

Economic Development Commission

Town of Bethel, Connecticut

Bethel Municipal Center * 1 School Street * Bethel, Connecticut 06801

(203)794-8540 Facsimile (203) 778-7520

MINUTES OF REGULAR MEETING

WEDNESDAY, OCTOBER 16, 2024

4:00 PM

Meeting Room "B" (originally scheduled for Meeting Rm "A" but noted)

PRESENT- Chairman Mike Boyle, John Lennon, Jay Streaman, John Francis and Nick Vitti. Also present was Janice Chrzescijanek, Economic Development Director.

ABSENT~ Steve DeMoura, Kevin McMahon

CALL TO ORDER~ Chairman Boyle called the meeting to order at 4:00p.m. with the pledge of allegiance.

PUBLIC COMMENT- None

APPROVAL OF MINUTES- Approval of Special Meeting Minutes dated August 7th, 2024 are tabled until next meeting.

GOLDEN SHOVEL PRESENTATION (MARKETING):

Bethany Quinn, Executive Vice President of Golden Shovel Agency gave a google meet presentation explaining the company and the work they have completed for Bethel. She explained the results of the surveys and their recommendations for the town. One of the main suggestions was utilizing "Linked In". She noted it takes continual maintenance and posting at least 3 times a week. It will produce results for no cost. Discussion amongst members of the committee was finding time in Janice's very busy schedule and possibly having help to manage it.

Chairman Boyle asked that the Marketing Sub-Committee investigate other municipalities that use "LinkIn", and report back.

ECONOMIC DIRECTOR'S REPORT- (see attached)

Janice reported that Aquarion Water has a temporary suspension of new services that will begin 9/27 and remain in effect until late 2024 or early 2025 which affects Stony Hill and

TOWN CLERK
BETHEL, CT.

2024 OCT 17 P 5:39

RECEIVED

Berkshire Corporate Park. With a potential impact on 82,000+ square feet of new construction.

Chairman Boyle suggested that Aquarion needs to be contacted for a timetable. He suggested drafting a letter expressing concerns and looking for a date.

Chairman Boyle recommends that the Parking Sub-Committee meet.

Janice mentioned a program, Connecticut Main Street Accelerator which is a professional development and team building 6-month program. After the completion of the program there will be an opportunity to receive a \$5,000 grant.

A motion to approve the application for Connecticut Main Street Accelerator Program was made by Mike Boyle, the motion was seconded by John Lennon.

Discussion:

Nick Vitti, John Francis and Mike Boyle all expressed approval of applying for the program.

A vote was taken and the motion was approved.

TIF DISTRICT-

The State of CT. offers a new law that allows the town to create a TIF district. This allows the use of anticipated future tax increases in property tax revenues to generate incremental tax revenues to help pay for improvement projects (see attached). Janice noted that we can set the parameters in relation to creating the district.

Chairman Boyle stated that before any decisions or discussions the entire commission should be present and more information is needed to determine if this is something clearly worth exploring. Overall that members present expressed interest as a whole.

INVOICES~

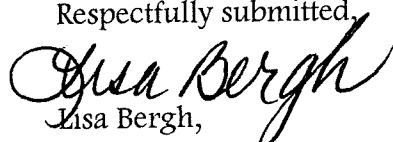
Mike Boyle made a motion to approve the invoice from F&M Electric for the Clarke Park sign needing a new ballast/bulb in the amount of \$170.80. The motion was seconded Nick Vitti. A vote was taken, motion was approved.

ADJOURN-

A motion to adjourn was made by Nick Vitti, the motion was seconded by Jay Streaman. Vote was taken, all in favor, motion approved.

The meeting was adjourned at 5:29 PM

Respectfully submitted,


Lisa Bergh,
Recording Secretary



ECONOMIC DEVELOPMENT MONTHLY REPORT

SEPTEMBER AND OCTOBER 2024

2024 INITIATIVES

1. Business Retention and Expansion

- **Aquarion Water - Temporary suspension of new services that will begin on Sept. 27th and remain in effect until late 2024 or early 2025 effecting Stony Hill and Berkshire Corp. Park. Potential impact on 82,000+ square feet of new commercial development.**

2. Workforce Development

- **October 4th – Facilitated a business focus group with the Superintendent of Schools around workforce skills and dispositions needed in the job market.**
- **“Manufacturing in A New Day” – October 23rd in Bridgeport (see attached invitation)**
- **Northwest Regional Workforce Investment Board – Planning a Manufacturing Event in Bethel**

3. Marketing Plan

- **Presentation by Golden Shovel**

4. Attract and Develop Small-Scale Manufacturing, Business Incubators, Makerspaces, Coworking Facilities

5. Parking and Mobility

- **October 8th – Public Information Session and Presentation by Hardesty and Hanover**
- **Committee will meet one more time to make final changes and then it will go to P&Z for adoption.**

6. Transportation

- **EV Infrastructure - Proposal was provided to the BOS to update and increase our EV infrastructure.**

7. Commercial Real Estate Land and Redevelopment Opportunities

- **\$4.5M CT Communities Challenge Grant from DECD – Infrastructure Improvements for Diamond Avenue**
- **October 8th – Planning and Zoning meeting to discuss TOD District**

**Bolded items are new updates*

EDC SUBCOMMITTEES

1. Business Meet and Greets

- **Committee Members: Nick Vitti and Kevin McMahon**
- **Finalized event – Feb. 12th from 4-6pm at Greenwood Features. Topic: Global, National and Regional Economic Outlook. Event will be sponsored by Newtown Savings Bank. Confirmed speaker through the Speaker Bureau – Federal Reserve Bank of New York.**

- Event planning and marketing.

2. Marketing Plan

- Committee Members: John Francis and Jay Streaman
- October 16th - Presentation by Golden Shovel

3. Parking and Mobility

- Committee Members: Steve DeMoura, John Lennon, and Jay Streaman
- October 8th – Public information session and presentation by Hardesty and Hanover.
- Committee will meet one more time to make final changes and then it will go to P&Z for adoption.

BUSINESS DEVELOPMENT AND SUPPORT

Business Visitation Program – 814 visits

Business Assistance (relocation, financial, expansion, location, permit) – 1,249

New Businesses

Name	Location	Industry
Lou's Leadership Consulting	12 Sky Edge Drive	Consultant
Somatic Balance Massage	14 1/2 Topstone Dr. #9	Massage Therapy
M&A Beauty Spa	112 Greenwood Ave.	Massage Spa
L. DiMeglio Masonry	6 Fleetwood Ave.	Construction
The Creative Collective	268 Greenwood Ave.	Beauty and Health

Educational Workshops

- Host:
 - September 25th from 12-1pm – “Personal Property Declaration Presentation”
 - October 23rd from 12-1:30pm – “Accessing Capital” webinar with SCORE, SBDC, WBDC, and SBA (see attached)
 - February 12th from 4-6pm – “Global, National and Regional Economic Outlook”
- Promote:
 - All About Branding - October 17th
 - The Basics of Money Management for Small Business - November 7th
 - The 3 Key Principles that Create More Profit and More Free Time - November 21st

The Arts

- April 2025 Installation – Outdoor sculpture exhibit

Chamber of Commerce

- October 26th - Trick or Treat Street
- November 29th - Winterfest and Tree Lighting

COMMERCIAL REAL ESTATE

Inventory

Date	Available Commercial Properties	Occupancy Rate*	Sq. Footage Available	Available Sites	Acres Available
October	13	98.3%	142,760	2	8.51 – Expansion

July	9	98.8%	143,182	1	3.02 – Expansion
June	8	98.9%	37,967	1	3.02 – Expansion
May	8	98.9%	37,219	1	3.02 – Expansion
April	8	98.9%	38,569	1	3.02 – Expansion
March 2024	8	98.9%	39,919	1	3.02 – Expansion
February 2024	6	99.2%	34,487	1	3.02 – Expansion
January 2024	9	98.8%	36,410	1	3.02 – Expansion
December 2023	7	99.1%	35,760	1	3.02 - Expansion
October 2023	6	99.2%	68,575	1	3.02 - Expansion

*Occupancy Rate: Available Commercial Properties/750 commercial properties

* Source LoopNet

Current Commercial Development/Redevelopment

Building	Square Feet	Estimated Completion
8 Trowbridge Dr.- Coronet Machinery	7,500	tbd
15 Trowbridge Dr. – Advance Testing Systems	15,000	tbd
20 Trowbridge Dr. – Legacy Overland	20,000	tbd
185 Grassy Plain - Rizzo	100,000	tbd
36 Stony Hill Road – The Farms at Stony Hill	20,900 - Medical	Q4 2024
48 Stony Hill Road – The Grand at Stony Hill	9,606 – Retail	Q4 2024
70 Stony Hill Road	6,728 - Office	COMPLETE

