

THE FOLLOWING MINTUES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The **Board of Finance** held a regular meeting on Monday, February 10, 2014 in the Council Chamber of the Newtown Municipal Center, 3 Primrose Street, Newtown, CT. John Kortze called the meeting to order at 7:30pm.

PRESENT: John Kortze, James Filan, Jr., John Godin, Michael Portnoy and Harry Waterbury

ABSENT: Joseph Kearney

ALSO PRESENT: First Selectman E. Patricia Llodra, Finance Director Robert Tait, Director of Economic and Community Development Elizabeth Stocker, six members of the public and one member of the press.

VOTER COMMENTS: none.

COMMUNICATIONS: Mr. Kortze continues to have conversations with the seniors regarding tax relief and budget. Mr. Kortze reported the meeting with the bonding agencies went well; there is no substitute for sitting face to face. There was very positive feedback from both rating agencies. Ms. Stocker had a great presentation on the commercial activity, Mr. Tait covered the CIP, pension, fund balance and medical and First Selectman Llodra went over policies. Debt cap, CIP and policies are critical to the bonding companies and how they form their opinion. First Selectman Llodra said that they received affirmation from the ratings companies that Newtown is a model of best practices. (Att. A).

MINUTES: Mr. Waterbury moved to accept the minutes of the regular meeting of January 23, 2014. Mr. Godin seconded. All in favor.

FIRST SELECTMAN REPORT: none.

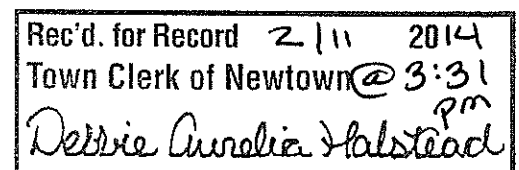
FINANCE DIRECTOR REPORT: none.

NEW BUSINESS

Discussion and possible action:

1. Transfer: Mr. Waterbury moved the \$116,106 transfer from Contingency to four Public Works accounts: \$27,420 to Salaries & Wages – Overtime, \$22,064 to Sand, \$64,524 to Salt and \$2,098 to Social Security Contributions. (Att. B). Mr. Filan seconded. All in favor

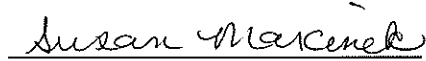
2. Business Incentive Program Lexington Village, Church Hill Road: Ms. Stocker introduced Alan Weiner and Doug Rose and explained the business incentive application (Att. C). Ms. Stocker further detailed privately funded benefits improvements (Att. D). Mr. Weiner said that 80 jobs will likely be created and that is a conservative number. Mr. Rose said that 70% will be occupied quickly. First Selectman Llodra said there are improvements within this project that are not related to the project but will contribute to the common good; the Board of Selectmen believes this is worth consideration. Mr. Rose said this project will create a village design walk around district. Tenants will include a series of medical and professionals, insurance, a mix of people doing business in town; others are enlarging businesses and bringing them into Newtown. There will be retail and a design for two restaurants. When asked about a preference on the length of abatement Mr. Rose said he is looking to create longer lease terms to avoid turnover. The longer



the term the more successful he is in getting longer term leases; he prefers the longer term abatement. He said this is an extraordinary and unique project for Newtown. First Selectman Llodra said there is potential for tax revenue that is broader than just the building itself. The benefit of abatement is going to be passed along to the renters. Mr. Godin moved to accept the proposal of the EDC and the recommendation of the Board of Selectman for a seven year, 45% abatement; the abatement is warranted due to the uniqueness, location and additional revenues from businesses. Mr. Waterbury seconded. All in favor.

ANNOUNCEMENTS: The Public Hearing on the budget will be held on Feb. 20 followed by the Board of Selectman budget presentation. One night during the budget deliberations will have both the Board of Selectman and the Board of Education representatives speaking about school security.

ADJOURNMENT: Having no further business the Board of Finance adjourned their regular meeting at 8:15pm.



