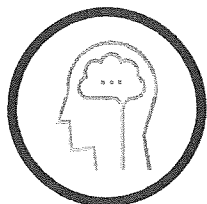
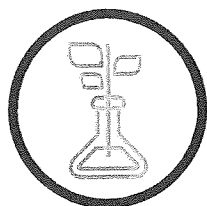


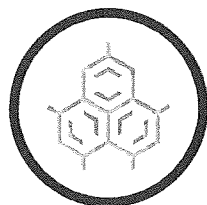
Components of Innovation



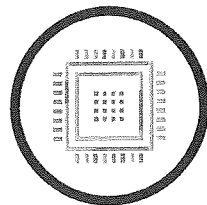
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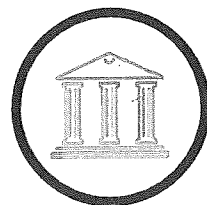
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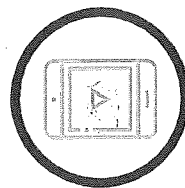
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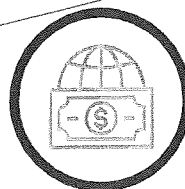
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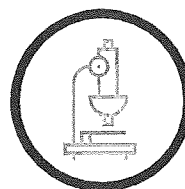
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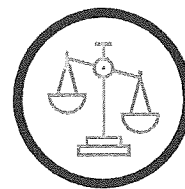
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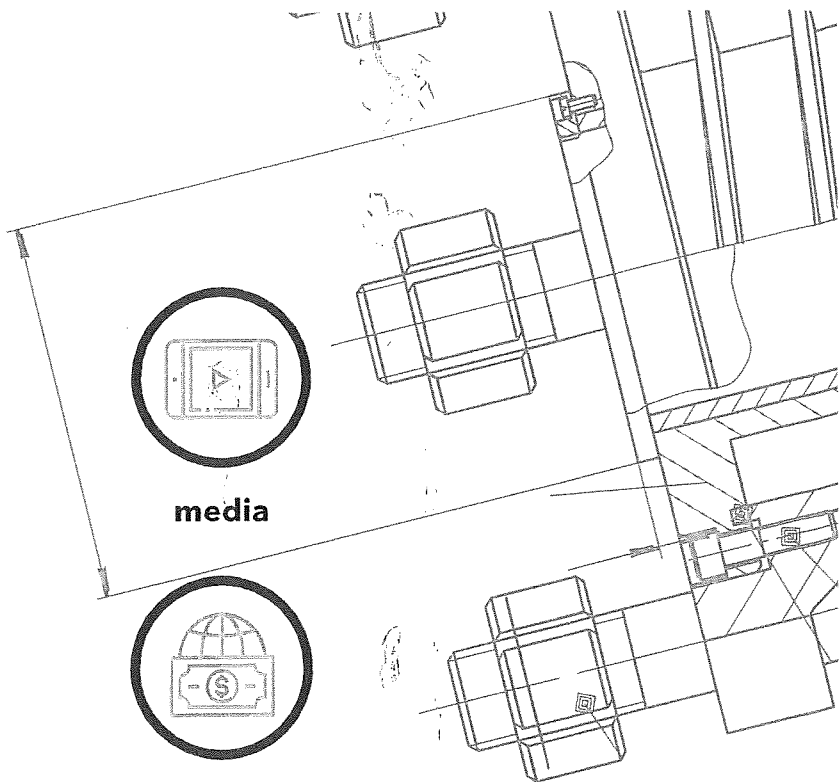
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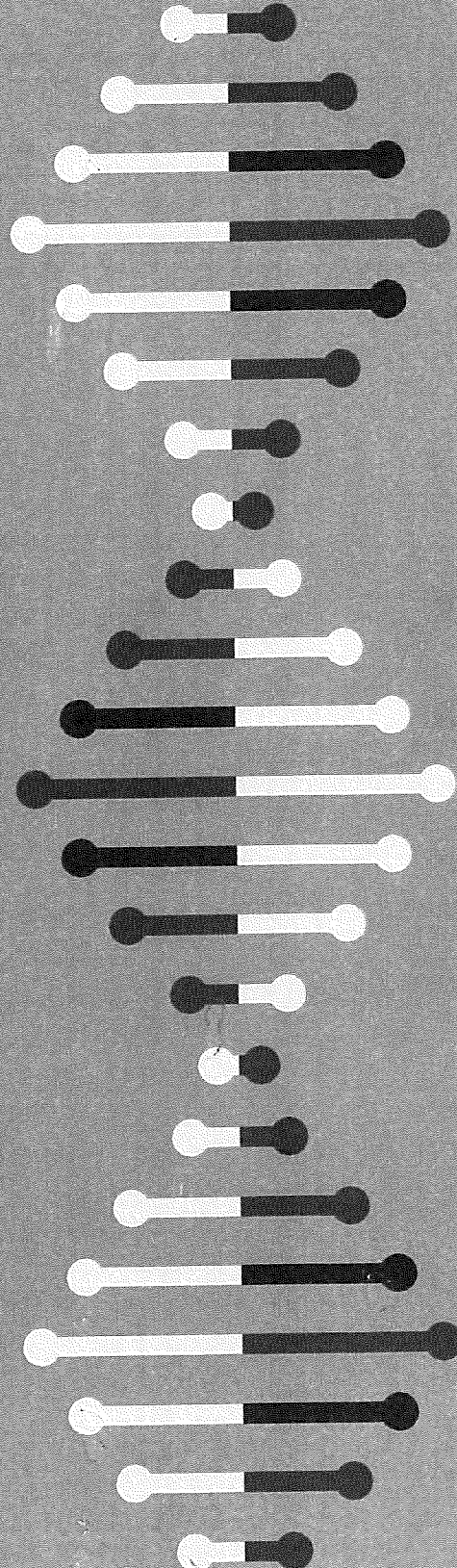
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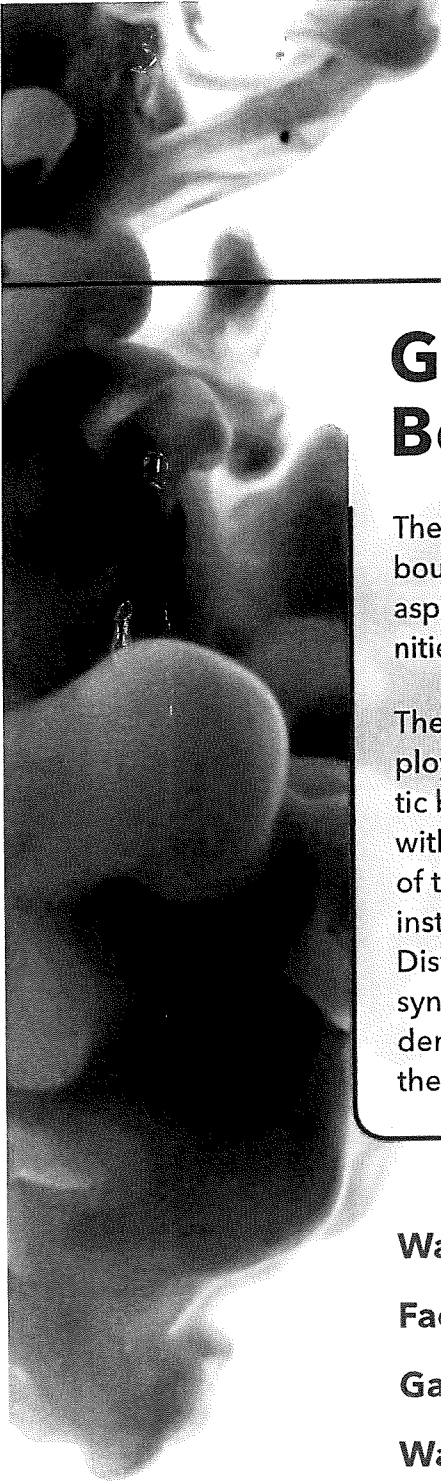
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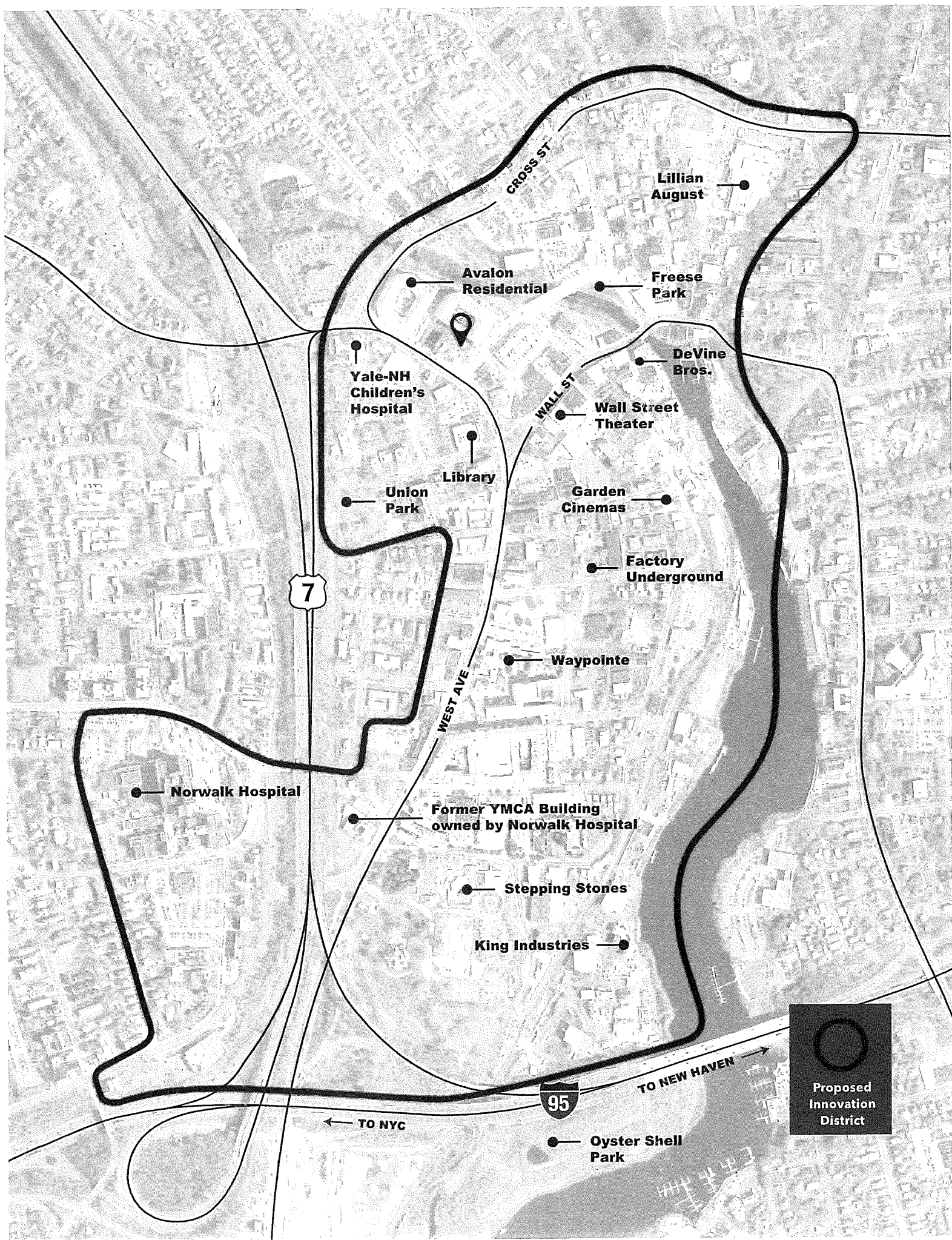
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Anchor Institutions



