTERSECTION IMPROVEMENTS IN THE VICINITY OF THE INTERSECTIONS OF DAY HILL ROAD AND MARSHALL PHELPS ROAD, DAY HILL ROAD AND NORTHFIELD DRIVE AND STATE ROUTE 75 AND INTERSTATE 91 AT EXIT 38, AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$565,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION.”

And

“BE IT FURTHER RESOLVED, that the Town Clerk is authorized and directed to post and publish notice of said Public Hearing.”

Attachments

Report of Economic Development Commission

Bond Ordinance

AN ORDINANCE APPROPRIATING \$565,000 FOR COSTS IN CONNECTION WITH INTERSECTION IMPROVEMENTS IN THE VICINITY OF THE INTERSECTIONS OF DAY HILL ROAD AND MARSHALL PHELPS ROAD, DAY HILL ROAD AND NORTHFIELD DRIVE AND STATE ROUTE 75 AND INTERSTATE 91 AT EXIT 38, AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$565,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION

BE IT HEREBY ORDAINED,

Section 1. That the Town of Windsor appropriate FIVE HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$565,000) for costs, or the Town's share thereof, in connection with intersection improvements in the vicinity of the intersections of Day Hill Road and Marshall Phelps Road, Day Hill Road and Northfield Drive, and State Route 75 and Interstate 91 at Exit 38 including grading, paving, drainage, street lighting, traffic signal modifications, traffic signage and markings, and other related amenities and improvements. The appropriation may be spent for design, construction and installation costs, equipment, materials, engineering and consultant fees, administrative costs, printing, legal fees, net interest on borrowings and other financing costs, and other expenses related to the project. The Town Engineer is authorized to determine the scope and particulars of the project.

Section 2. That the Town issue bonds or notes in an amount not to exceed FIVE HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$565,000) to finance the appropriation for the project. The bonds or notes shall be issued pursuant to Section 7-369 of the General Statutes of Connecticut, Revision of 1958, as amended, and any other enabling acts. The bonds or notes shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town.

Section 3. That the Town issue and renew temporary notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the project. The amount of the notes outstanding at any time shall not exceed FIVE HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$565,000). The notes shall be issued pursuant to Section 7-378 of the General Statutes of Connecticut, Revision of 1958, as amended. The notes shall be general obligations of the Town and shall be secured by the irrevocable pledge of the full faith and credit of the Town. The Town shall comply with the provisions of Section 7-378a of the General Statutes if the notes do not mature within the time permitted by said Section 7-378.

Section 4. That the Town Manager and either the Treasurer or the Director of Finance of the Town shall sign any bonds or notes by their manual or facsimile signatures. The Director of Finance shall keep a record of the bonds and notes. The law firm of Day, Berry & Howard LLP is designated as bond counsel to approve the legality of the bonds or notes. The Town Manager and either the Treasurer or the Director of Finance are authorized to determine the amounts, dates, interest rates, maturities, redemption provisions, form and other details of the bonds or notes; to designate one or more banks or trust companies to be certifying bank, registrar, transfer agent and paying agent for the bonds or notes; to provide for the keeping of a record of the bonds or notes; to designate a financial advisor to the Town in connection with the sale of the bonds or notes; to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes.

MEMORANDUM

Date: March 30, 2006

To: Peter Souza, Town Manager

From: James Burke, Economic Development Director

Subject: Economic Development Incentive Program (EDIP)
ING North America Insurance Corporation Office Campus Project
Economic Development Commission Report

At a Regular Meeting held on March 15, 2006, the Economic Development Commission passed the following motion:

That the Economic Development Commission recommends to the Town Council and Town Manager the expenditure of up to \$750,000 for infrastructure improvements related to the ING corporate office project on Northfield Drive.

This vote followed discussion and evaluation of the benefits of this project. The key factors in this decision included:

1. The quality of the proposed development. The company will construct a four-story, glass and pre-cast office building containing more than 475,000 SF on an 80-acre landscaped campus. It will investment a minimum of \$65 million dollars in building costs and \$7.5 million in personal property.
2. The financial strength and commitment of the applicant. ING is one of the world's largest financial services companies, offering banking, insurance and asset management in over 50 countries. In the United States, ING is a top-5 provider of retirement services and life insurance.

ING currently has its largest U.S. office operation in leased space in Hartford. The proposed office campus is needed by the company to relocate its Hartford operations when their lease expires at the end of 2007.