Susan Marcinek, Clerk

Att. A: rating agency information (to follow)

Att. B: Transfer

Att. C: Business Incentive Program Application – Lexington Village (4 pages)

Att. D: EDC draft analysis of business incentive

**TOWN OF NEWTOWN
 APPROPRIATION (BUDGET) TRANSFER REQUEST**

Att. B

FISCAL YEAR 2013 - 2014 DEPARTMENT Public Works DATE 1/28/14

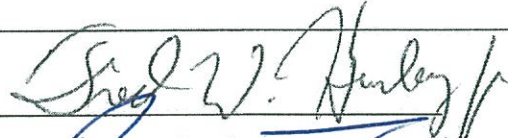
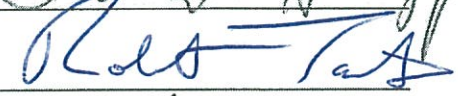
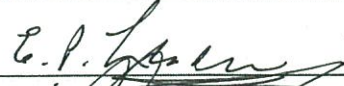

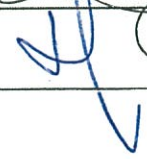
	<u>Account</u>	<u>Amount</u>	
FROM:	<u>1-101-20-570-5899-0000</u> CONTINGENCY	<u>(116,106.00)</u>	USE NEGATIVE AMOUNT
	<u>.</u>		
	<u>.</u>		
	<u>.</u>		
	<u>.</u>		
	<u>.</u>		
TO:	<u>1-101-13-510-5130-0000</u> SALARIES & WAGES - OVERTIME	<u>27,420.00</u>	USE POSITIVE AMOUNT
	<u>1-101-13-510-5660-0000</u> SAND	<u>22,064.00</u>	
	<u>1-101-13-510-5661-0000</u> SALT	<u>64,524.00</u>	
	<u>1-101-13-500-5220-0000</u> SOCIAL SECURITY CONTRIBUTIONS	<u>2,098.00</u>	
	<u>.</u>		

REASON: The following recaps the facts supporting the Public Works requested funding for continuing "Winter Maintenance" operations from the Contingency Account. We have calculated actual usage for the winter to this point. The accounts have fallen to single digits percentage wise. We suggest bringing each account up to the 30% level at this time. The request for each account to attain this goal is as follows:

Sand - \$22,064
 Salt - \$64,524
 Overtime - \$27,420

This request is again based on usage to date and does not guarantee that this will suffice for the balance of the winter.

AUTHORIZATION:

<input checked="" type="checkbox"/> (1) DEPARTMENT HEAD		date: <u>1/30/14</u>
<input checked="" type="checkbox"/> (2) FINANCE DIRECTOR		<u>2/3/14</u>
<input type="checkbox"/> (3) SELECTMAN		
<input checked="" type="checkbox"/> (4) BOARD OF SELECTMEN		<u>2/3/14</u>
<input checked="" type="checkbox"/> (5) BOARD OF FINANCE		<u>2/10/14</u>
<input checked="" type="checkbox"/> (6) LEGISLATIVE COUNCIL		

AUTHORIZATION SIGN OFF

FIRST 335 DAYS >>>>WITH IN A DEPT.>>>>LESS THAN \$50,000>>>> (1), (2) & (3) SIGNS OFF; MORE THAN \$50,000>>>> (1), (2), (3) & (5)
 >>>>ONE DEPT TO ANOTHER>>>>LESS THAN \$200,000>>>>ALL EXCEPT (6); MORE THAN \$200,000>>>>ALL SIGN OFF