7

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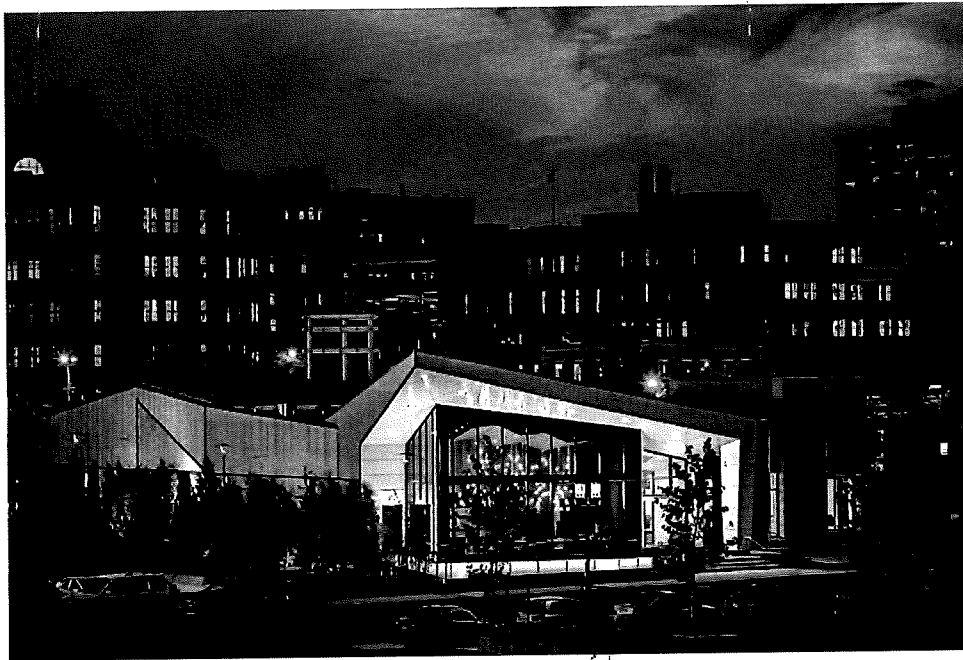
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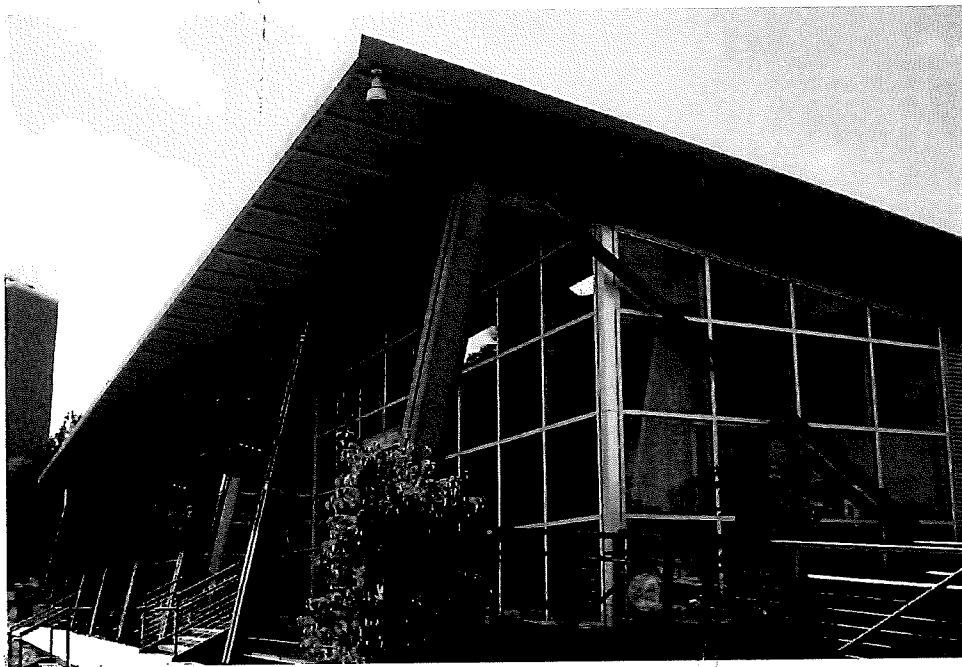
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The incentive zoning package enables developers to achieve extra floor area in exchange for providing 15% on-site affordable housing or pay a fee-in-lieu per square footage of bonus floor area, or purchase transfer of development rights (TDR) to preserve existing affordable housing. Developers are also able to achieve bonus floor area by providing public benefits such as open space, green street improvements, TDR to protect historic structures, or for protection of regional farms and forests.

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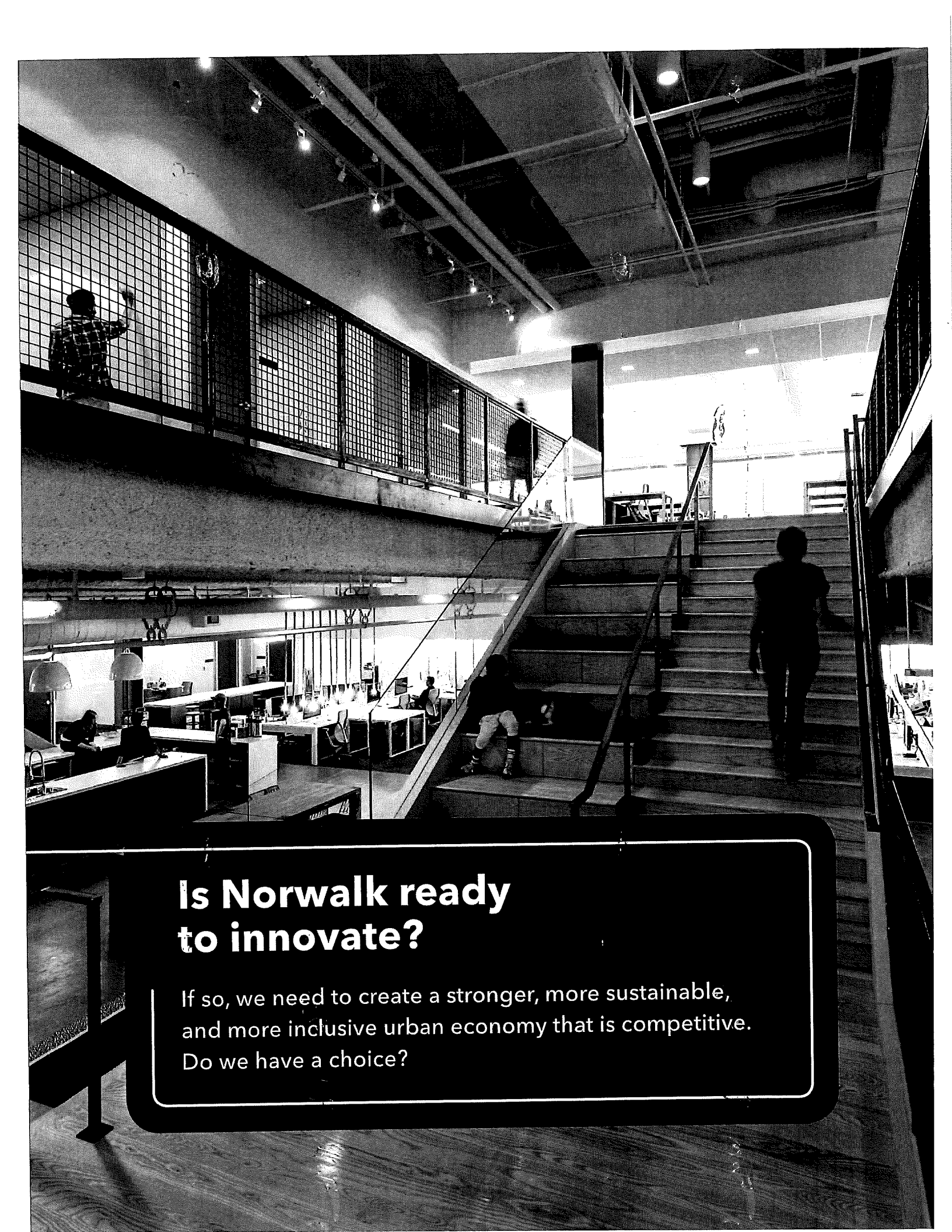
Reviewed by:

Planning Committee of the Common Council

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Common Council



Is Norwalk ready to innovate?

If so, we need to create a stronger, more sustainable, and more inclusive urban economy that is competitive. Do we have a choice?

**"Innovation districts
embody the very essence
of cities: an aggregation
of talented, driven people,
assembled in close quarters,
who exchange ideas and
knowledge in a dynamic
process of innovation,
imitation, and improvement."**

**-Sir Peter Hall, Cities in Civilization:
Culture, Innovation, and Urban Order**

Norwalk City Hall, P.O. Box 5125, 125 East Avenue, Norwalk, CT 06851

norwalkredevelopmentagency.com

NORWALK  DEVELOPMENT AGENCY

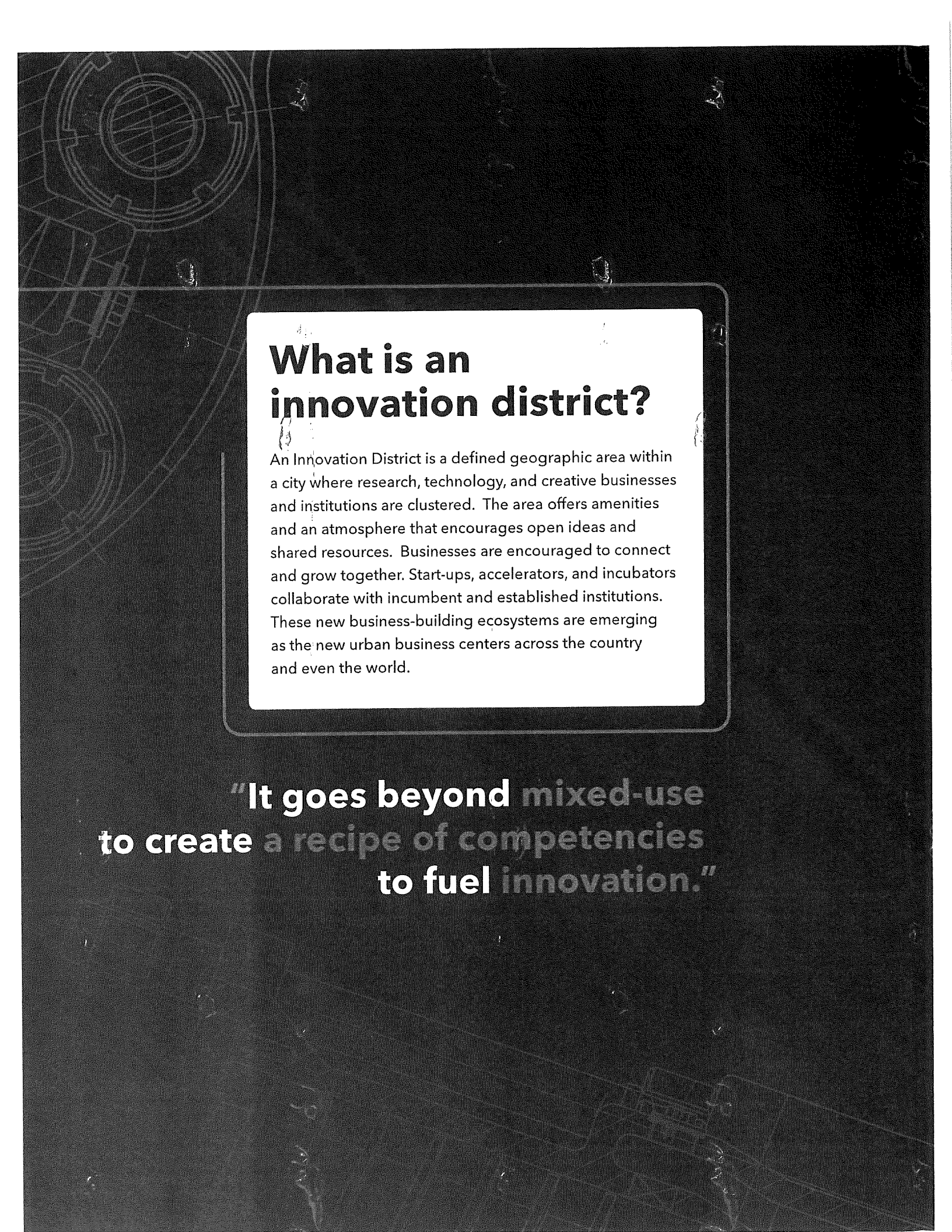
Final Brochure
2/27/18
CPC Meeting
3/1/18

inno
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NORWALK

**Proposal and Approach
for a Norwalk Innovation District**

NORWALK  DEVELOPMENT AGENCY

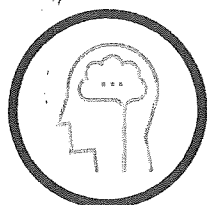
The background of the entire page is a dark, textured surface with faint, light-colored technical drawings or architectural plans. These drawings include circular patterns, lines, and geometric shapes, suggesting a theme of engineering or urban planning. The drawings are most prominent in the upper left and lower right corners.

What is an innovation district?

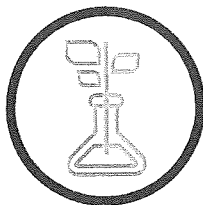
An Innovation District is a defined geographic area within a city where research, technology, and creative businesses and institutions are clustered. The area offers amenities and an atmosphere that encourages open ideas and shared resources. Businesses are encouraged to connect and grow together. Start-ups, accelerators, and incubators collaborate with incumbent and established institutions. These new business-building ecosystems are emerging as the new urban business centers across the country and even the world.