3. Job creation. ING proposes to bring 2000 employees (1700 company employees and 300 consultant employees) to Windsor. The estimated annual payroll and benefits when fully operational will be approximately \$140 million dollars.
4. The anticipated annual average tax revenue of \$ 463,000 dollars during the first five years following completion, which would provide for a repayment of the Town's investment within a two-year period.
5. The proposed project meets all the guidelines of the Economic Development Incentive Program.

Agenda Item Summary

Date: May 1, 2006

To: Honorable Mayor and Members of the Town Council

Prepared By: Brian Funk, Director of Public Works

Reviewed By: Peter Souza, Town Manager 

Subject: Facility Planning & Reuse Study Presentation

Background

Joe Novak, Chairman of the Public Building Commission (PBC) and Jim Barrett of the firm Drummey Rosane Anderson, Inc. (DRA) will make a presentation to the Town Council regarding the Facility Planning & Reuse Study.

The Town Council funded this project in anticipation of growing space needs to support several of the town's current programs, especially full-day kindergarten, the Senior Center and the services of the Recreation & Leisure Services Department. Six existing facilities were included which were:

- 1) L.P. Wilson Community Center
- 2) Clover Street Elementary School
- 3) Oliver Ellsworth Elementary School
- 4) Roger Wolcott Early Childhood Center
- 5) Milo Peck Center
- 6) 330 Windsor Avenue Community Center.

It was hoped that by including these six facilities, a wider range of options could be considered to address the variety of program needs these buildings house. The main purpose of this planning effort was to ensure the best and highest use of our planned and existing facilities to meet the needs of these programs.

The Public Building Commission hired DRA to assist in this facility planning effort. DRA is an architectural firm experienced with facility planning studies.

Discussion/Analysis

Existing Conditions Analysis

An analysis of the existing conditions of the buildings was undertaken during January and February of 2006. Architectural, mechanical, electrical, plumbing, and fire protection conditions were noted with an anticipated useful life expectancy.

Contents and Containers

The planning approach to this study started by analyzing both the "contents" of the buildings (the programs and activities, both existing and projected), as well as the "containers" (the physical buildings and sites, their systems and infrastructure). The most notable issues were:

- Lack of expansion space for the Senior Center at L.P. Wilson
- Lack of expansion capacity at the Wolcott Early Childhood Center site
- Potentially expensive renovations required at the Milo Peck facility

Range of Options

Where there were mismatches between the contents and containers, options were considered to address the mismatch. These individual building options were combined into overall planning options for all six buildings. In addition, some options considered constructing a new building to house either a new Early Childhood Center or a new Senior Center/Community Center.

The planning options were grouped into “families” related by a central concept, as follows:

- Option A – Continue using the buildings without planning a major project
- Option B – Have an Early Childhood Center in two locations
- Option C – Have an Early Childhood Center in a New Location
- Option D – Expand the Senior Center
- Option E – Place the Senior Center in a new building

The PBC considered 14 specific options under the above “families” of options. They compared the description of construction required at each of the subject sites and the amount of renovation or new construction at each facility. In addition, the PBC reviewed issues of cost of the options. This included overall project cost, probable reimbursement (especially for certain school projects) and the new cost to the town.

Financial Impact

Each of the 3 recommended options from the PBC for further consideration by the Town Council range in net cost (total cost minus probable reimbursement) from approximately \$35 million to \$42 million. Each of the options include major renovations to facilities and two options include construction of a new facility.

Other Board Action

None.

Recommendations

One of the three options involves the construction of a new Early Childhood Center and renovations to other existing buildings. The second option consists of the construction of a new Senior Center/Community Center and renovations to other facilities. The third option includes expansions to various existing buildings and renovations to these and other buildings. Mr. Novak and Mr. Barrett will present the Town Council with potential timelines for each of the recommended options.

When completed, each of the recommended options will yield a significant improvement to the town’s infrastructure. The specific programs identified – Early Childhood, Senior Center, and Recreation and Leisure Services Department will be better positioned to serve the community in facilities that will carry the program(s) forward for the next twenty-year period. The Study will continue to serve as a “blueprint” to aid the town in its assessment and planning of space and programmatic needs.