Commercial Sales Transactions

Building	Sale Date	Sale Price	Price/SF	SF
5 School St.	1/8/24	\$120,000	\$105.26	1,140
45 Turkey Plain Rd.	1/23/24	\$950,000	\$950.00	1,000
8 Francis J. Clarke Circle	2/12/24	\$1,500,000	\$79.26	18,926
268 Greenwood Avenue	5/17/2024	\$1,100,000	\$114.58	9,600
12 Stony Hill Road	6/11/2024	\$430,000	n/a	.34 acres
14 Stony Hill Road	6/11/2024	\$570,000	\$192.31	2,964
4B Elizabeth Street	8/23/24	\$165,000	\$144.00	1,150
10 Trowbridge Drive	9/9/24	\$3,675,000	\$95.45	38,500
12-20 P.T. Barnum Square	9/23/24	\$695,000	\$204.47	3,399

YTD - \$9,205,000
2023 YTD - \$17,849,000

CLARKE PARK EXPANSION

- Park Maintenance
 - Refurbish sign - fine polishing compound followed by a coat of car wax

Property Status

Property	Offer Accepted	Contract	P&Z Application Review	Application Approved
19 Trowbridge Drive	tbd			
20 Trowbridge Drive	Yes	In Process		
21 Trowbridge Drive	Yes	Complete		
23 Trowbridge Drive	Yes	Complete		

ECONOMIC DATA

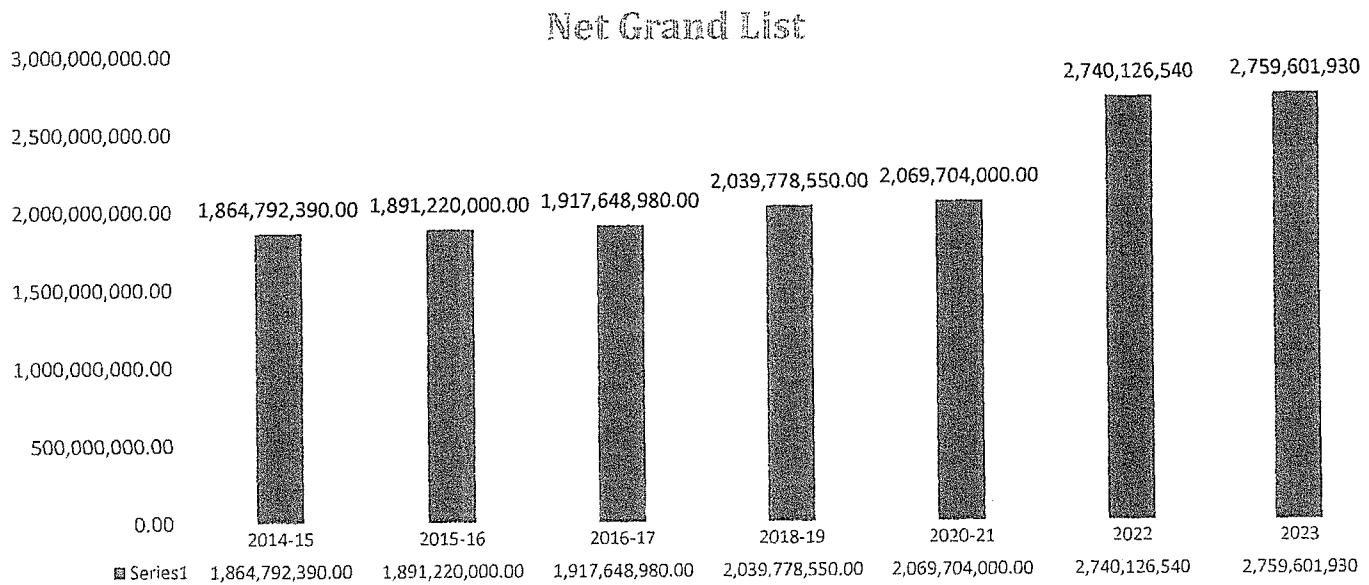
Bethel Labor Statistics

	Labor Force	Employed	Unemployed	Unemployment Rate
August 2024	10,964	10,637	327	3%
June 2024	11,165	10,906	259	2.3%
May 2024	11,151	10,762	389	3.5%
April 2024	10,891	10,589	302	2.8%
March 2024	11,064	10,671	393	3.6%
February 2024	10,959	10,445	514	4.7%
January 2024	10,991	10,525	466	4.2%
December 2024	10,585	10,483	376	3.5%
November 2023	10,935	10,589	346	3.2%
October 2023	10,896	10,562	334	3.1%
September 2023	10,957	10,659	295	2.7%
August 2023	10,985	10,631	354	3.2%
July 2023	11,238	10,808	430	3.8%
June 2023	11,173	10,775	398	3.6%

Source: CT Department of Labor

*Danbury LM UR – 3.0%
Connecticut UR – 3.40%

Net Grand List



2023

	# of Accounts	Gross Assessment	Exemptions	Total Net Assessment
Real Estate	7,677	2,354,931,190	5,286,410	2,349,644,780
Commercial				216,817,550
Industrial				82,418,210
Personal Property	1,435	230,698,100	44,555,950	186,142,150
Motor Vehicle	18,568	225,442,660	1,627,660	223,815,000
Final Total	27,680	2,811,071,950	51,470,020	2,759,601,930

2022

	# of Accounts	Gross Assessment	Exemptions	Total Net Assessment
Real Estate	7,660	2,341,692,170	3,932,950	2,337,759,220
Commercial				216,471,260
Industrial				82,045,110

Personal Property	1,360	213,542,730	44,046,350	169,496,380
Motor Vehicle	18,310	234,899,610	2,028,670	232,870,940
Final Total	27,330	2,790,134,510	50,007,970	2,740,126,540

**Reassessment year*

FOR DISCUSSION

- Main Street Accelerator Program (see attached)
- TIF District (see attached)

RSVP Requested: M&T Bank Presents: Manufacturing in A New Day

2 messages

Al Paolozzi <manufacturingin anewday@events.mtb.com>
To: eddirector@bethel-ct.gov

Thu, Sep 12, 2024 at 4:47 PM

M&T Bank invites you to join us for

Manufacturing in A New Day

Join us for insightful and informative conversations on the state of manufacturing within Connecticut to discuss current trends, share strategic insights and best practices in the rapidly growing but ever-evolving, advanced manufacturing environment in the state of CT.

Wednesday, October 23

**Keynote Speaker:
Paul Lavoie**

Chief Manufacturing Officer, State of Connecticut



Additional guest speakes and panel discussions on topics such as *AI & Innovation, Process Optimization, and Talent & Capabilities.*

We are excited to have you join us!

Main Street Accelerator

Program Overview

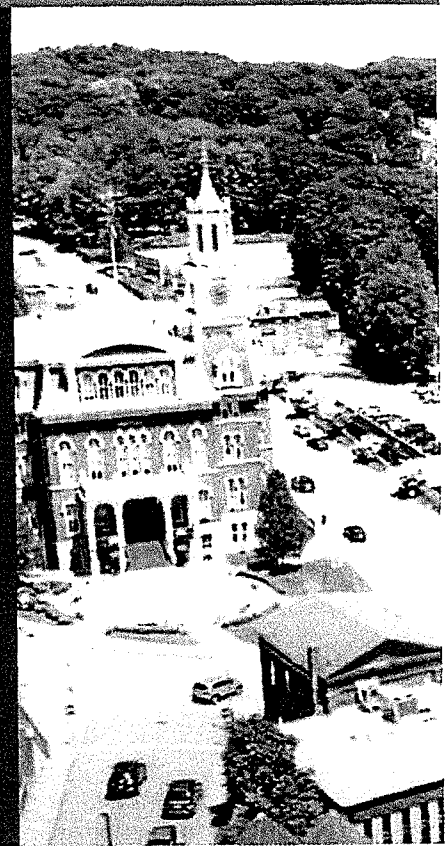


Main Street Accelerator is a professional development and team-building program centered on helping local teams execute small-scale projects that will make incremental positive change to their downtown.

Main Street Accelerator is a perfect fit for a community that has identified a challenge or opportunity and has public support, but needs organization, guidance, and extra attention.

During the 6-month program, participants will learn and practice the nationally proven Four Point Approach to Main Street Management; strategies for sustainable and inclusive development; project management; community engagement; team management; program evaluation; and fundraising. The program includes self-paced curriculum, monthly virtual gatherings, group coaching calls, and assignments.

By the end of the Accelerator program, each team will have completed a project action plan, a one-page flyer marketing the project, a project budget, and the opportunity to receive grant funding for the project.



Eligibility

- **The Accelerator program is open to all Connecticut communities with a Main Street, downtown, village center, or commercial corridor.**
- **The program is limited to 5 communities through an application process.** Preference is given to existing CMSC members; however, non-CMSC members are encouraged to apply and, if accepted, will receive a one-year CMSC membership.



- Main Street management is collaborative in nature. **Each accepted community must have 3-5 stakeholders in the program** to ensure the project's success.
 - The team should be made up of at least one individual who is a paid professional and has decision-making power/authority in their downtown, for example, Main Street/downtown manager, economic development director, etc.