**"It goes beyond mixed-use
to create a recipe of competencies
to fuel innovation."**

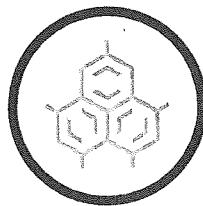
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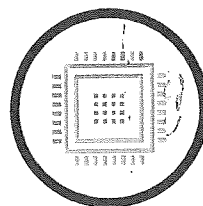
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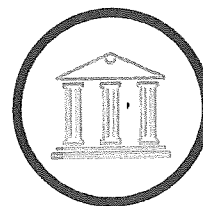
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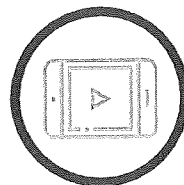
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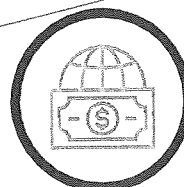
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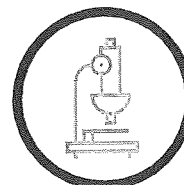
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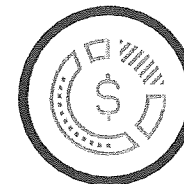
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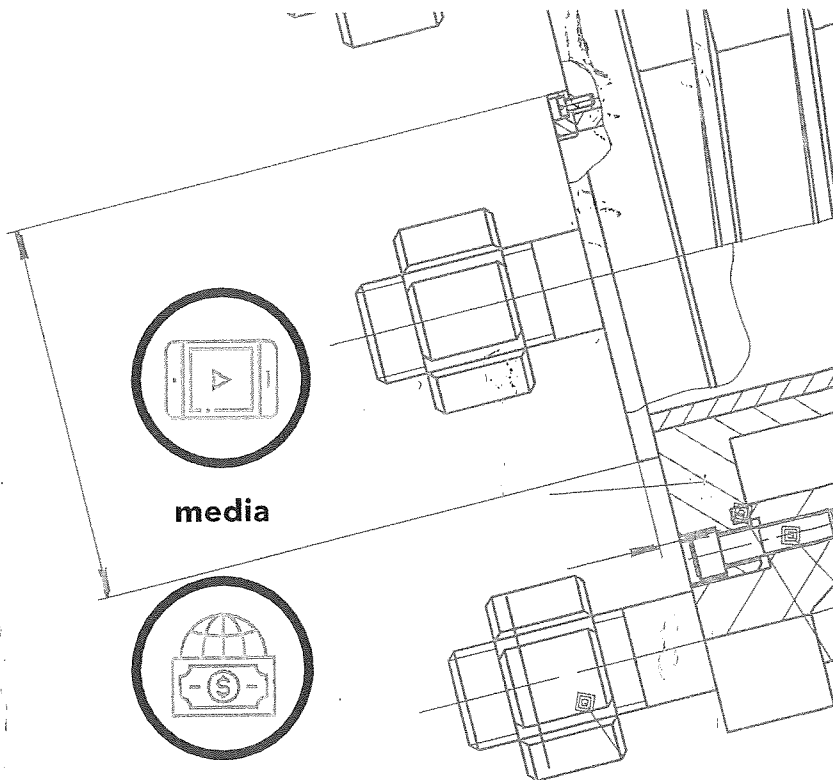
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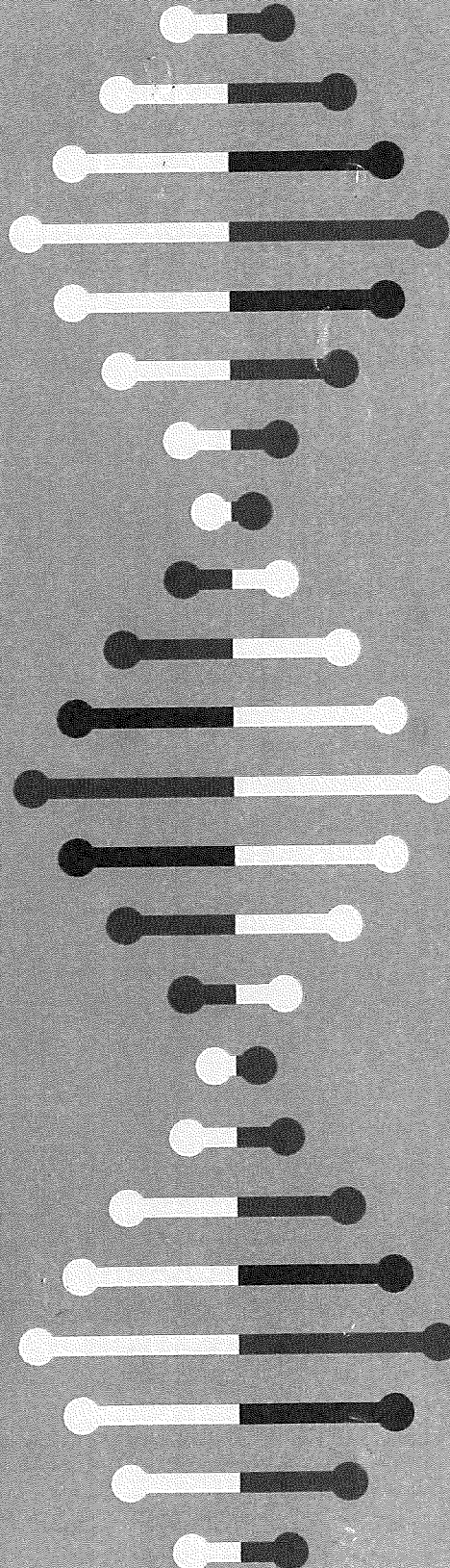
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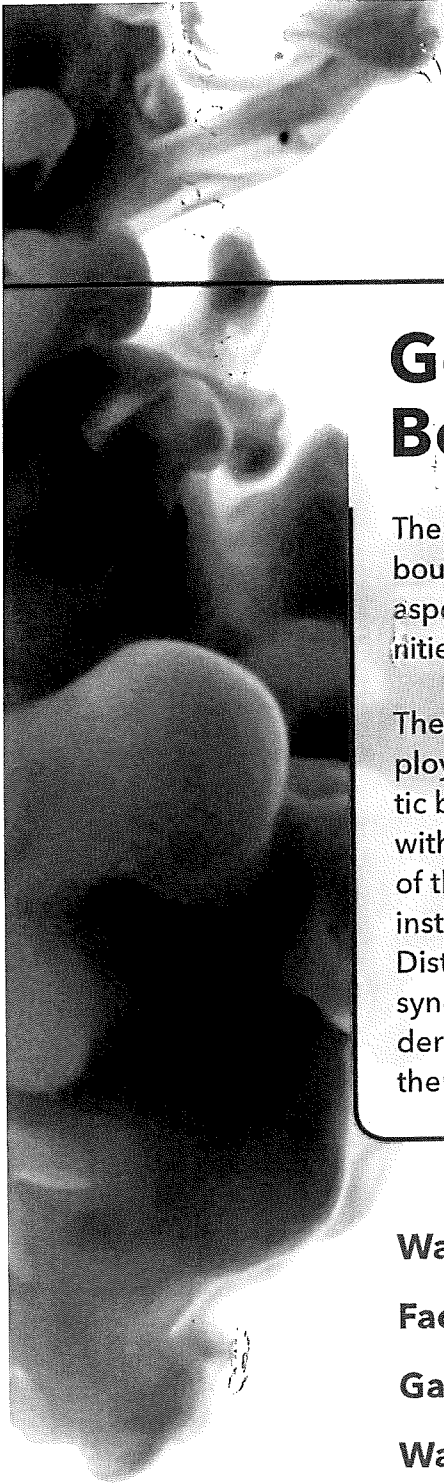
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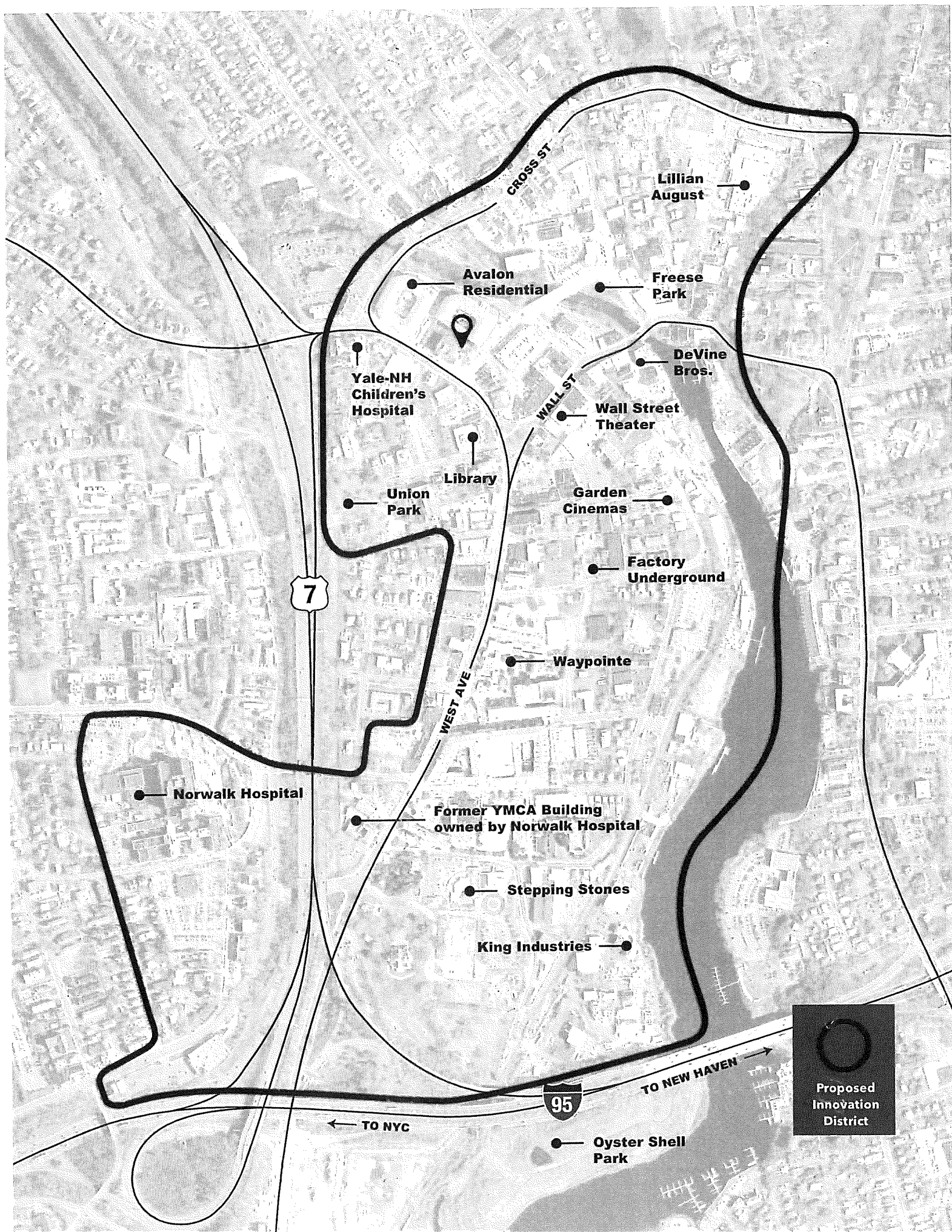
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7