The next steps for consideration by the Council and the community include: expanding on the data from the Study to “flesh out” the programs that would occupy the new or expanded facilities, identify estimated annual operating costs and establishing a method for encouraging public input. Community discussion and testing of the options will be required to identify the level of community support for one of the options. It is therefore recommended that after further review by the Town Council and/or committee thereof consideration be given to authorizing additional planning funds to “flesh out” the options as well as to gather and analyze additional public input.

Attachments


None.

Agenda Item Summary

Date: May 1, 2006

To: Honorable Mayor and Members of the Town Council

Prepared By: Cortney Keegan, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: Extension of Town Auditor's contract

Background

The town's three (3) year contract for auditing services with McGladrey & Pullen, LLP ended with the completion of the FY 2004 audit. In May 2005, the Town Council voted to extend the contract for another one year term which covered the FY 2005 audit period. Connecticut General Statutes requires that the town file with the Secretary of the Office of Policy and Management (OPM) the name of the independent auditor designated to conduct the annual audit at least 30 days prior to the end of the fiscal year for which the audit is required (or May 30, 2006).

Discussion/Analysis

At this time, an extension of the contract for a period of one-year with McGladrey & Pullen, LLP is being requested. It is management's general recommendation to issue a formal Request for Proposals for auditing services every three to five years. With the change in the Finance Director and the time required to issue an RFP, review responses, and interview firms it is recommended the town extend the existing contract for one additional audit period. Such an extension allows the existing firm to initiate and complete the audit of Fiscal Year 2006. The Town Manager and Finance Director plan to issue an RFP for auditing services in the coming months so that adequate time is available for interviewing and selecting a firm to complete the Fiscal Year 2007 audit.

Financial Impact

The cost budgeted in the FY 2007 proposed budget document for the FY 2006 audit is \$68,150.

Other Board/Commission Action

None.

Recommendations


If Town Council is in agreement, the following motion would be in order:

“MOVE that the Town of Windsor extend its current agreement with McGladrey & Pullen, LLP as the Town Auditor to perform the annual auditing services for the fiscal year ending June 30, 2006.”

Attachments

None.

Agenda Item Summary

Date: May 1, 2006
To: Honorable Mayor and Members of the Town Council
Prepared By: Peter Souza, Town Manager 
Subject: Proposed 2007 – 2012 Capital Improvements Program

Background

The capital improvement program (CIP) is a multi-year plan used to coordinate the financing and timing of major public improvements for the Town of Windsor. It contains a comprehensive list of capital projects proposed for the town within the next six years and reflects recommendations of citizens, boards, commissions, and town staff from throughout the organization. For each proposed project, the CIP presents a summary description, estimate of cost, method of financing, and a schedule of implementation.

Discussion/Analysis

The objective of the CIP is also to plan for a level of capital investment such that the community maintains a viable economic base and provides those amenities necessary for the overall well being of the citizenry. The CIP provides a means for both coordinating and prioritizing the capital project requests of various departments and agencies. The information the CIP provides regarding the short- and long-term financial impacts of undertaking capital projects enables the Town Council to balance town priorities with its financial capacity to pay for desired projects.

Financial Impact

The proposed plan reflects preliminary costs for major facilities such as the Senior/Community Center, Early Childhood Center and renovations to Milo Peck Center. These projects push the projected Debt Service Ratio above the debt policy goal of 8% for two of the six years. With these significant projects included, over the course of the six year planning period, the projected ratio of debt service to total general fund expenditures ranges from a high of 8.27% in FY 2011 to a low of 6.29% in 2007.

Other Board Action

The Capital Improvements Committee, which is charged with reviewing years two through six of the draft CIP and advising the Town Manager on possible alterations, met to review the proposed CIP. The Capital Improvements Committee voted unanimously to accept the document after suggesting a number of alterations to the draft FY 2007 – 2012 Capital Improvements Program.

The Town Planning and Zoning Commission is slated to review and comment on the proposed CIP on May 16th as required by Connecticut General Statutes Section 8-24.

Recommendation

It is recommended that the proposed plan be referred to the Town Improvements Committee for review and consideration.

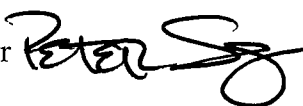
Attachment

None.