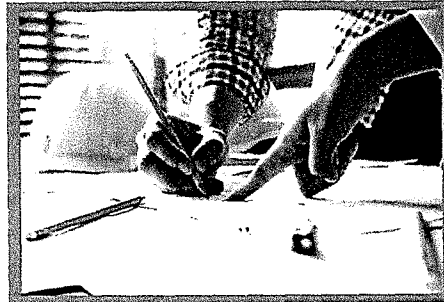
Types of Projects

Participating communities will either have a defined challenge they want to address or a defined project idea they want support in implementing. Types of *challenges* may include, but are not limited to, negative perception, too many vacancies, lack of foot traffic, etc. Types of defined *projects* may include, but are not limited to, programming vacant lots or storefronts, supporting small business, launching or improving a market, creating or improving a public space, launching a sustainability or historic preservation initiative, increasing arts and culture programming, etc. *It should be noted that infrastructure projects, one-off festivals or events, large renovations of properties, and other projects that require a budget of more than \$10,000 are not a good fit for the Accelerator program.*

Communities with a defined project scope will have the opportunity to brainstorm various solutions, troubleshooting different scenarios and aspects of the initiative(s) to develop a plan that ensures success.

Benefits

- **6-month curriculum**, including a dynamic mix of self-paced content and live virtual big group gatherings with subject-matter experts
- **One year, 24/7 access to Main Street Accelerator Community platform** for all program lessons, materials, and resources
- **In-person kick-off and celebration events**



- **A project plan template designed for Main Street** with suggested deadlines to hold the community accountable
- **3 community-group coaching calls** to get specific guidance on your project
- **Eligibility for grant funding for the implementation of the project** for communities that complete the program's requirements.

How It Works

Every participant will get log-in access to the Main Street Accelerator Community platform. Each month, content will be released via the platform that includes articles, videos, resources, and individual and group assignments. There is a virtual class gathering every month to go into further detail on that month's topic and to hear from a guest speaker. Each community will have 3 coaching opportunities - two virtual and one on-site - to get specific, tailored advice on their project.

Additional Information

Applications open
September 19, 2024
Scan the QR code to
learn more.



For More Information

Please contact Savannah Blantz, Programs Coordinator, or visit our website.

- 860-280-2007
- savannah@ctmainstreet.com
- www.ctmainstreet.org



Main Street Accelerator

2025 Program Outline



Date*	Content	Location
September 19 - October 29, 2024	Application period open	CMSC Website
November 5 - 18, 2024	Accepted communities will be notified and must accept or decline participation in the program	Email
Early December 2024	Kick-Off Event	TBD
January 9, 2025	Month 1: Main Street Management - The Four Point Approach	Zoom
January 30 - February 7, 2025	Group Coaching Calls	Zoom
February 6, 2025	Month 2: Sustainable Development - Creating a Lasting, Inclusive Main Street Experience	Zoom
March 6, 2025	Month 3: Planning Your Project - "A Goal Without a Plan Is a Wish"	Zoom
Week of March 24, 2025	On-site Team Coaching Meetings	In-Person
April 3, 2025	Month 4: Community Engagement - Gaining Supporters and Spreading the Word	Zoom
May 5 - May 9, 2025	Group Coaching Calls	Zoom
May 8, 2025	Month 5: Fundraising - A Key to Sustained Success	Zoom
June 5, 2024	Month 6: Project Execution - Building and Activating Your Team	Zoom
June 2025	Closing Celebration	TBD

*Dates subject to change



East Side NRZ

Representatives from the NRZ and the City will create an accessible document that provides actionable solutions for businesses to revitalize their storefronts.

Team members:

- **Tatiana E. Urena**, President, East Side NRZ
- **Kellie Taylor**, VP, East Side NRZ
- **Jonathan Delgado**, Econ Dev, City Bridgeport

Georgetown Village Restoration, Inc.

GVR team members will examine how to increase exposure and foot traffic in Georgetown to help support businesses and the community.

Team members:

- **Kate Perry**, Secretary, Redding EDC
- **Lisa Devine**, VP, GVR
- **Nic Palazzo**, President, GVR

Downtown Windsor

A local business owner and Windsor's First Town Downtown director will reimagine the ground floor VFW ballroom into a retail space-sharing facility.

Team members:

- **Annisa Teich**, Founder, The Small Business Collective
- **Deb DeLucia**, Exec Dir, First Town Downtown

Town of Haddam

Municipal economic development commissioners, the town's selectwoman, and local business owners will work together to improve signage, mapping, and the overall visual appeal between the town's two village centers.

Team members:

- **Kate Anderson**, Selectwoman
- **Curtis Browne**, EDC Member
- **Mike Karam**, EDC Member
- **Bridget Marshall**, Oh Fudge and More
- **Courtney Emshwiller-Swokla**, HK Health and Fitness



OFFICE OF ECONOMIC DEVELOPMENT

Clifford J. Hurgin Municipal Center, 1 School Street, Bethel, CT 06801

Telephone: 203-794-8521 Fax: 203-778-7520

Email Address: eddirector@bethel-ct.gov

March 29, 2023

MEMO - TIF District

Dear Dan,

Through our recent conversations it seems to be the desire of the town to figure out a way to finance revitalization, improvement and infrastructure projects specifically in our downtown area. Therefore, I am recommending that we look into setting up a TIF District in our downtown area that will allow us to use anticipated future tax increases, in property tax revenues, to generate incremental tax revenues to help pay for these projects.

TIF is not a new tax or a special assessment on top of the existing property tax. With TIF, a portion of the new revenues that result from development or improvements can be designated by the local legislative body to pay for costs associated with specific development and/or future economic development.

TIF is a local economic development policy and program that is enabled and guided by state law (CGS 7-339cc through 7-339kk). It does not require State approval and its structure and details are determined by the local legislative process.

In order to designate an area a TIF District it must have property that is (1) substandard, deteriorating, or blighted; (2) in need of rehabilitation, redevelopment, or conservation; or (3) suitable for certain types of development, including downtown or transit-oriented development. Given this definition we should not have an issue with eligibility.

Here are some examples of what TIF funds are used for?

- Downtown revitalization projects
- Improving infrastructure
- TOD development
- Incentive housing development
- Park and streetscape improvements

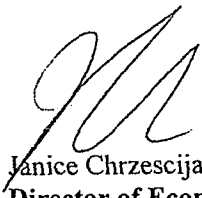
Process:

1. Create a TIF District Master Plan
 - a. Define the boundaries – I am including a draft map that we can use as a starting point
 - b. Define what portion of the increment would be used for what purpose

2. Create a Financial Plan
3. Optional – Create an Advisory Board
4. Planning Commission Opinion
5. Hold a Public Hearing
6. Adopt a District Plan
7. Create a District Master Plan Fund

The idea of creating a TIF has been floating around since the legislative change was made and the 2018 Bethel Forward Master Report. On page 65 –Recommendations “Use Tax Increment Financing to stimulate business development. Tax Increment Financing (TIF) makes it possible to use future property tax revenue to pay for current improvements within a designated redevelopment area. TIF investments stimulate development that would not take place without the up-front improvements that TIF can provide. TIF is a powerful and effective downtown development tool throughout the United States – but, until recent changes in Connecticut’s TIF legislation, it has not (yet) been used much in Connecticut. The changes have streamlined the process through which municipalities can establish TIF districts and have made it possible for entire districts (rather than single projects) to generate revenue and benefit from TIF investments, among other things. In order to create a TIF district, a municipality must demonstrate that the area is blighted, in need of revitalization, and/or a targeted type of development, such as a downtown or a TOD. Downtown Bethel would almost certainly be eligible...We therefore recommend that Bethel create a TIF district in the TOD, using the revenues generated to support and incentivize development of high priority businesses and buildings.”

I am attaching a few documents for your review that contain more detailed information. Let me know when we can discuss further.