95

← TO NYC

TO NEW HAVEN →

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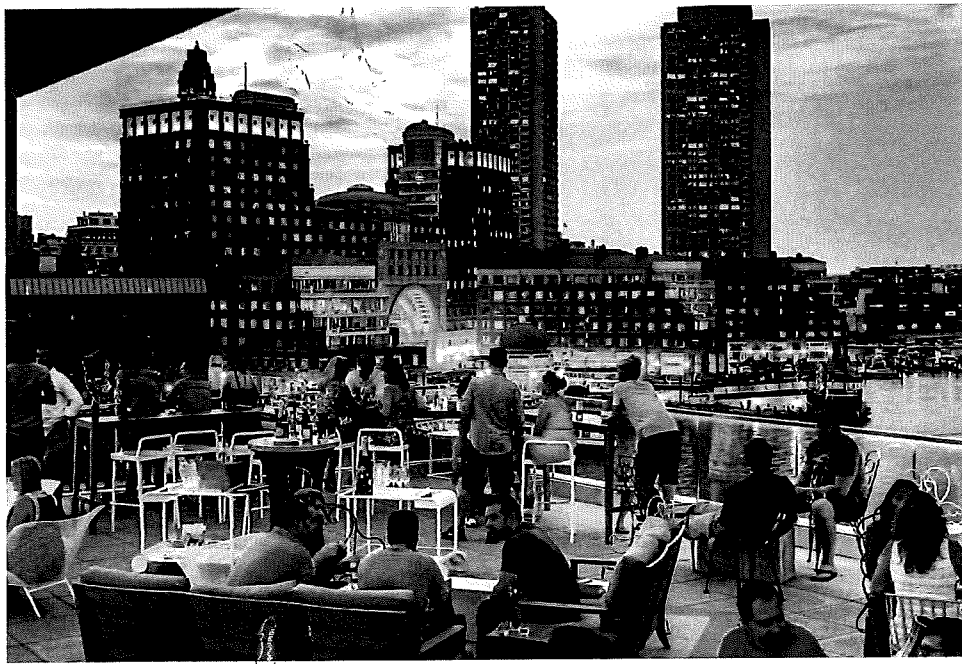
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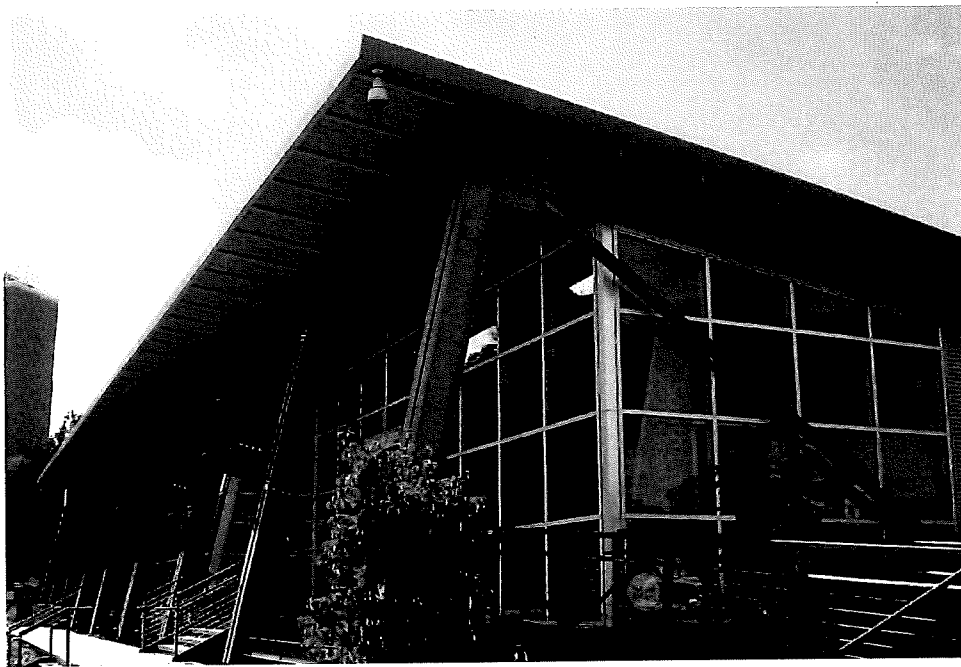
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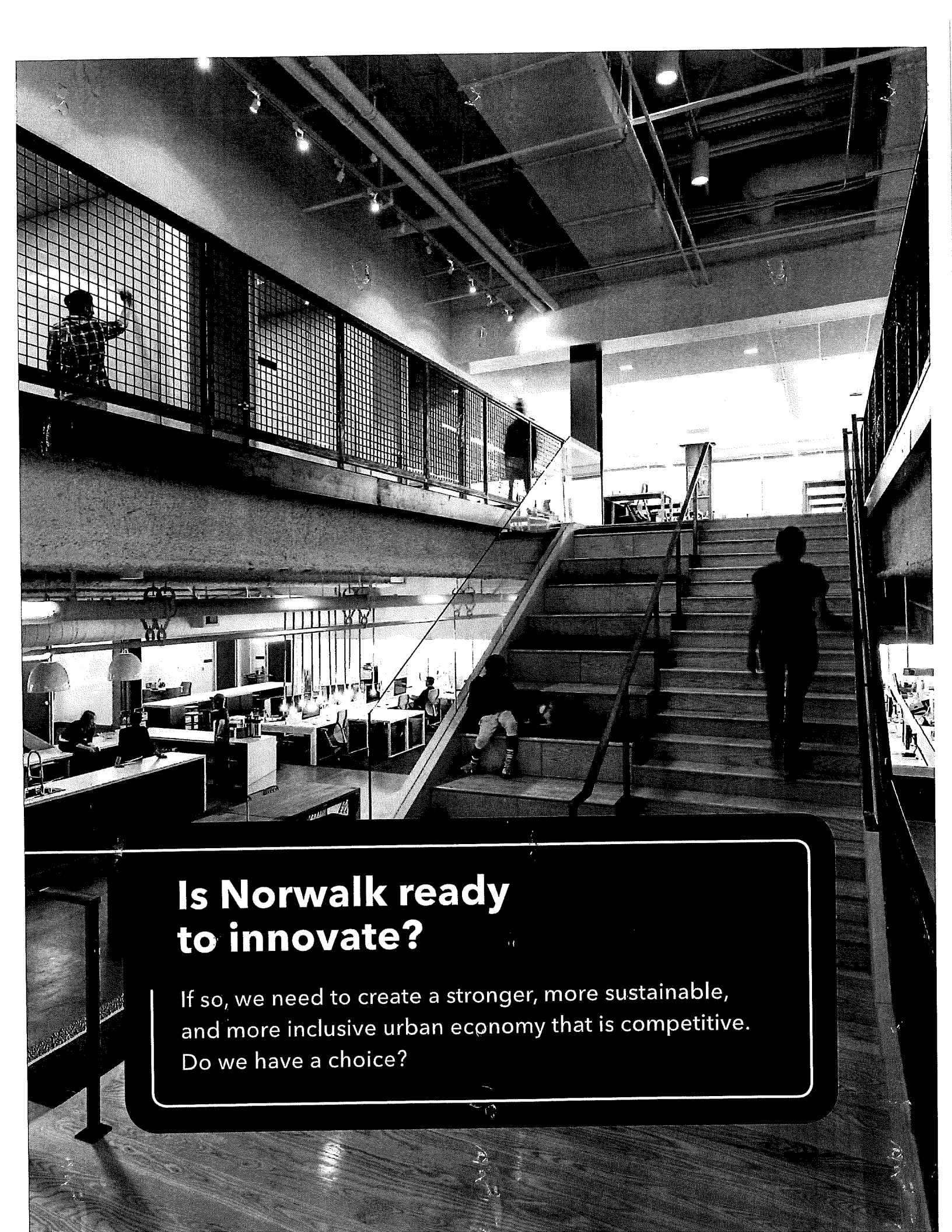
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knowledge in a dynamic
process of innovation,
imitation, and improvement."

**-Sir Peter Hall, Cities in Civilization:
Culture, Innovation, and Urban Order**

Norwalk City Hall, P.O. Box 5125, 125 East Avenue, Norwalk, CT 06851

norwalkredevelopmentagency.com

*Memo re Special Meeting 4/16/18
PC Meeting*

**THE PLANNING COMMITTEE
OF THE COMMON COUNCIL**

**125 East Avenue
P.O. Box 5125
Norwalk, CT 06856**

MEMORANDUM

TO: PLANNING COMMITTEE MEMBERS
FROM: TIM SHEEHAN, STAFF
DATE: APRIL 13, 2018
RE: INNOVATION DISTRICT INCENTIVE DRAFT ORDINANCE

For the past few months the Planning Committee has actively been engaged in assessing the economic development potential of an Innovation District in the Wall / West urban corridor and the appropriate tax incentives that would assist in advancing the economic development goals of the proposed district. At its March meeting staff was instructed to seek comment on the proposed incentives from Corporation Counsel as to municipal tax policy and state statute provisions, Redevelopment Agency Commission as the principal planning agency for the District and the Board of Estimate and Taxation as it relates to city fiscal policy. We will review with the Planning Committee the comments that were obtained from these meetings at Monday's Special Meeting. There were, however, some comments as to the structure of the tax incentives that required modification in order to ensure compliance with the provisions of CGS 12-65b and 12-65h. Those adjustments are reflected in the revised incentives attached to this memo.