AFTER 335 DAYS >>>>(1), (2), (3), (5) & (6) ANY AMOUNT FROM CONTINGENCY>>>> ALL SIGN OFF

WINTER STORM BREAKDOWN

2013-14

DATE	DAY	TIME IN	TIME OUT	TYPE OF STORM	USED YDS	SAND PER YD	USED TONS	TREATED SALT COST	OVERTIME		TOTAL COST OF STORM
									HOURS	COST	
11/12/2013	Tuesday	3:00 AM	7:00 AM	Light snow	55.5	\$935.18	65.49	\$5,078.09	115	4,666.58	\$10,679.8
12/9/2013	Sunday	12:53 AM	4:30 PM	Ice	226.25	\$3,812.31	269.33	\$20,883.85	190.75	7,859.22	\$32,555.3
12/10/2013	Tuesday	3:00 AM	7:00 AM	Snow & Ice	313.5	\$5,282.48	383.15	\$29,709.45	196.5	8,101.06	\$43,092.9
12/11/2013	Wed	3:00 AM	3:30 PM	Ice	135	\$2,274.75	162.84	\$12,626.61	127.5	5,234.19	\$20,135.5
12/14-12/15/13	Sat-Sun.	5:30 AM	10:00 AM	Snow	448	\$7,548.80	538.67	\$41,768.47	788.75	32,465.97	\$81,783.2
12/16/2013	Mon.	3:00 AM	3:30 PM	Continuation	79.5	\$1,339.58	95.58	\$7,411.27	119	4,892.11	\$13,642.9
12/17/2013	Tuesday	7:00 AM	11:30 PM	Snow	336.75	\$5,674.24	405.625	\$31,452.16	275.25	11311.33	\$48,437.7
1/2-1/3/14	Thur-Fri	4:00 AM	3:30 PM	7" Snow	437.75	\$7,376.09	531.295	\$41,196.61	569	23357.17	\$71,929.8
1/6/2014	Mon.	6:00 PM	8:30 PM	Preparing Rds	91.5	\$1,541.78	112.1	\$8,692.23	90	3659.37	\$13,893.3
1/10-1/11/14	Fri-Sat	4:45 AM&10PM	3:30 PM/2 AM	Snow	365.25	\$6,154.46	439.25	\$34,059.45	155.25	6360.45	\$46,574.3
1/15/2014	Wed	5:30 AM	7:00 AM	Ice	51	\$859.35	60.18	\$4,666.36	36	1441.83	\$6,967.5
1/18-1/19/14	Sat-Sun.	11:00 AM	1:45 PM	3" Snow	83.5	\$1,406.98	98.53	\$7,640.02	78.25	3104.66	\$12,151.6
1/21-1/22/14	Tue-Wed	7:00 AM	7:00 AM	8" Snow	406.5	\$6,849.53	489.7	\$37,971.34	496	20314.15	\$65,135.0
1/25/2014	Sat.	5:45 PM	10:45 PM	1" Snow	147	\$2,476.95	173.46	\$13,450.09	84.5	3499.77	\$19,426.8
One truck was not included in the totals											
1/29/2013	Wed	4:00 AM	7:00AM	1" Snow	172	\$2,898.20	208.86	\$16,195.00	94.25	\$ 3,871.04	\$22,964.2
					3451	\$58,149.35	4154.42	\$322,133.73	3416	\$ 140,138.90	\$520,421.98
					YDS Sand	Cost of Sand	Tons Salt	Cost of Salt	OT Hrs	Cost of OT	Total cost of Storms

Storm #

1

2

3

3 Cont.

4

4 Cont.

5

6

7

8

9

10

11

12

Correction

13

	Orig Budget	Transfers	Adj Approp	Encumbered	Ytd Expended	Balance	%Exp
510 WINTER MAINTENANCE							
1-101-13-510-5130-0000 SALARIES - OVERTIME	\$155,496.00	\$0.00	\$155,496.00	\$0.00	\$139,050.33	\$16,445.67	89.42%
1-101-13-510-5505-0000 CONTRACTUAL SERVICES	\$147,000.00	\$0.00	\$147,000.00	\$0.00	\$99,410.90	\$47,589.10	67.63%
1-101-13-510-5660-0000 SAND	\$63,971.00	\$0.00	\$63,971.00	\$0.00	\$33,548.35	\$30,422.65	52.44%
1-101-13-510-5661-0000 SALT	\$328,317.00	\$0.00	\$328,317.00	\$0.00	\$225,070.10	\$103,246.90	68.55%
1-101-13-510-5747-0000 MACHINERY & EQUIPMENT -	\$20,000.00	\$0.00	\$20,000.00	\$0.00	\$19,989.46	\$10.54	99.99%
510 WINTER MAINTENANCE	\$714,784.00	\$0.00	\$714,784.00	\$0.00	\$517,069.14	\$197,714.86	72.34%
Fund 101 GENERAL FUND	\$714,784.00	\$0.00	\$714,784.00	\$0.00	\$517,069.14	\$197,714.86	72.34%