Janice Chrzescijanek
Director of Economic Development

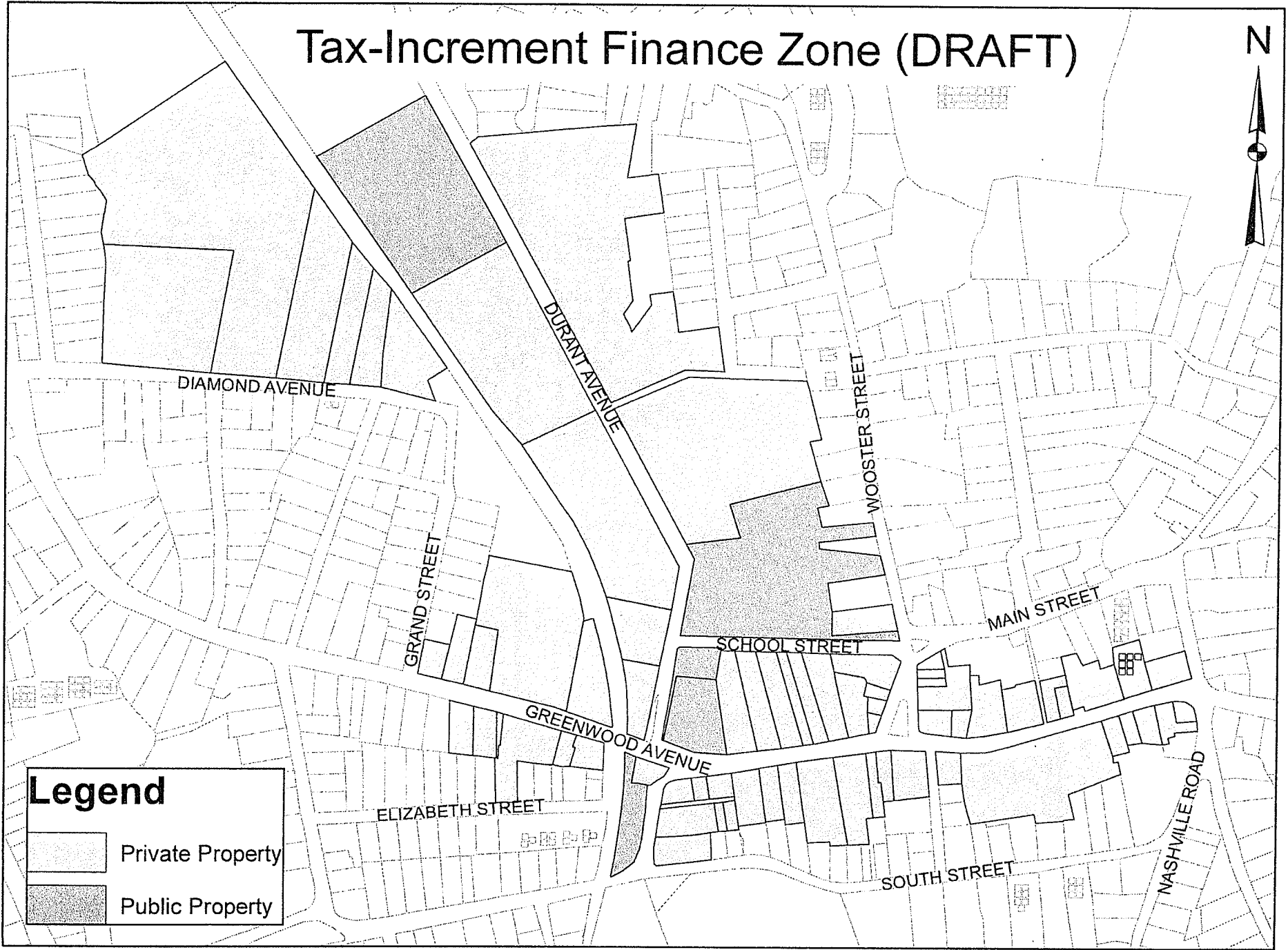
Attachments:

- *Tax-Increment Finance Zone - DRAFT*
- *Chapter 105b – Tax Increment Districts*
- *Research Report – Tax Increment District Under CGS 7-339cc et seq.*
- *Town of Cheshire, CT – Tax Increment Financing Interchange Zone TIF District Master Plan*



cc:

Beth Cavagna, Director of Land Use, Town of Bethel
Mr. Mike Boyle, Chair of Economic Development Commission, Town of Bethel

Tax-Increment Finance Zone (DRAFT)



Legend

-  Private Property
-  Public Property

CHAPTER 105b

TAX INCREMENT DISTRICTS

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Sec. 7-339dd. Establishment. Powers. Dissolution.

Sec. 7-339ee. Criteria for establishment.

Sec. 7-339ff. Adoption and amendment of district master plan.

Sec. 7-339gg. Tax increment revenues. Assessment. District master plan fund.

Sec. 7-339hh. Costs authorized for payment from a district master plan fund.

Sec. 7-339ii. Benefit assessments.

Sec. 7-339jj. Bonds.

Sec. 7-339kk. Advisory board.

Sec. 7-339cc. Definitions. As used in sections 7-339cc to 7-339kk, inclusive, unless the context otherwise requires:

- (1) "Captured assessed value" means the amount, as a percentage or stated sum, of increased assessed value that is utilized from year to year to finance project costs pursuant to the district master plan.
- (2) "Current assessed value" means the assessed value of all taxable real property within a tax increment district as of October first of each year that the tax increment district remains in effect.
- (3) "District master plan" means a statement of means and objectives prepared by the municipality relating to a tax increment district designed to provide new employment opportunities, retain existing employment, provide housing opportunities, improve or broaden the tax base or construct or improve the physical facilities and structures through the development of industrial, commercial, residential, retail and mixed use, transit-oriented development, downtown development or any combination thereof, as described in section 7-339ff.
- (4) "Downtown" means a central business district or other commercial neighborhood area of a community that serves as a center of socioeconomic interaction in the community, characterized by a cohesive core of commercial and mixed-use buildings, often interspersed with civic, religious and residential buildings and public spaces, that are typically arranged along a main street and intersecting side streets and served by public infrastructure.
- (5) "Financial plan" means a statement of the project costs and sources of revenue required to accomplish the district master plan.
- (6) "Increased assessed value" means the valuation amount by which the current assessed value of a tax increment district exceeds the original assessed value of the tax increment district. If the current assessed value is equal to or less than the original assessed value, there is no increased assessed value.

- (7) "Maintenance and operation" means all activities necessary to maintain facilities after they have been developed and all activities necessary to operate such facilities, including, but not limited to, informational, promotional and educational programs and safety and surveillance activities.
- (8) "Original assessed value" means the assessed value of all taxable real property within a tax increment district as of October first of the tax year preceding the year in which the tax increment district was established by the legislative body of a municipality.
- (9) "Project costs" means any expenditures or monetary obligations incurred or expected to be incurred that are authorized by section 7-339hh and included in a district master plan.
- (10) "Tax increment" means real property taxes assessed by a municipality upon the increased assessed value of property in the tax increment district.
- (11) "Tax increment district" means that area wholly within the corporate limits of a municipality that has been established and designated as such pursuant to section 7-339dd and that is to be developed under a district master plan.
- (12) "Tax year" means the period of time beginning on July first and ending on the succeeding June thirtieth.
- (13) "Transit" means transportation systems in which people are conveyed by means other than their own vehicles, including, but not limited to, bus systems, street cars, ferries, light rail and other rail systems.
- (14) "Transit facility" means a place providing access to transit services, including, but not limited to, bus stops, bus stations, interchanges on a highway used by one or more transit providers, ferry landings, train stations, shuttle terminals and bus rapid transit stops.
- (15) "Transit-oriented development" means the development of residential, commercial and employment centers within one-half mile or walking distance of a transit facility, including rail and bus rapid transit and services that meet transit supportive standards for land uses, built environment densities and walkable environments, in order to facilitate and encourage the use of those services. Transit-oriented development includes, but is not limited to, transit vehicles such as buses, ferries, vans, rail conveyances and related equipment; bus shelters and other transit-related structures; benches, signs and other transit-related infrastructure; bicycle lane construction and other bicycle-related improvements; pedestrian improvements such as crosswalks, crosswalk signals and warning systems and crosswalk curb treatments and the industrial, commercial, residential, retail and mixed-use portions of transit-oriented development projects.

(P.A. 15-57, S. 1.)

[\(Return to Chapter Table of Contents\)](#) [\(Return to List of Chapters\)](#) [\(Return to List of Titles\)](#)

Sec. 7-339dd. Establishment. Powers. Dissolution. (a) A municipal legislative body may establish a tax increment district located wholly within the boundaries of such municipality in accordance with the requirements of sections 7-339cc to 7-339kk, inclusive. If the municipality has a charter, the establishment of such tax increment district may not be in conflict with the provisions of such charter. Establishment of a tax increment district is effective upon approval by the municipal legislative body and upon adoption of a district master plan pursuant to section 7-339ff.

(b) Within tax increment districts and consistent with the district master plan, the municipality, in addition to powers granted to it under the Constitution, the general statutes, any special act or sections 7-339cc to 7-339kk, inclusive, shall have the following powers:

- (1) To acquire, construct, reconstruct, improve, preserve, alter, extend, operate or maintain property or promote development intended to meet the objectives of the district master plan. The municipality may acquire property,

land or easements through negotiation or by other means authorized for municipalities under the general statutes;

- (2) To execute and deliver contracts, agreements and other documents relating to the operation and maintenance of the tax increment district;
- (3) To issue bonds and other obligations of the municipality in accordance with the provisions set forth in section 7-339jj;
- (4) Acting through its board of selectmen, town council or other governing body, to enter into written agreements with a taxpayer fixing the assessment of real estate within a tax increment district, provided (A) the term of such agreement shall not exceed fifteen years from the date of the agreement; and (B) the assessment agreed on for the real estate plus future improvements shall not be less than the assessment of the real estate as of the last regular assessment date without such future improvements. Any such agreement shall be recorded on the land records in the municipality. Recording of the agreement constitutes notice of the agreement to a subsequent purchaser or encumbrancer of the property or any part of it, whether voluntary or involuntary, and is binding upon a subsequent purchaser or encumbrancer. If the municipality claims that the taxpayer is not complying with the terms of such agreement, the municipality may bring an action in the superior court for the judicial district in which the municipality is located to force compliance with such agreement;
- (5) Accept grants, advances, loans or other financial assistance from the federal government, the state, private entities or any other source, and do any and all things necessary or desirable to secure such financial aid; and
- (6) Upon such terms as the municipality determines, furnish service or facilities, provide property, lend, grant or contribute funds, and take any other action of a character that it is authorized to perform for other purposes.