Additionally, there was preliminary discussion within the Planning Committee regarding the possibility of delegating the Common Council's approval authority over the tax incentive applications to another body. In reviewing this concept with the Connecticut Office of Legislative Research and Corporation Counsel, that approach is generally thought to be inconsistent with the referenced state statute which requires the legislative body to approve all such tax agreements. An additional structural consideration was to approve the Innovation District and the associated tax credits as a simple Common Council Action or to have such embodied in the City Code as a City Ordinance. Staff is recommending the latter because it is consistent with how the City has recognized other existing tax incentives, such as the Enterprise Zone and the Senior Tax Incentive Program, and it is consistent with how other municipalities have employed their authority under the referenced state statutes.

Attached is a draft of the proposed City of Norwalk Innovation District Business Incentive Ordinance. The related tax incentives are included as an exhibit as is the geography of the proposed district. It is the goal of Monday's Special Meeting to work through any remaining concerns and or required modifications to the proposed ordinance that might remain with the committee members, so that the appropriate modifications can be made and the proposed document can be taken up as a favorable referral by the Planning Committee to the Ordinance Committee on May 3rd. The highlighted provisions of the document indicate that which staff wants to review with the Committee to ensure members are both aware of and comfortable with each provision.

Package for 4/16/18 special Meeting
BPC

**THE PLANNING COMMITTEE
OF THE COMMON COUNCIL**

**125 East Avenue
P.O. Box 5125
Norwalk, CT 06856**

TO: MEMBERS, PLANNING COMMITTEE OF THE COMMON COUNCIL

FROM: JOHN KYDES, CHAIRMAN

DATE: APRIL 9, 2018

RE: MEETING NOTICE

.....
A Special Meeting of the Planning Committee of the Common Council will be held on
Monday, April 16th, 2018 at 7:00 pm in Room 231 in Norwalk City Hall. Please Note
the Time and Location.

**PLANNING COMMITTEE OF THE COMMON COUNCIL
SPECIAL MEETING**

APRIL 16, 2018

7:00 PM

A G E N D A

CALL TO ORDER

ROLL CALL

PUBLIC PARTICIPATION

I. INNOVATION DISTRICT

- A. Review of feedback received
- B. Review proposed Innovation District Incentive Ordinance
- C. Review approval process
- D. Next steps

II. OLD BUSINESS

III. NEW BUSINESS

ADJOURNMENT

THE PLANNING COMMITTEE OF THE COMMON COUNCIL

**125 East Avenue
P.O. Box 5125
Norwalk, CT 06856**

MEMORANDUM

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DATE: APRIL 13, 2018
RE: INNOVATION DISTRICT INCENTIVE DRAFT ORDINANCE

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Additionally, there was preliminary discussion within the Planning Committee regarding the possibility of delegating the Common Council's approval authority over the tax incentive applications to another body. In reviewing this concept with the Connecticut Office of Legislative Research and Corporation Counsel, that approach is generally thought to be inconsistent with the referenced state statute which requires the legislative body to approve all such tax agreements. An additional structural consideration was to approve the Innovation District and the associated tax credits as a simple Common Council Action or to have such embodied in the City Code as a City Ordinance. Staff is recommending the latter because it is consistent with how the City has recognized other existing tax incentives, such as the Enterprise Zone and the Senior Tax Incentive Program, and it is consistent with how other municipalities have employed their authority under the referenced state statutes.

Attached is a draft of the proposed City of Norwalk Innovation District Business Incentive Ordinance. The related tax incentives are included as an exhibit as is the geography of the proposed district. It is the goal of Monday's Special Meeting to work through any remaining concerns and or required modifications to the proposed ordinance that might remain with the committee members, so that the appropriate modifications can be made and the proposed document can be taken up as a favorable referral by the Planning Committee to the Ordinance Committee on May 3rd. The highlighted provisions of the document indicate that which staff wants to review with the Committee to ensure members are both aware of and comfortable with each provision.

BE IT ORDAINED BY THE CITY OF NORWALK that the following is adopted as City Ordinance #_____, and shall be entitled City of Norwalk Innovation District Business Incentive Ordinance pursuant to CGS12-65b and 12-65h:

1. Purpose

Formulation of the District

It is hereby found and declared that the establishment of a Norwalk Innovation District in the Wall Street and West Avenue area (Exhibit A Map) will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology and therefore is a necessary economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The Norwalk Innovation District is a concept based on the premise that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

The Norwalk Innovation District redevelopment objectives of; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, secure a sufficient workforce and ensuring that those who work in the district in such industry can live in the district will not happen spontaneously or through the force of current market conditions. Such redevelopment objectives will only achieve their maximum potential - the number and quality of jobs, housing units, tax base increase, and more - with a district approach and the active participation of the City of Norwalk.

Related District Tax Incentives

The City of Norwalk (City) recognizes that the Innovation District will exist in an economically competitive global marketplace and therefore elects to use authority granted it by the State of Connecticut to expand and diversify its commercial tax base within the District to enable the retention of existing businesses that want to expand and by attracting new businesses and investment into the District consistent with the District's stated economic development goals. Utilizing the Innovation District as an economic development tool to promote high quality economic development projects that contribute jobs and increase the District's tax base the City has developed the Innovation District Business Incentive Ordinance ("Ordinance").

2. Legal Authority

This ordinance is adopted under authority of CGS 12-65b and 12-65h, which each authorize the City, following a vote by its legislative body to so, enter into agreements ("Agreement") with applicants eligible under the terms of said statutes and of this Ordinance to provide specified forms and amounts of tax relief for prescribed periods of time.

3. Eligible Projects

The following projects are deemed eligible for consideration by the City under this ordinance and as aligned with the tax incentives outlined in **Exhibit B**:

- (a) Office use
- (b) Retail use
- (c) Manufacturing use
- (d) Information Technology
- (e) Light Manufacturing

4. Eligibility Requirements

From time to time eligibility requirements can be amended by the Common Council, but those stated at the adoption of this Ordinance are contained in **Exhibit B**

5. General Provisions

- a. The decision to grant or reject any application under this Ordinance shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h. The Planning Committee of the Common Council will review every application and determine those that proceed to the Common Council for action with the recommendation of the Redevelopment Agency and the comments of the Board of Estimate and Taxation. Should the Planning Committee choose to advance an application to the Common Council that is contrary to the recommendation of the Redevelopment Agency, approval of said application shall require a two thirds majority vote of the Common Council.
- b. The City assessor shall in the assessor's sole discretion determine the assessment of real property or air space and /or the personal property and any and all improvements constructed or to be constructed on the real property which is the subject of the agreement.
- c. The Redevelopment Agency shall take in all applications and conduct an economic and innovation capacity assessment of all applications that the assessor has determined involve valuations greater than five million (\$5,000,000) dollars. The

Redevelopment Agency Commission will take formal action on all applications and advance the application, related assessments and its action to the Planning Committee of the Common Council, who shall refer said application to the Board of Estimate and Taxation for its comment to be completed within forty five days. Upon receipt of the Board of Estimate and Taxation comment the Planning Committee will vote to advance the application to the Common Council for final consideration. The intended timeline for application approval is ninety days, however the City does not formally obligate itself to take action on an application within ninety days.

- d. The fixed assessment period shall commence the first fiscal year for which a tax list is prepared on the October 1st immediately following the issuance of a Certificate of Occupancy by the appropriate building official for the construction of the buildings or manufacturing facilities or other structures and all improvements in or on the real property or air space which is the subject of this agreement
- e. Notwithstanding anything in this Ordinance to the contrary, and provided in all other respects the applicant qualifies under the provisions of CGS 12-65b or 12-65h and this Ordinance, the Common Council, may in its sole discretion, offer to enter into an Agreement with such applicant for an abatement of taxes of a lesser percentage and /or of fewer years than authorized by the statute(s)
- f. On a case by case basis, the Common Council in its exclusive discretion and to further the purposes of this Ordinance, may grant an applicant, in addition to the incentives provided by CGS 12-65b and 12-65h, a full or partial waiver of (1) fees under the building code; and or (2) filing fees with land use agencies.
- g. This Ordinance is not retroactive to any project located within the District that has previously obtained a foundation or building permit prior to the adoption of the Ordinance.
- h. Projects are required to evidence the commencement of construction within six (6) months and shall be complete within 30 months of execution of the Agreement. Failure to comply with this schedule shall result in termination of the Agreement by the Common Council.
- i. If an applicant valuation exceeds \$5,000,000 and during the period of participation in this program and during the term of an Agreement it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20% or more, a reduction in workforce by more than 20% or more, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S. 12-65b and 12-65h then the Common Council shall terminate the Agreement and any tax incentive or other benefit enjoyed by the applicant under this program and the Agreement shall be

immediately forfeited and the applicant shall be required to pay back all taxes it would have been assessed had the application not been granted and the Agreement not been entered into. Every Agreement shall contain a provision to this effect.

- j. No agreement entered into pursuant to this policy shall be subject to assignment, transfer or sale without written approval from the Redevelopment Agency.
- k. No agreement shall be executed by the Common Council until it is approved by Corporation Counsel as to form and legality.
- l. Any Agreement hereunder shall be recorded in the land records of the City of Norwalk.