Agenda Item Summary

Date: May 1, 2006

To: Honorable Mayor and Members of the Town Council

Prepared By: Peter Souza, Town Manager 

Subject: Elderly and Totally Disabled Tax Relief Local Option Ordinance

Background

The Elderly and Totally Disabled Tax Relief Study Committee was appointed in March 2006 and convened three times during the month of March and April to review the alternatives for providing elderly and totally disabled tax relief under the powers granted to the town through the Connecticut General Statutes. The Committee's task was to undertake and complete a study and investigation with respect to elderly and totally disabled tax relief and prepare a report to the Town Council which included; 1) the fiscal effect of such property tax relief on property tax revenue and 2) recommendations with respect to the form and extent of such relief.

Discussion/Analysis

The Study Committee's recommendation is two fold. The first element is to increase benefits allowed under State regulations by 20%. The fiscal impact of this increase is estimated to be \$43,780 for the existing 376 households on the program.

Those married couples earning less than \$13,800 would be eligible to receive a maximum benefit of \$1,500 per year which is \$250 more than they currently receive. (See Exhibit A)

The second portion of the recommendation is that income eligibility be increased to \$39,999, \$6,000 over the State income cap. Single homeowners 65 years old or older earning between \$27,901 and \$39,999 would be eligible to receive a \$200 tax credit. Married households earning the same income as above would be eligible to receive a \$300 tax credit. (See Exhibit A)

The projected fiscal impact for the expanded income category is \$33,700. This is based on 43 married households and 104 single households participating. (See Exhibit B)

Financial Impact

Presently, 376 households participate in the Elderly and Totally Disabled Tax Relief program. This program allows homeowners 65 years of age or older or totally disabled meeting income eligibility requirements, to receive tax credits. The town receives reimbursements from the State of Connecticut for the credits and in FY 2006 that amount will be approximately \$220,000.

The estimated fiscal impact to the FY 2007 budget is approximately \$80,000 -- \$43,780 for the existing 376 households on the program and \$33,700 for the expanded income category based on 43 married households and 104 single households participating.

The Town Council adjusted the proposed budget to reflect these estimated costs which are not eligible for State reimbursement.

Other Board Action

See attached report from Senior Tax Relief Study Committee.

Recommendations

If the Town Council is in agreement, that the following motions be approved:

- 1) Waiving of the Reading

“RESOLVED, that the reading into the minutes of the text of an ordinance entitled, “AN ORDINANCE ADOPTING CONNECTICUT GENERAL STATUTES SECTION 12-129n TO PROVIDE PROPERTY TAX RELIEF FOR ELDERLY AND/OR DISABLED HOMEOWNERS.” is hereby waived, the full text of the ordinance having been distributed to each member of the Council and copies being made available to those persons attending this meeting; and that the full text of the ordinance be recorded with the minutes of this meeting.”

- 2) Introduction of bond ordinance

“MOVE to introduce an ordinance entitled, “AN ORDINANCE ADOPTING CONNECTICUT GENERAL STATUTES SECTION 12-129n TO PROVIDE PROPERTY TAX RELIEF FOR ELDERLY AND/OR DISABLED HOMEOWNERS.”

- 3) Set a Public Hearing

“RESOLVED, that a Public Hearing be held at the Windsor Town Hall on Monday, June 5, 2006 at 7:00 p.m. (prevailing time) on the following ordinance entitled, “AN ORDINANCE ADOPTING CONNECTICUT GENERAL STATUTES SECTION 12-129n TO PROVIDE PROPERTY TAX RELIEF FOR ELDERLY AND/OR DISABLED HOMEOWNERS.”

And

“BE IT FURTHER RESOLVED, that the Town Clerk is authorized and directed to post and publish notice of said Public Hearing.”

Attachments

Elderly and Totally Disabled Tax Relief Local Option report
Potential Elderly and Totally Disabled Tax Relief program
Potential Applicant & Tax Credit Breakdown for local option
Bond ordinance

REPORT OF THE ELDERLY AND TOTALLY DISABLED TAX RELIEF STUDY COMMITTEE

APRIL 13, 2006

ELDERLY AND TOTALLY DISABLED TAX RELIEF – LOCAL OPTION

The Elderly and Totally Disabled Tax Relief Study Committee was appointed in March 2006 and convened three times during the month of March and April to review the alternatives for providing elderly and totally disabled tax relief under the powers granted to the town through the Connecticut General Statutes. The Committee's task, to be completed with 60 days of appointment, is to undertake and complete a study and investigation with respect to elderly and totally disabled tax relief and prepare a report to the Town Council or committee thereof which includes; 1) the fiscal effect of such property tax relief on property tax revenue and 2) recommendations with respect to the form and extent of such relief.