Grand Total for Report

\$197,714.86 72.34%

NEWTOWN MUNICIPAL CENTER
 3 PRIMROSE STREET
 NEWTOWN, CONNECTICUT 06470
 TEL. (203) 270-4271
 FAX (203) 270-4205
www.newtown-ct.gov



ELIZABETH STOCKER, AICP
 DIRECTOR

TOWN OF NEWTOWN

OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT

MEMORANDUM

DATE: January 31, 2014

TO: John Kortz, Chairman Board of Finance

FROM: Elizabeth Stocker, AICP, Director of Economic & Community Development

RE: Business Incentive Program Application – Alan Weiner for Mesa General Contractors, Inc.
 – Lexington Village – 30 Church Hill Road

Alan Weiner filed an application for the planned Lexington Village project located at 30 Church Hill Road in the Borough of Newtown.

Mr. Weiner purchased the former Lexington Gardens property (6.1 acres) from Newtown Savings Bank in December 2012 with approvals in place for the redevelopment. The site will contain multiple buildings. An existing 16,000 sf commercial building and a proposed 6,500 sf building are not part of this application. Mesa General Contractors plan to construct 5 of the proposed commercial buildings which will total 54,000 square feet of office and retail space. The estimated cost for the proposed improvements is \$7,064,000 which includes a traffic signal on Church Hill Road and other public benefit improvements.

The applicant estimated that approximately 80 permanent jobs will be created as a result of the development. The development will add value to the existing real property which is currently assessed at \$616,000 with a \$20,525 tax bill. Should the value increase to \$9,026,300 after improvements are completed, the annual real property tax has the potential to increase to \$300,756. The tenant businesses will also increase the value of personal property on site.

The EDC determined that the project is eligible under the Business Incentive Program (BIP) as the project is located in the Borough Business District and is for office and retail use. On December 10, 2013, the EDC recommended approval and then reconsidered their recommendation on January 28, 2014.

Using the program schedule, 45% of the increase in assessment may be forgiven for a period of three years. Should the assessment increase to \$9.026 million, the tax abatement would be approximately \$126,104 per year for three years. The EDC determined that the privately funded public benefit items (signal, drainage, property link, upgrades to existing building) warranted a longer abatement to seven years for a total abatement value of \$882,728.

Cc: Jean Leonard, Chairman, EDC
 es

to EDG. 12/10/13
to BOS 1/6/14

Town of Newtown
Business Incentive Program Application

Negotiations of Business Incentives will be conducted by the First Selectman. The findings and conclusions of the First Selectman will be submitted to the Board of Selectmen for acceptance or denial. Board approved applications will be forwarded to the Finance Board and Legislative Council for consideration and action.

Name of Company: Mesa General Contractors Inc.
Address: 30 Church Hill Rd. Newtown, Ct
Company Contact: Alan Weiner
Phone Number: 203-512-5957 ✓ Alan 12/16/13
Types of Products Manufactured or Distributed: _____

Project Description: 57,000 sq ft consisting of 3 Building
2 floors. The first floor will be for retail 28,000 sq ft
2nd floor will be offices of 29,000 sq ft

Estimated Cost of Proposed Improvements: SEE ATTACH
(Attach itemized list of these costs and improvements)

Number of Jobs To Be Retained in Newtown: 80

Number of Jobs To Be Created: 80

12/10/2013 Date
Alan Weiner Signature of Company Representative

Completed applications should be returned to the First Selectman's Office or the office of the Director of Economic and Community Development.