(c) The tax increment district may be dissolved, at any time, and the boundaries of such district may be changed, at any time, by a vote of the municipality's legislative body, except that the tax increment district may not be dissolved nor may the boundaries of the tax increment district be changed so long as any bonds or other indebtedness authorized and issued under sections 7-339cc to 7-339kk, inclusive, except for general obligation bonds of the municipality secured solely by the full faith and credit of the municipality, or any other obligations authorized and incurred under sections 7-339cc to 7-339kk, inclusive, remain outstanding.

(P.A. 15-57, S. 2.)

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Sec. 7-339ee. Criteria for establishment. Prior to the establishment of a tax increment district and approval of a district master plan for such tax increment district, the municipal legislative body or the board of selectmen in the case of a municipality in which the legislative body is a town meeting shall (1) consider whether the proposed tax increment district and district master plan will contribute to the economic growth or well-being of the municipality or to the betterment of the health, welfare or safety of the inhabitants of the municipality; (2) transmit the district master plan to the planning commission or combined planning and zoning commission of the municipality, as applicable, requesting a study of the district master plan and a written advisory opinion. Such written advisory opinion shall include a determination on whether the plan is consistent with the plan of conservation and development of the municipality adopted under section 8-23; (3) hold at least one public hearing on the proposal to establish a tax increment district. Notice of the hearing shall be published at least ten days prior to the hearing in a newspaper having general circulation within the municipality and shall include (A) the date, time and place of such hearing, and (B) the boundaries of the proposed tax increment district by legal description; and (4) determine whether the proposed tax increment district meets the following conditions:

- (A) A portion of the real property within a tax increment district shall meet at least one of the following criteria:
- (i) Be a substandard, insanitary, deteriorated, deteriorating or blighted area;
 - (ii) be in need of rehabilitation, redevelopment or conservation work; or
 - (iii) be suitable for industrial, commercial, residential, mixed-use or retail uses, downtown development or transit-oriented development; and

(B) The original assessed value of a proposed tax increment district plus the original assessed value of all existing tax increment districts within the municipality may not exceed ten per cent of the total value of taxable property within the municipality as of October first of the year immediately preceding the establishment of the tax increment district. Excluded from the calculation in this subdivision is any tax increment district established on or after October 1, 2015, that consists entirely of contiguous property owned by a single taxpayer. For the purpose of this subdivision, "contiguous property" includes a parcel or parcels of land divided by a road, power line, railroad line or right-of-way. A municipality may not establish a tax increment district if the conditions in this subdivision are not met.

(P.A. 15-57, S. 3; P.A. 19-185, S. 1.)

History: P.A. 19-185 amended Subdiv. (2) by deleting requirement that district master plan be transmitted at least ninety days prior to establishment of tax increment district and approval of district master plan, adding provision permitting transmission of district master plan to combined planning and zoning commission, and replacing "if any" with "as applicable".

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Sec. 7-339ff. Adoption and amendment of district master plan. (a) In connection with the establishment of a tax increment district, the legislative body of a municipality shall adopt a district master plan for each tax increment district and a statement of the percentage or stated sum of increased assessed value to be designated as captured assessed value in accordance with such plan. Such legislative body shall adopt such plan after receipt of a written advisory opinion from the planning commission or combined planning and zoning commission of the municipality requested pursuant to section 7-339ee or ninety days after the date such request was made, whichever is earlier.

(b) The district master plan shall include: (1) The boundaries of the tax increment district by legal description; (2) a list of the tax identification numbers for all lots or parcels within the tax increment district; (3) a description of the present condition and uses of all land and buildings within the tax increment district; (4) a description of the public facilities, improvements or programs within the tax increment district anticipated to be added and financed in whole or in part; (5) a description of the industrial, commercial, residential, mixed-use or retail improvements, downtown development or transit-oriented development within the tax increment district anticipated to be financed in whole or in part; (6) a financial plan in accordance with subsection (c) of this section; (7) a plan for the proposed maintenance and operation of the tax increment district after the planned capital improvements are completed; and (8) the maximum duration of the tax increment district, which may not exceed a total of fifty tax years beginning with the tax year in which the tax increment district is established.

(c) The financial plan for a district master plan shall include: (1) Cost estimates for the public improvements and developments anticipated in the district master plan; (2) the maximum amount of indebtedness to be incurred to implement the district master plan; (3) sources of anticipated revenues; (4) a description of the terms and conditions of any agreements, including any anticipated assessment agreements, contracts or other obligations related to the district master plan; (5) estimates of increased assessed values of the tax increment district; and (6) the portion of the increased assessed values to be applied to the district master plan as captured assessed values and resulting tax increments in each year of the plan.

(d) The district master plan may be amended from time to time by the legislative body of the municipality. Such legislative body shall review the district master plan at least once every ten years after the initial approval of the tax increment district and the district master plan in order for the tax increment district and the district master plan to remain in effect. With respect to any district master plan that includes development that is funded in whole or in part by federal funds, the provisions of this subsection shall not apply to the extent that such provisions are prohibited by federal law.

(P.A. 15-57, S. 4; P.A. 19-185, S. 2.)

History: P.A. 19-185 amended Subsec. (a) by replacing provision re adoption of district master plan at same time that tax increment district is established with provision re legislative body to adopt district master plan after receipt of written advisory opinion or ninety days after date such opinion was requested, whichever is earlier.

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Sec. 7-339gg. Tax increment revenues. Assessment. District master plan fund. (a) In the district master plan, the municipality may designate all or part of the tax increment revenues generated from the increased assessed value of a tax increment district for the purpose of financing all or part of the district master plan. The amount of tax increment revenues to be designated is determined by designating the captured assessed value, subject to any assessment agreements.

(b) On or after the establishment of a tax increment district and the adoption of a district master plan, the assessor of the municipality in which it is located shall certify the original assessed value of the taxable real property within the boundaries of the tax increment district. Each year after the establishment of a tax increment district, the municipal assessor shall certify the amount of (1) the current assessed value; (2) the amount by which the current assessed value has increased or decreased from the original assessed value, subject to any assessment agreements; and (3) the amount of the captured assessed value. Nothing in this subsection allows for unequal apportionment or assessment of the taxes to be paid on real property in the municipality. Subject to any assessment agreements, an owner of real property within the tax increment district shall pay real property taxes apportioned equally with property taxes paid elsewhere in the municipality.

(c) If a municipality has designated captured assessed value under subsection (a) of section 7-339ff:

(1) The municipality shall establish a district master plan fund that consists of: (A) A project cost account that is pledged to and charged with the payment of project costs that are outlined in the financial plan, including the reimbursement of project cost expenditures incurred by a public body, including the municipality, a developer, any property owner or any other third-party entity, and are paid in a manner other than as described in subparagraph (B) of this subdivision; and (B) in instances of indebtedness issued by the municipality in accordance with section 7-339jj to finance or refinance project costs, a development sinking fund account that is pledged to and charged with the (i) payment of the interest and principal as the interest and principal fall due, including any redemption premium; (ii) payment of the costs of providing or reimbursing any provider of any guarantee, letter of credit, policy of bond insurance or other credit enhancement device used to secure payment of debt service on any such indebtedness; and (iii) funding any required reserve fund;

(2) The municipality shall annually set aside all tax increment revenues on captured assessed values and deposit all such revenues to the appropriate district master plan fund account established under subdivision (1) of this subsection in the following order of priority: (A) To the development sinking fund account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual debt service on the indebtedness issued in accordance with section 7-339jj and the financial plan, except for general obligation bonds of the municipality secured solely by the full faith and credit of the municipality; and (B) to the project cost account, all such remaining tax increment revenues on captured assessed values;

(3) The municipality shall make transfers between district master plan fund accounts established under subdivision (1) of this subsection, provided the transfers do not result in a balance in either account that is insufficient to cover the annual obligations of that account;

(4) The municipality may, at any time during the term of the tax increment district, by vote of the municipal legislative body, return to the municipal general fund any tax increment revenues remaining in either account established under subdivision (1) of this subsection in excess of those estimated to be required to satisfy the obligations of the account after taking into account any transfer made under subdivision (3) of this subsection; and

(5) Any account or fund established pursuant to subdivision (1) of this subsection shall be audited annually by an independent auditor who is a public accountant licensed to practice in this state and who meets the independence standards included in generally accepted government auditing standards. A report of such audit shall be open to public inspection. Certified copies of such audit shall be provided to the State Auditors of Public Accounts.

(P.A. 15-57, S. 5.)