Presently 376 households participate in the Elderly and Totally Disabled Tax Relief program. This program allows homeowners 65 years of age or older or totally disabled meeting income eligibility requirements, to receive tax credits. The town receives reimbursements from the State of Connecticut for the credits and in FY 2006 that amount will be approximately \$220,000.

Per State law, the town has the ability to create a local option which would provide additional benefits above the State limits as well as increase the income requirements beyond the caps set by the State. If the town adopts a so-called local option, the State will not reimburse the town for those funds granted under the local program. Therefore, the mill rate would need to be adjusted higher to generate an equal amount of revenue or reduce planned expenditures.

PROPOSED RECOMMENDATION

The proposed recommendation is two fold. The first element is to increase benefits allowed under State regulations by 20%. The fiscal impact of this increase is estimated to be \$43,780 for the existing 376 households on the program.

Those married couples earning less than \$13,800 would be eligible to receive a maximum benefit of \$1,500 per year which is \$250 more than they currently receive. (See Exhibit A)

The second portion of the recommendation is that income eligibility be increased to \$39,999, \$6,000 over the State income cap. Single homeowners 65 years old or older earning between \$27,901 and \$39,999 would be eligible to receive a \$200 tax credit. Married households earning the same income as above would be eligible to receive a \$300 tax credit. (See Exhibit A)

The projected fiscal impact for the expanded income category is \$33,700. This is based on 43 married households and 104 single households participating. (See Exhibit B)

Exhibit B shows the total estimated fiscal impact for both elements of the proposed recommendation to be \$77,480. Under the proposed FY 2007 budget, the impact of this proposal is approximately a \$4.50 increase per household.

The effect of this proposal on the FY 2007 proposed mill rate is approximately .04 mills if the Town Council does not adjust proposed revenues or expenditures. Without any aforementioned adjustments, this .04 mill increase would alter the proposed tax increase from 6.4% to 6.5%.

Additionally, we have shown an enhanced version of this proposed program that extends the qualifying income out another \$5,000. We estimate that this enhancement would benefit an additional 80 households for a cost of \$21,600 bringing the total cost of the program, including this enhancement, to \$99,080. We show this analysis for information purposes only so if the Council should decide to approve the enhancement, they would have the necessary information the financial impact to the community.

CONCLUSION

It is the Study Committee's unanimous recommendation to present the proposed Senior Tax Relief Local Option to the Town Council for review and that serious consideration be given to adopting and implementing the plan as part of the Fiscal Year 2007 Financial Plan and Program of Services.

With a relatively small investment, such a program will provide some financial relief to a portion of our community that has the lowest household incomes, and in many cases, the least opportunity for annual income growth.

Any implementing ordinance should allow filing beyond the current May 15th deadline for the first year of the expanded program.

EXHIBIT B

**Town of Windsor
Elderly and Totally Disabled Tax Relief Program
Applicant & Tax Credit Breakdown**

APPLICANTS

Income:	\$0-\$13,800	\$13,801-\$18,600	\$18,601-\$23,200	\$23,201-\$27,700	\$27,701-\$33,900	\$33,901-\$39,999	\$40,000 - \$44,999	TOTAL
SINGLE:	61	101	57	52	61	43	24	399
MARRIED:	3	9	18	22	39	43	56	190
DISABLED:	3	6	3	1	1			14
TOTAL:	67	116	78	75	101	147	80	603

TAX CREDITS

SINGLE:	\$57,593.39	\$75,414.16	\$26,391.72	\$12,531.12	\$12,200.00	\$8,600.00	\$4,800.00	\$171,930.39
MARRIED:	\$3,750.00	\$8,851.67	\$14,427.61	\$10,093.35	\$9,849.39	\$12,900.00	\$16,800.00	\$46,972.02
SUBTOTAL:	\$61,343.39	\$84,265.83	\$40,819.33	\$22,624.47	\$9,849.39	\$9,849.39		\$218,902.41
LOCAL:@20%	\$12,268.68	\$16,853.17	\$8,163.87	\$4,524.89	\$1,969.88	\$33,700.00	\$21,600.00	\$77,480.49
								\$99,080.49
								<43,780.49>