6. Application Process

- (a) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council. After determining that an application is complete it shall be forwarded to the Redevelopment Agency for its review. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty five (45) days. Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5a.
- (b) After review of an application as provided in subsection (a) above, an application reviewed favorably by the Common Council will contain an authorization for the Mayor to enter into the agreement with the applicant.

Exhibit A

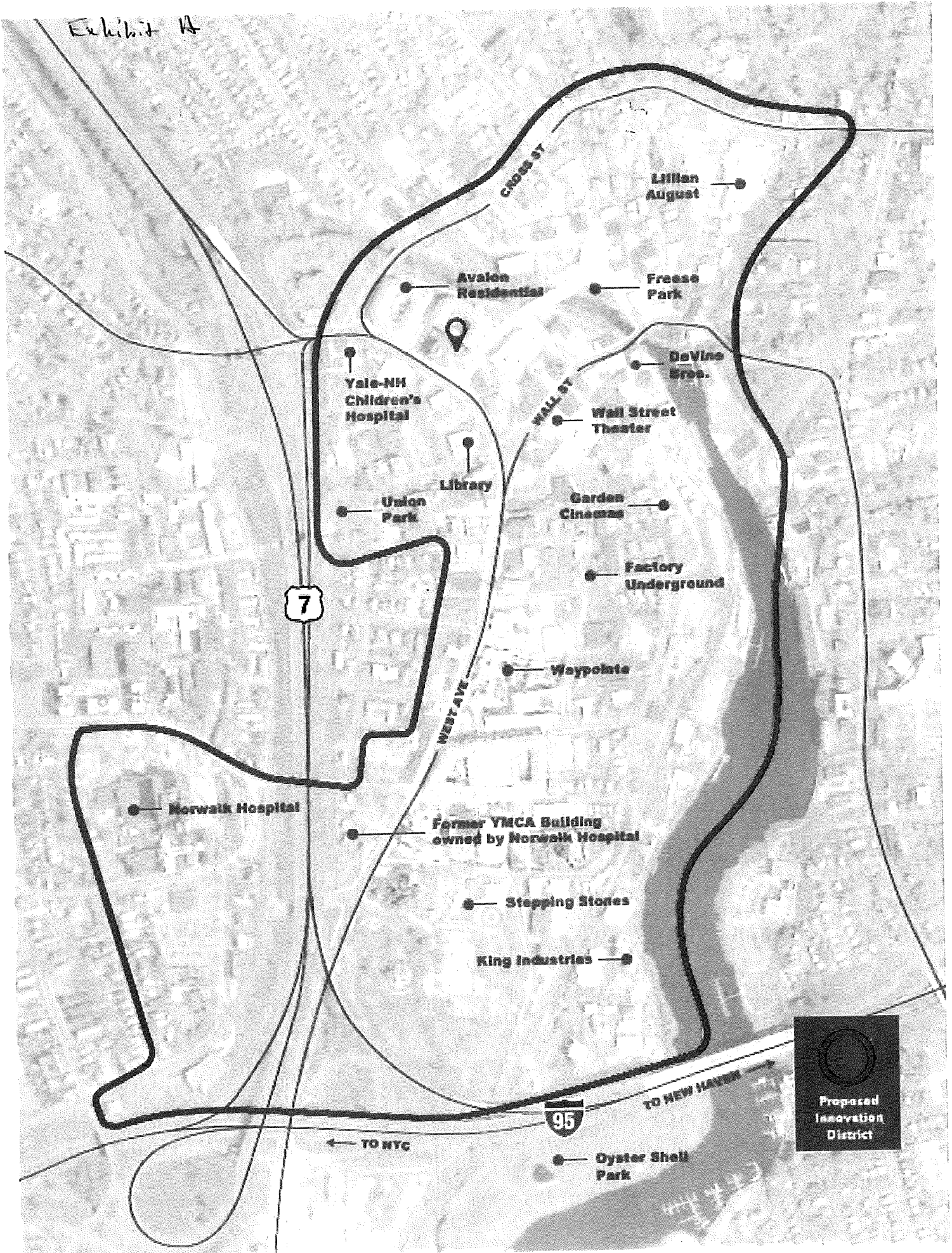


EXHIBIT B

Proposed Incentives

The Agency is proposing seven tax incentives for the Innovation District to attract new development, businesses and jobs to the area. The following incentives can be used in combination or standalone, depending on the business and/or project and must further the themes of technology, science, health, or design. The advancement of an application regarding a proposed incentive will require Redevelopment Agency and Common Council approval.

The Agency will develop the various incentive applications for the Innovation District that will vet applicants and streamline the process prior to coming to the Agency Commissioners and the Common Council for approval. Such application will be reviewed with the Planning Committee.

- ***Real Estate Development Incentive:***

Housing Development: The tax increment is exempted up to 50% for not more than 15 years for housing development projects that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

Other Eligible Uses (Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities): The tax increment is exempted up to 50% for not more than 7 years for projects including the uses listed above that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

- ***The Skilled Job Creation Tax Credit:***

The real estate exemptions may be increased if a business increases the number of skilled jobs available in the District. A business has the option to take advantage of the increase if it creates new full time jobs, that spend a minimum of 60% of their time in the District and pays each position \$50,000 or more annually in a given year. Program participants must commit to maintaining business operations in the District for five years and maintain staffing levels of such jobs since the starting period. The exemption can be increased for: (a) up to 60% for an increase of 10% in skilled jobs; (b) up to 80% for an increase of 20% in skilled jobs; or (c) up to 100% for an increase of 40% in skilled jobs.

- ***District Commercial Preservation Incentive:***

A significant part of the District contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). As the District gains momentum as a place of strategic innovation it will be important to bring new life into many of the District's historic structures and ensure that they continue to positively

influence the District's sense of place, distinctness and architectural relevance. For this purpose a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. The primary benefit of the special valuation would be that during the 7, 2 or 3 year special valuation period, property taxes would not reflect the value of the substantial improvements made to the historic property. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. The property must commence construction on an approved rehabilitation within six months after the execution of the agreement and complete the project within 30 months. Rehabilitation cost must equal or exceed 25% of the current assessed value of the property, exclusive of land value, prior to rehabilitation. Expenditures are based on Qualified Rehabilitation Expenditures. "Qualified rehabilitation expenditures" are expenses chargeable to the project, including improvements made to the building within its original perimeter, architectural and engineering fees, permit and development fees, loan interest, state sales tax, and other expenses incurred during the rehabilitation period. Not included are costs associated with acquiring the property or enlarging the building.

- ***Small Business Incentive:***

Designed to incentivize small businesses and entrepreneurs that have less than fifteen full time employees to the Innovation District by fully exempting them from both the property tax associated with their business's space and any personal property tax associated with the business during their: (a) a period of 7 years or less for investments of at least \$3 million or (b) a period of 2 years or less for investments of at least \$500,000. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements of no less than \$25,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining at least three such employees each year of the incentive and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

- ***B Corp Tax Incentive:*** This incentive allows all new, sustainable businesses committed to creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the incentive and the employees must work in the District 60% of the time and the incentive is capped at the property taxes for not more than ten thousand square feet.

- ***Sustainability Incentive:***

New Construction or Rehabilitation: Any real estate development project that is designed to meet LEED Green Building Rating System gold certificate or other equivalent certification and does not exceed 70% of the energy use allowed by the state energy code for new construction are exempt up to 50% of the increment for up to 15 years on housing projects and 7 years on other uses (Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities). Projects that qualify may also be eligible for tax credits equivalent to a percentage of allowable costs based on the type of project and the LEED Rating achieved under the state Green Building Tax Credit Program.

Use of Alternative Energy Sources: Any project that uses over 50% of renewable (or green) energy sources may exempt up to 50% of their increment for a maximum of 15 years on housing projects and 7 years on other uses (office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facilities). The exemption may increase as the renewable energy source use increases within the project on a matching basis. For example, if a project uses 70% renewable energy sources the increment may be exempted up to 70%.

- ***Arts Incentive:*** Projects that have qualifying residing artists occupying live-work space and/or artistic entertainment enterprise may exempt up to 100% of their tax obligations for their real estate for up to 7 years. This promotes art throughout the district which will add to character and sense of place. It also may create more affordable spaces for artists to reside and work within the district.

A cap on the incentives of \$15 million is proposed for the first five years of the program. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be offered by that party regarding any future recapitalization actions.

Innovation District Memo 5/3/18
PC Meeting

**THE PLANNING COMMITTEE
OF THE COMMON COUNCIL**

**125 East Avenue
P.O. Box 5125
Norwalk, CT 06856**

MEMORANDUM

TO: PLANNING COMMITTEE MEMBERS
FROM: TIM SHEEHAN, STAFF
DATE: APRIL 26, 2018
RE: INNOVATION DISTRICT BUSINESS INCENTIVE ORDINANCE

In June of 2017 the City's Economic Development Director appeared before the Planning Committee to discuss the need to incentivize further development in the urban area north of I95. She indicated that this idea had been considered at multiple economic development meetings with the Mayor and city staff. As a way of accomplishing this objective she recommended expanding the City's already established Enterprise Zone north to include census tract 441.