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Sec. 7-339hh. Costs authorized for payment from a district master plan fund. Costs authorized for payment from a district master plan fund, established pursuant to section 7-339gg are limited to:

(1) Costs of improvements made within the tax increment district, including, but not limited to, (A) capital costs, including, but not limited to, (i) the acquisition or construction of land, improvements, infrastructure, public ways, parks, buildings, structures, railings, street furniture, signs, landscaping, plantings, benches, trash receptacles, curbs, sidewalks, turnouts, recreational facilities, structured parking, transportation improvements, pedestrian improvements and other related improvements, fixtures and equipment for public use, (ii) the acquisition or construction of land, improvements, infrastructure, buildings, structures, including facades and signage, fixtures and equipment for industrial, commercial, residential, mixed-use or retail use or transit-oriented development, (iii) the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures; (iv) environmental remediation; (v) site preparation and finishing work; and (vi) all fees and expenses associated with the capital cost of such improvements, including, but not limited to, licensing and permitting expenses and planning, engineering, architectural, testing, legal and accounting expenses; (B) financing costs, including, but not limited to, closing costs, issuance costs, reserve funds and capitalized interest; (C) real property assembly costs; (D) costs of technical and marketing assistance programs; (E) professional service costs, including, but not limited to, licensing, architectural, planning, engineering, development and legal expenses; (F) maintenance and operation costs; (G) administrative costs, including, but not limited to, reasonable charges for the time spent by municipal employees, other agencies or third-party entities in connection with the implementation of a district master plan; and (H) organizational costs relating to the planning and the establishment of the tax increment district, including, but not limited to, the costs of conducting environmental impact and other studies and the costs of informing the public about the creation of tax increment districts and the implementation of the district master plan;

(2) Costs of improvements that are made outside the tax increment district but are directly related to or are made necessary by the establishment or operation of the tax increment district, including, but not limited to, (A) that portion of the costs reasonably related to the construction, alteration or expansion of any facilities not located within the tax increment district that are required due to improvements or activities within the tax increment district, including, but not limited to, roadways, traffic signalization, easements, sewage treatment plants, water treatment plants or other environmental protection devices, storm or sanitary sewer lines, water lines, electrical lines, improvements to fire stations, and street signs; (B) costs of public safety and public school improvements made necessary by the establishment of the tax increment district; and (C) costs of funding to mitigate any adverse impact of the tax increment district upon the municipality and its constituents; and

(3) Costs related to economic development, environmental improvements or employment training associated with the tax increment district, including, but not limited to, (A) economic development programs or events related to the tax increment district; (B) environmental improvement projects developed by the municipality related to the tax increment district; (C) the establishment of permanent economic development revolving loan funds, investment funds and grants; and (D) services and equipment necessary for employment skills development and training, including scholarships to in-state educational institutions for jobs created or retained in the tax increment district.

(P.A. 15-57, S. 6.)

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Sec. 7-339ii. Benefit assessments. (a)(1) Notwithstanding any provision of the general statutes, whenever the municipality constructs, improves, extends, equips, rehabilitates, repairs, acquires or provides a grant for any public improvements within a tax increment district or finances the cost of such public improvements, the proportion of such cost or estimated cost of such public improvements and financing thereof as determined by the municipality may be assessed by the municipality, as a benefit assessment, in the manner prescribed by such municipality, upon the real property within the tax increment district that is benefited by such public improvements. The municipality may provide for the payment of such benefit assessments in annual installments, not exceeding thirty years, and may forgive such benefit assessments in any given year without causing the remainder of installments of benefit assessments to be forgiven. Benefit assessments on real property where buildings or structures are constructed or expanded after the initial benefit assessment may be assessed as if the new or expanded buildings or structures on such real property had existed at the time of the original benefit assessment.

(2) The benefit assessments shall be adopted and revised by the municipality at least annually not more than sixty days before the beginning of the fiscal year. If the benefit assessments are assessed and levied prior to the acquisition or construction of the public improvements, the amount of the benefit assessments may be adjusted to reflect the actual cost of such public improvements, including all financing costs, once such public improvements are complete, if the actual cost is greater than or less than the estimated costs.

(b) Before estimating and making a benefit assessment under subsection (a) of this section, the municipality shall hold at least one public hearing on its schedule of benefit assessments or any revision thereof. Notice of such hearing shall be published at least ten days before such hearing in a newspaper having general circulation within the municipality. The notice shall include (1) the date, time and place of hearing; (2) the boundaries of the tax increment district by legal description; (3) a statement that all interested persons owning real estate or taxable property located within the tax increment district will be given an opportunity to be heard at the hearing and an opportunity to file objections to the amount of the assessment; (4) the maximum rate of assessments to be extended in any one year; and (5) a statement indicating that the proposed list of properties to be assessed and the estimated assessments against those properties are available at the city or town office or at the office of the assessor. The notice may include a maximum number of years the assessments will be levied. Not later than the date of the publication, the municipality shall make available to any member of the public, upon request, the proposed schedule of benefit assessments. The procedures for public hearing and appeal set forth in section 7-250 shall apply for all benefit assessments made by a municipality pursuant to this section, except that the board of finance, or the municipality's legislative body if no board of finance exists, shall be substituted for the water pollution control authority.

(c) A municipality may adopt ordinances apportioning the value of improvements within a tax increment district according to a formula that reflects actual benefits that accrue to the various properties because of the development and maintenance.

(d) A municipality may increase assessments or extend the maximum number of years the assessments will be levied after notice and public hearing is held pursuant to subsection (b) of this section.

(e) (1) Benefit assessments made under this section shall be collected in the same manner as municipal taxes. Municipalities are granted all the powers and privileges with respect thereto as provided to municipalities in the general statutes for the enforcement and collection of assessments and tax liens, or as otherwise provided in sections 7-339cc to 7-339kk, inclusive. Benefit assessments shall be due and payable at such times as are fixed by the municipality, provided the municipality shall give notice of such due date not less than thirty days prior to such due date by publication in a newspaper of general circulation in the municipality and by mailing such notice to the owners of the real property assessed at their last-known address. All revenues from assessments under this section shall be paid into the appropriate district master plan fund account established under subsection (c) of section 7-339gg.

(2) If any property owner fails to pay any assessment or part of an assessment on or before the date on which such assessment or part of such assessment is due, the municipality has all the authority and powers to collect the delinquent assessments vested in the municipality by law to collect delinquent municipal taxes. Benefit assessments, if not paid when due, shall constitute a lien upon the real property served and a charge against the owners thereof, which lien and charge shall bear interest at the same rate as delinquent property taxes. Each such lien may be continued, recorded and released in the manner provided for property tax liens and shall take precedence over all other liens or encumbrances except a lien for property taxes of the municipality.

(P.A. 15-57, S. 7.)

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Sec. 7-339jj. Bonds. (a) For the purpose of carrying out or administering a district master plan or other functions authorized under sections 7-339cc to 7-339kk, inclusive, a municipality is authorized, subject to the limitations and procedures set forth in this section, to issue from time to time bonds and other obligations of the municipality that are payable solely from and secured by (1) the full faith and credit pledge of the municipality; (2) a pledge of and lien upon any or all of the income, proceeds, revenues and property of the projects within the tax increment district, including the proceeds of grants, loans, advances or contributions from the federal government, the state or other source; (3) all revenues derived under sections 7-339gg and 7-339ii received by the municipality; or (4) any combination of the methods in subdivisions (1), (2) and (3) of this subsection. Except for bonds secured by the full faith credit pledge of the municipality, bonds authorized by this section shall not be included in computing the aggregate indebtedness of the municipality.

(b) Notwithstanding the provisions of any other statute, municipal ordinance or charter provision governing the authorization and issuance of bonds generally by the municipality, any bonds payable and secured as provided in this section shall be authorized by a resolution adopted by the legislative body of the municipality. Such bonds shall, as determined by the legislative body of the municipality or the municipal officers who are designated such authority by such body, (1) be issued and sold; (2) bear interest at the rate or rates determined by the legislative body or its designee, including variable rates; (3) provide for the payment of interest on the dates determined by the legislative body or its designee, whether before or at maturity; (4) be issued at, above or below par; (5) mature at such time or times not exceeding thirty years; (6) have rank or priority; (7) be payable in such medium of payment; (8) be issued in such form, including, without limitation, registered or book-entry form, carry such registration and transfer privileges and be made subject to purchase or redemption before maturity at such price or prices and under such terms and conditions, including the condition that such bonds be subject to purchase or redemption on the demand of the owner thereof; and (9) contain such other terms and particulars.

(c) The municipality may require that the bonds issued hereunder be secured by a trust agreement by and between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the state. The trust agreement may contain covenants or provisions for protecting and enforcing the rights and remedies of the bondholders as may be necessary, reasonable or appropriate and not in violation of law or other provisions or covenants which are consistent with sections 7-339cc to 7-339kk, inclusive, and which the municipality determines in such proceedings are necessary, convenient or desirable in order to better secure the bonds, or will tend to make the bonds more marketable, and which are in the best interests of the municipality. The pledge by any trust agreement shall be valid and binding from time to time when the pledge is made. The revenues or other moneys so pledged and then held or thereafter received by the municipality shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the board, irrespective of whether the parties have notice thereof. All expenses incurred in carrying out such trust agreement may be treated as project costs. In case any municipal officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be an officer before the delivery of the obligations, the signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery. Notwithstanding any

provision of the Uniform Commercial Code, neither this section, the resolution of the municipality approving the bonds or any trust agreement by which a pledge is created need be filed or recorded, and no filing need be made under title 42a.