DIRECT OR " HARD " CONSTRUCTION COSTS
For Lexington Garden (3) buildings

Hard Costs

EXCAVATION - SITE WORK- BACK FILL-.....	\$ 200.000
CONCRETE FLOORS & WALLS -	\$ 160.000
ANCOR BOLTS, STEEL RE-BAR & STEEL COLUMNS.....	\$ 324.000
FRAME & FRAMERS	\$ 200.000
TRAFFIC LIGHT	\$ 350.000
EXTERIOR MASONARY WALLS	\$ 30.000
INTERIOR STAIR FOR THREE (3) BUILDINGS	\$ 52.000
H.V.A.C. -	\$ 600.000
ELECTRICAL. -	\$ 375.000
PLUMBING -	\$ 600.000
INSULATION.....	\$ 210.000
SHEETROCK & STEEL STUDS FRAMING-INTERIOR CEILG	\$ 350.000
INTERIOR DOORS & MILLWORK	\$ 175.000
PAINTING -.....	\$ 175.000
CARPET & TILE	\$ 125.000
EXTERIOR WINDOWS & DOORS	\$ 225.000
ELEVATORS (3)	\$ 165.000
SPRINKLERS	\$ 220.000
BUILDING PERMIT FEES	\$ 10.750
TOTAL	\$ 5.546.750
TREE CLEARING	\$ 12.000
DEMO & ENVIREMENTAL (DONE)	\$ 80.000
SANITATION & WATERLINES.....	\$ 80.000
UTILITY LINES -	\$ 40.000
TRANSFORMER PADS -.....	\$ 28.000
DRAINAGE-	\$ 150.000
ASPHALT -	\$ 350.000
SIGNAGE -	\$ 12.000
CONCRETE SIDEWALKS -	\$ 90.000
LANDSCAPING -	\$ 45.000
GRANITE CURBING ENTRANCE ONLY -	\$ 40.000
ASPHALT CURBING INTERIOR -.....	\$ 80.000
CATCH BASIN	\$ 88.000
TOTAL HARD COSTS - SITE IMPROVEMENTS.....	\$ 1.095.000
TOTAL PROJECT COSTS	\$ 6.641.000

INDIRECT SOFT CONSTRUCTION COSTS

ARCHITECTURAL & ENGINEERING FEES	\$ 200.000
LEGAL FEES	\$ 30.000.
INSURANCE	\$ 8.000
SURVEY WORK -	\$ 25.000
CONSTRUCTION MANAGER -	\$ 50.000
REAL-ESTATE TAXES.....	\$ 45.000
CONTINGENCY -	\$ 40.000
Sewer & Water Hook Up Fees.....	\$ 25.000
TOTAL FOR SOFT COST	\$423.000
TOTAL FOR BOTH HARD & SOFT COSTS.....	\$ 7.064.000

Lexington Village - 30 Church Hill Road
 Draft Analysis of Business Incentive
 For Discussion Purposes Only

Address	2013 Real Property Assessment*	Existing Real Property Tax Bill (33.32 mills)	Estimated Investment	Assumed Real Property Assessment (After all Improvements are Completed)	Increase in RP Assessment vs. Post Improvements)	Assumed Real Property Tax Bill on New Assessment (33.32 mills)
30 Church Hill Road*	\$616,000	\$20,525	\$7,064,000	\$9,026,300	\$8,410,300	\$300,756
30 Church Hill Road **	\$100,000	\$3,332	n/a	n/a	n/a	n/a
30 Church Hill Road ***	\$1,577,280	\$52,555	\$50,000	n/a	n/a	n/a
	\$2,293,280	\$76,412				
*The real estate is comprised of development rights for 5 buildings with a total of 54,000 sf						
** The real estate is comprised of development rights for 1 building having 6,500 sf (NSB)						
*** The real estate is comprised of an existing 16,000 sf building						
30 Church Hill Road has 6.1 acres of land						
Scenario for Fixing the Assessment						
Privately funded public benefit improvements planned:						
Traffic signal & road widening: \$350,000						
Aesthetic upgrades to existing building: \$50,000						
Connection to Caraluzzi's: \$50,000						
Drainage improvements to Newtown Middle School \$70,000						
TAX PAYMENT IF ASSESSMENT IS FIXED						
ANNUAL TAX ABATEMENT						
Total Abatement:						
Taxes Paid						
Annual Real Property Tax Due if 45% of the Increase in Assessment is fixed						
\$174,652						
\$126,104 (Max. 7 years)						
\$882,728.27						
\$1,222,565.94						
Approvals for the Business Incentives must be given by the Board of Selectmen (1/29/14), Board of Finance and the Legislative Council						
Assumptions: No increase in Mill Rate over 3 year period						
Recommended EDC 1/28/14 BOS 1/29/14						