



SPECIAL TOWN MEETING

September 8, 2015

A Special Town Meeting was held on Tuesday, September 8, 2015 in the Deep River Town Hall Conference Room. First Selectman Richard Smith called the meeting to order at 7:15 p.m. Selectman Angus McDonald moved that Selectman David Oliveria be named Moderator. The motion was seconded by Russell Marth and approved unanimously.

Oliveria appointed McDonald as Clerk, and asked that he read the Call of the meeting.

To act on the tax abatement, as approved by the Board of Selectmen at their regular meeting of August 11, 2015, for Village View Apartments (52 Essex Street). The Selectmen noted that the considerable investment in the purchase and rehabilitation of the property will be of continuing benefit to the Town's appearance and in terms of increased revenue.

The abatement for Fiscal Year 2015-16 would be approximately \$5,400; amounts for the second and third years would vary based on the mill rate.

Resident Mark Reyher moved that the Call be accepted as read. The motion was seconded by Marth and approved unanimously.

A motion to approve the tax abatement by Reyher was seconded by Margo Hilfinger.

DISCUSSION: Resident Roy Monte asked whether the Town had paid for the water line to serve the recently renovated Village View Apartments.

Smith replied that the Town did not install the water line, and asked whether Monte was referring to sewer service. Smith explained that Developer Paul Kaplan installed sewer piping on the property at his expense. The Town would be responsible for installation of a pump station that would eventually serve both the complex and other properties on Essex Street. Kaplan granted the Town an easement to install and service the pump station.

At this time Smith also explained the advantages of the renovated apartment complex. When Kaplan was considering the purchase of 52 Essex Street the buildings had deteriorated to a point that required total gutting of the interiors of all units, including plumbing and electrical. One building with two apartments, located on the west side of the entrance to the complex had to be demolished because it was beyond repair.

On the exterior, new plywood, windows and siding were installed, in addition to new sidewalks, landscaping, paving of parking areas and lighting. When Kaplan was considering purchase of the property he was advised that as an incentive, state statutes provided for a tax abatement for new construction or significant renovation costing \$100,000 or more. This abatement was enacted to encourage investment in commercial, industrial and major projects that would be of benefit to the municipality. Kaplan could have asked for a reduction on the assessment for Village View Properties as a result of its condition, but did not. For the year and a half during construction Kaplan continued to pay taxes, although he did not realize any rental revenue.

The reasons the Board of Selectmen supports this tax abatement are as follows:

- Kaplan had not requested a reduction in the assessment;
- The financial advantages to the Town include increased tax revenue on the property, immediately and in the future;

- Increased property values of not only that neighborhood, but the entire Town;
- Kaplan bears the cost of electricity for the streetlights along the Essex Street sidewalk.

There being no further discussion, a voice vote was held. The motion was approved unanimously.

A motion by Reyher was seconded by Marth to adjourn at 7:30 pm.

ATTEST: Amy M. Winchell, Town Clerk