(d) While any bonds issued hereunder remain outstanding, the existence of the tax increment district and the powers and duties of the municipality with respect to such tax increment district shall not be diminished or impaired in any way that will affect adversely the interests and rights of the holders of the bonds. Any bonds issued by a municipality pursuant to this section, except for general obligation bonds of the municipality secured by the full faith and credit pledge of the municipality, shall contain on their face a statement to the effect that neither the state nor the municipality shall be obliged to pay the principal of or the interest thereon, and that neither the full faith and credit or taxing power of the state or the municipality is pledged to the payment of the bonds. All bonds issued under this section shall have and are hereby declared to have all the qualities and incidents of negotiable instruments, as provided in title 42a.

(e) Any pledge made by a municipality pursuant to this section shall be valid and binding from the time when the pledge is made, and any revenues or other receipts, funds or moneys so pledged and thereafter received by the municipality shall be subject immediately to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the municipality, irrespective of whether such parties have notice of such lien.

(f) Bonds issued under this section are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control and belonging to them and such bonds shall be securities that may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds of the state is now or may hereafter be authorized by law. Bonds may be issued under this section without obtaining the consent of the state and without any proceedings or the happening of any other conditions or things other than those proceedings, conditions or things that are specifically required thereof by this section.

(g) Nothing in this section restricts the ability of the municipality to raise revenue for the payment of project costs in any manner otherwise authorized by law.

(h) As used in this section, "bonds" means any bonds, including refunding bonds, notes, interim certificates, debentures or other obligations.

(P.A. 15-57, S. 8.)

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Sec. 7-339kk. Advisory board. The legislative body of a municipality is encouraged to create an advisory board, whose members include owners or occupants of real property located in or adjacent to the tax increment district they serve. The advisory board may advise the legislative body and any designated administrative entity on the planning, construction and implementation of the district master plan and maintenance and operation of the tax increment district after the district master plan has been completed.

(P.A. 15-57, S. 9.)

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Tax Increment Districts Under CGS § 7-339cc et seq.

By: Julia Singer Bansal, Senior Legislative Attorney
June 2, 2022 | 2022-R-0003

Issue

Summarize Connecticut's tax increment district law, as established by [PA 15-57](#) and codified at [CGS §§ 7-339cc through 7-339kk](#).

Summary

[CGS § 7-339cc et seq.](#) allows municipalities, through their legislative bodies, to establish a tax increment district (generally known as a tax increment financing (TIF) district) to finance economic development projects in eligible areas. It allows a municipality to finance projects in the district by (1) designating all or part of the new or incremental real property tax revenue generated in the district for repayment of costs incurred to fund the projects, (2) imposing assessments on real property in the district benefiting from certain public improvements (i.e., benefit assessments), and (3) issuing bonds backed by these revenue streams to pay project costs.

The law imposes certain criteria for designating a TIF district. A district must encompass property that is (1) substandard, deteriorating, or blighted; (2) in need of rehabilitation, redevelopment, or conservation; or (3) suitable for certain types of development, including downtown or transit-oriented development. The law generally limits the (1) taxable value of the districts a municipality may create to no more than 10% of the total value of its taxable property and (2) district's duration to a maximum of 50 fiscal years.



The law specifies a process for establishing a TIF district that, among other things, requires a municipality to (1) consider the proposed district's contribution to the municipality and its residents and (2) hold at least one public hearing on the proposal.

The law requires a municipality's legislative body to adopt a master plan for the TIF district and prescribes the plan's components, including a financial plan that defines the costs and revenue sources required to accomplish the master plan.

Prior to 2015 and the passage of CGS § 7-339cc et seq., the law granted municipalities limited authority to use TIF to finance economic development projects. Among other things, these other laws generally (1) limit the type of projects eligible for TIF, (2) restrict the use of incremental tax revenue to repaying outstanding TIF bonds, and (3) require multiple entities to approve the use of TIF (see sidebar).

Establishing and Dissolving Districts

Legislative Body's Action (§ 7-339dd)

The law allows a municipality's legislative body to establish a tax increment district within the municipality's boundaries in accordance with the law's requirements. The district is effective when the legislative body approves it and adopts a district master plan, as described below. If the municipality operates under a charter, the law specifies that the district may not conflict with the charter.

Advisory Board Encouraged (§ 7-339kk)

The law encourages the legislative body to create a board to advise it and other designated entities on (1) planning, constructing, and implementing the district master plan and (2) maintaining and operating the district after the plan's completion. The advisory board's members include people who own or occupy real property in or adjacent to the district.

Other TIF Laws

Municipalities can use TIF to repay bonds issued to finance:

- 1. physical projects in areas designated for redevelopment (CGS § 8-124 et seq.),*
- 2. urban renewal (CGS § 8-140 et seq.), and*
- 3. municipal development (CGS § 8-186 et seq.).*

(Redevelopment and urban renewal areas must be blighted; municipal development areas must be suitable for commercial and industrial uses.)

State-designated distressed municipalities and targeted investment communities can also use bond-funded TIF to finance information technology projects; and all municipalities can use it to clean up and redevelop contaminated property anywhere in a municipality (CGS § 32-23zz).

The legislature has also authorized TIF districts (known as "infrastructure improvement districts") on a case-by-case basis by enacting special legislation (e.g., Harbor Point (Stamford); Great Pond (Windsor); and Steel Point (Bridgeport)).

Conditions for Approval

The law requires municipalities to take certain steps before establishing a district and approving a district master plan.

Planning Commission Opinion (§§ 7-339ee & -339ff)

The municipality must transmit the plan to its planning commission, or combined planning and zoning commission, if it has either. The commission must study the plan and issue a written advisory opinion, including a determination as to whether the plan is consistent with the municipality's plan of conservation and development.

Public Hearing (§ 7-339ee)

The legislative body must hold at least one public hearing on the proposed district. It must publish notice of the hearing at least 10 days in advance in a newspaper with general circulation in the municipality and include (1) the hearing's date, time, and place and (2) a legal description of the proposed district's boundaries.

Approval Criteria (CGS § 7-339ee)

The municipality must determine whether the proposed district meets certain criteria. Its legislative body (or board of selectmen if the legislative body is a town meeting) must consider whether the proposed district and district master plan will contribute to the municipality's economic growth or well-being or improve its residents' health, welfare, or safety.

In addition, the original assessed value of the proposed district (i.e., the value of all taxable real property in the district as of the prior October 1), plus the original assessed value of all of the municipality's existing TIF districts, cannot exceed 10% of the total value of taxable property in the municipality as of the October 1 immediately preceding the district's establishment. This calculation does not include any TIF districts established after October 1, 2015, consisting entirely of "contiguous property" owned by a single taxpayer. (Contiguous property includes parcels divided by a road, power line, railroad line, or right-of-way.) The municipality may not establish a district if this criterion is not met.

Lastly, the municipality's legislative body must determine whether a portion of the district's property is (1) substandard, insanitary, deteriorated, deteriorating, or blighted; (2) in need of rehabilitation,

Transit-Oriented Development (§ 7-339cc)

"Transit-oriented development" means the development of residential, commercial, and employment centers within one-half mile or walking distance of a transit facility, including rail and bus rapid transit and services that meet transit supportive standards for land uses, built environment densities, and walkable environments in order to facilitate and encourage the use of these services.

A ***"transit facility"*** is a place providing access to transit services, including bus stops and stations, highway interchanges used by transit providers, ferry landings, train stations, shuttle terminals, and bus rapid transit stops.

redevelopment, or conservation; or (3) suitable for industrial, commercial, residential, mixed-use, retail, downtown, or transit-oriented development.

Dissolving the District or Changing Its Boundaries (§ 7-339dd)

A municipality's legislative body may vote to dissolve a district or change its boundaries at any time, as long as the district does not have any outstanding bonds or obligations, other than municipal GO bonds.

District Powers, Generally (§ 7-339dd)

The law authorizes a municipality, within a district and consistent with its district master plan, to:

1. acquire, construct, reconstruct, improve, preserve, alter, extend, operate, and maintain property or promote development to meet the district master plan's objectives (in doing so, it may acquire property, land, and easements through negotiation or by other legal means);
2. execute and deliver contracts, agreements, and other documents related to the district's operation and maintenance;
3. issue bonds and other obligations (see below);
4. enter into fixed assessment agreements for real property in the district, subject to the restrictions described below;
5. accept grants, advances, loans, or other financial assistance from public or private sources and do anything necessary or desirable to secure this aid; and
6. according to terms it establishes, (a) provide services, facilities, or property; (b) lend, grant, or contribute funds; and (c) take any other action it is authorized to perform for other municipal purposes.

These powers are in addition to those the municipality has under the Constitution, other statutes, and special acts.

Fixing Assessments in the District (§ 7-339dd(b)(4))

The law allows a municipality, through its board of selectmen, town council, or other governing body, to enter into written agreements with a taxpayer to fix the assessment of real property in the district for up to 15 years. The property's fixed assessment, plus the value of any future improvements, cannot be less than its assessment as of the last regular assessment date without the future improvements.

District Master Plan (§ 7-339ff)

Requirement

The law requires a municipality's legislative body to adopt a (1) "district master plan" for the district and (2) statement of the percentage or amount of "increased assessed value" that will be designated as "captured assessed value" under the plan, as described below. It must adopt the plan after it receives the advisory opinion from the planning commission or combined planning and zoning commission, or 90 days after it requests the opinion. (A TIF district is only effective when the legislative body both approves the district and adopts a district master plan.)

Purpose

The "district master plan" is a statement of means and objectives relating to a district designed to (1) provide new employment opportunities, (2) retain existing employment, (3) provide housing opportunities, (4) improve or broaden the tax base, or (5) construct or improve physical facilities and structures. It achieves these means and objectives through industrial, commercial, residential, retail, or mixed-use development; transit-oriented development; downtown development; or any combination of these.

Components

The district master plan must include:

1. a legal description of the district's boundaries;
2. the tax identification numbers for its lots or parcels;
3. the present condition and uses of its land and buildings;
4. the public facilities, improvements, or programs anticipated to be financed in whole or part;
5. the (a) industrial, commercial, residential, mixed-use, or retail improvements and (b) downtown or transit-oriented development anticipated to be financed in whole or part;
6. a plan for maintaining and operating the district after its planned capital improvements are completed;
7. the district's maximum duration, which cannot exceed 50 fiscal years, beginning with the year in which the district is established; and
8. a financial plan, as described below.

Generally, the municipality's legislative body may amend the plan and must review it at least once every 10 years after its initial approval.

Financial Plan Component

The district master plan must include a financial plan that identifies the project costs and revenue sources required to accomplish the district master plan. The plan must contain:

1. cost estimates for the anticipated public improvements and developments;
2. the maximum amount of indebtedness to be incurred to implement the plan;
3. the anticipated revenue sources;
4. a description of the terms and conditions of any agreements, including any anticipated assessment agreements, contracts, or other obligations related to the plan;
5. estimates of the district's increased assessed values; and
6. for each year, the (a) portion of the increased assessed values that will be applied to the plan as captured assessed values and (b) resulting tax increments.

Benefit Assessments (§ 7-339ii)

Funding Mechanism

If a municipality constructs, improves, extends, equips, rehabilitates, repairs, acquires, or provides a grant for or finances public improvements within the district, it may assess a proportion of the improvement costs as a benefit assessment on that real property. It may, by ordinance, apportion the value of these improvements according to a formula that reflects the actual benefits accruing to the various properties because of the development and maintenance.

The municipality may (1) require property owners to pay the benefit assessments in annual installments for up to 30 years and (2) forgive the benefit assessments in any given year without affecting future installments. The municipality may assess buildings or structures constructed or expanded in the district after the initial benefit assessment is imposed as if they had existed at the time of the original benefit assessment.

Adopting, Collecting, and Enforcing Assessments

The municipality must revise and adopt the assessments at least once a year within 60 days before the start of the fiscal year. Before estimating and imposing a benefit assessment, the municipality must hold at least one public hearing on the payment schedule or any revisions to it. It must

publish a notice of the hearing at least 10 days in advance in a newspaper with general circulation in the municipality.

The law applies the same statutory public hearing and appeal procedures to district benefit assessments as apply under existing law to municipal sewer system benefit assessments levied by water pollution control authorities (CGS § 7-250).

The municipality has the same powers to collect and enforce the benefit assessments as it does for municipal taxes. Assessment revenues must be paid into the appropriate district master plan fund account, as described below.

Bonds (§ 7-339jj)

To carry out or administer a district master plan or other related functions, municipalities may issue bonds and other obligations (e.g., refunding bonds, notes, interim certificates, and debentures) backed by:

1. their full faith and credit (i.e., GO bonds);
2. the income, proceeds, revenues, and property within the district, including grants, loans, advances, or contributions from state, federal, or other sources;
3. tax increment revenues and benefit assessments; or
4. any combination of these sources.

(Only the municipality's GO bonds count towards its bond cap.)

Tax Increment Revenues (§ 7-339gg(a)&(b))

In addition to issuing bonds or imposing benefit assessments to finance projects, the law allows a municipality to finance them using the new or incremental real property tax revenue generated in the district. It also allows the municipality to use these revenue streams to repay the bonds issued to finance the projects.

Captured Assessed Value

By law, a municipality may designate all or part of the district's new or incremental real property tax revenue ("tax increment") to finance all or part of the district's master plan. The amount of tax increment revenue designated by the municipality is determined by the district's "captured assessed value," that is, the percentage or amount of the incremental increase in property values

("increased assessed value") that is used from year to year to finance the plan's project costs. The incremental increase in property values is the amount by which the value of the district's property as of October 1 of each year ("current assessed value") exceeds its original assessed value. The captured assessed value is subject to any fixed assessment agreements.

Upon the municipality establishing the district and adopting its master plan, its assessor must certify the original assessed value of the taxable real property within the district's boundaries. The assessor must also annually certify the:

1. current assessed value of the district's taxable real property,
2. amount by which the current assessed value has increased or decreased from the original assessed value, and
3. amount of the captured assessed value.

District Master Plan Fund (§ 7-339gg(c))

Municipalities that have designated a percentage or amount of captured assessed value in their district master plans must establish a fund for depositing the resulting incremental tax revenues and paying project costs. They must also deposit in the fund any benefit assessments imposed on real property in the district, as described below.

The fund must consist of a (1) project cost account (for costs outlined in the financial plan, including reimbursing project cost expenditures incurred by a public body) and (2) development sinking fund account (for any bonds issued to carry out or administer the district master plan).

Depositing Tax Increment Revenues

The municipality must annually set aside all tax increment revenues on captured assessed values and deposit the revenues in a specific order. The revenues must first go to the development sinking fund account, in an amount necessary to pay the annual debt service on the bonds issued (taking into account estimated future revenues that will be deposited to the account and earnings on this amount), excluding any GO bonds issued by the municipality that are backed solely by its full faith and credit. Any remaining revenues must go to the project cost account.

At any time during the district's term, the municipality's legislative body may vote to return to the municipality's general fund any tax increment revenues remaining in either account that exceed the amount necessary to pay the account's obligations.

Eligible Uses of District Master Plan Fund (§ 7-339hh)

The law limits the use of a district master plan fund to paying for certain categories of expenses: (1) improvements made within the district; (2) improvements made outside the district that are directly related to or necessary for the district's establishment or operation; and (3) economic development, environmental improvements, and employment training associated with the district.

Improvements Made in the District

The law allows the fund to pay the costs for improvements made within the district, including:

1. capital costs, as described below;
2. financing costs, including closing and issuance costs, reserve funds, and capitalized interest;
3. real property assembly costs;
4. technical and marketing assistance program costs;
5. professional service costs, including licensing, architectural, planning, engineering, development, and legal expenses;
6. maintenance and operation costs;
7. administrative costs, including reasonable charges for the time municipal employees, other agencies, or third-party entities spend implementing a district master plan; and
8. organizational costs related to the district's planning and establishment, including the cost of conducting environmental impact studies, informing the public about the district, and implementing the district master plan.

Capital costs include the cost of:

1. acquiring or constructing land, improvements, infrastructure, public ways, parks, buildings, structures, railings, street furniture, signs, landscaping, plantings, benches, trash receptacles, curbs, sidewalks, turnouts, recreational facilities, structured parking, transportation improvements, pedestrian improvements, and other related improvements, fixtures, and equipment for public use;
2. acquiring or constructing land, improvements, infrastructure, buildings, and structures, such as facades, signage, fixtures, and equipment for industrial, commercial, residential, mixed-use, retail, or transit-oriented development;
3. demolishing, altering, remodeling, repairing, or reconstructing existing buildings, structures, and fixtures;

4. remediating environmental contamination;
5. preparing a site and finishing work; and
6. incurring associated fees and expenses, such as licensing, permitting, planning, engineering, architectural, testing, legal, and accounting expenses.

Improvements Made Outside the District

For improvements made outside the district that are directly related to or necessary for establishing or operating the district, the fund may pay the:

1. portion of the costs reasonably related to constructing, altering, or expanding facilities required due to improvements or activities within the district, including roadways, traffic signals, easements, sewage or water treatment plants or other environmental protection devices, storm or sanitary sewer lines, water lines, electrical lines, fire station improvement, and street signs;
2. costs of public safety and public school improvements made necessary by the district's establishment; and
3. costs of mitigating any of the district's adverse impacts on the municipality and its constituents.

Other Development-Related Costs

The law also allows the fund to pay costs related to economic development, environmental improvements, or employment training associated with the district. This includes (1) economic development programs or events; (2) environmental improvement projects; (3) permanent economic development revolving loan funds, investment funds, and grants; and (4) services and equipment necessary for employment skills development and training, including scholarships to in-state educational institutions for jobs created or retained in the district.

JSB:kl