The proposed expansion of the Enterprise Zone raised a number of questions and concerns with Planning Committee members. First, there was concern that the Enterprise Zone benefits were extended as of right to an eligible applicant without any local project review. Second, there was uncertainty within the Committee as to what type of development the economic development staff was actually seeking to incentivize. Third, the Committee questioned the need to incentivize further development in this geographic area based on the development that had already occurred or was in construction at the time. To address these issues in further detail the Committee established a sub-committee. The sub-committee was to work with staff to first determine if the area warranted the Common Council's consideration of developmental incentives. Once that question was answered the sub-committee was to report its determination back to the full Committee.

In November of 2017, the sub-committee determined that there was an evidenced need to provide some level of incentive to the area and the full Committee was presented a review of census tract 441 demographics and the development projects that had occurred or were in construction. The full Committee concurred with the sub-committee's findings. The sub-committee was then asked again to work with staff to address the additional questions it had regarding the potential incentives, primarily what type of development should be incentivized and through what structure.

In February of 2018 the concept of designating the geographic area as an Innovation District was brought back to the Committee. Innovation districts use the existing

attributes of the designated geography to spur productive, inclusive and sustainable economic development. At a time of sluggish growth, they provide a foundation for the creation and expansion of firms and jobs by helping companies, entrepreneurs, universities, researchers and investors—across sectors and disciplines—co-invent and co-produce new discoveries for the market. Further, the structure of the proposed incentives to encourage such development was addressed with the Committee in February of 2018. The Committee was generally supportive of advancement but directed staff to seek further review and comment on the proposed initiative from the Finance Director, Board of Estimate and Taxation and Corporation Counsel as to municipal tax policy and the Redevelopment Commission. That request was completed and comments were brought back to the Committee in March of 2018.

The Committee is currently considering referring a draft ordinance to the Ordinance Committee for its review and advancing implementation actions. The proposed ordinance would allow the Common Council to consider the use of property tax incentives in Census Tract 441 on a case by case basis provided the applicant seeking such consideration meets the statutorily and programmatic objectives as outlined. The proposed ordinance does NOT confer any tax benefit as of right for any project, nor is it predicated on any pending project. The ability to convey any tax benefit via the ordinance rests with the Common Council alone. The tax incentives prescribed are consistent with the authority granted the City via CGS12-65b and 12-65h.

The Committee discussions to date on this proposed ordinance reflect its understanding that tax incentives are not the only consideration in making a business development, relocation or retention decision and that the use of such incentives should be done sparingly and in accordance with evidenced need that meets an underlying “but for” requirement. This is fundamentally why the Committee rejected the proposed expansion of the existing Enterprise Zone Program and why it will seek to reconsider that program going forward. The Committee has also taken a targeted approach to the City’s use of such tax incentives by defining the specific geography in which they can be deployed. Finally, the Committee has determined that this incentive program will be in place for only five years. At the end of that period, the Committee will assess its effectiveness and quantify its economic impact and determine if there is a further need for the program going forward.

Attached is an article that was published by the Boston Federal Reserve Bank regarding the effective use of property tax incentives for economic development activities. The article provides cautionary guidance regarding when such incentives should be deployed and the article’s theme reflects a high degree of caution. Suggesting that not every request should be approved, the use of the incentive should be targeted in its approach and the effectiveness of the incentive should be thoroughly evaluated. These themes have mirrored the Committee’s shared comments and concerns and should be fully employed should the Common Council ultimately approve an ordinance authorizing the use of tax incentives.

ACTION

1. The Planning Committee favorably advances to the Ordinance Committee for its review and action on the attached ordinance entitled City of Norwalk Innovation District Business Incentive Ordinance.

ordinance - 5/3/18 PC Meeting

Innovation District Tax Incentives

§99-1. Concept

It is hereby found and declared that the establishment of a Norwalk Innovation District (the "District") in the Wall Street and West Avenue area will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology. The District shall serve as an economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The District's concept is that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

§99-2. Objectives

The District's objectives include; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, securing a sufficient workforce and ensuring that those who work in the district, can live in the district.

§99-3. Eligible Projects

The following project types are eligible for tax incentive consideration:

- (a) Office use
- (b) Mixed Use
- (c) Retail use
- (d) Manufacturing use
- (e) Information Technology
- (f) Light Manufacturing

§99-4. Eligibility Requirements

From time to time eligibility requirements may be amended by the Common Council,

§99-5. Review Process

- a. The decision to grant or reject any application shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h.
- b. The Planning Committee of the Common Council will review every application with the advice and analysis of the Norwalk Redevelopment Agency and determine those applications that shall proceed to the Common Council for a vote on approval of tax incentives.
- c. If approved for a tax incentive, the fixed assessment period shall commence the first fiscal year following the issuance of a Certificate of Occupancy for the real property or air space which is the subject of the tax agreement
- d. The Common Council, may, in its sole discretion, enter into an Agreement with a successful applicant, for an abatement of taxes at a lesser percentage and/or for fewer years than authorized by the statute or this ordinance.
- e. Approved Projects are required to commence construction within six (6) months and shall be completed within 30 months of execution of the Agreement. Failure to comply with this schedule may result in termination of the Agreement by the Common Council.

If a successful applicant's valuation exceeds \$5,000,000, and, during the term of the Agreement it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20% or more, a reduction in workforce by more than 20% or more, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S> 12-65b and 12-65h, the Common Council may terminate the Agreement and any tax incentive or other benefit granted to the successful applicant under this program, the Agreement shall be deemed breached, and the successful applicant shall be required to pay all assessments which were abated under the Agreement. (f) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty five (45) days. Planning Committee shall review all materials, recommendations and

1. Item
2. Item

comments and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5a.

DRAFT

Amended ordinance - 5/3/18 PC Meeting

Innovation District Tax Incentives

§99-1. Concept

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- (f) Light Manufacturing

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- b. The Planning Committee of the Common Council will review every application with the advice and analysis of the Norwalk Redevelopment Agency and determine those applications that shall proceed to the Common Council for a vote on approval of tax incentives.

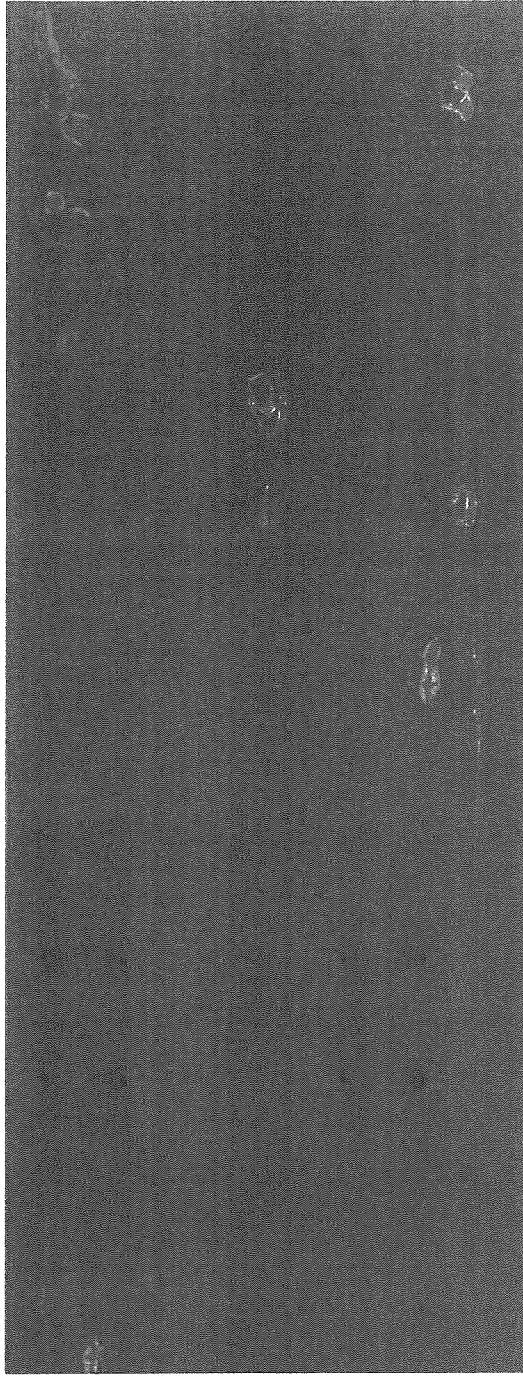
- c. Any project located within the District that has previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Ordinance are not eligible.
- d. If approved for a tax incentive, the fixed assessment period shall commence the first fiscal year following the issuance of a Certificate of Occupancy for the real property or air space which is the subject of the tax agreement.
- e. The Common Council, may, in its sole discretion, enter into an Agreement with a successful applicant, for an abatement of taxes at a lesser percentage and /or for fewer years than authorized by the statute or this ordinance.
- f. Approved Projects are required to commence construction within six (6) months and shall be completed within 30 months of execution of the Agreement. Failure to comply with this schedule may result in termination of the Agreement by the Common Council.

If a successful applicant's valuation exceeds \$5,000,000, and, during the term of the Agreement it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20% or more, a reduction in workforce by more than 20% or more, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S. 12-65b and 12-65h, the Common Council may terminate the Agreement and any tax incentive or other benefit granted to the successful applicant under this program, the Agreement shall be deemed breached, and the successful applicant shall be required to pay all assessments which were abated under the Agreement.

(e) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty five (45) days. Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5a.

Presentations
12/17/17 & 4/2/18

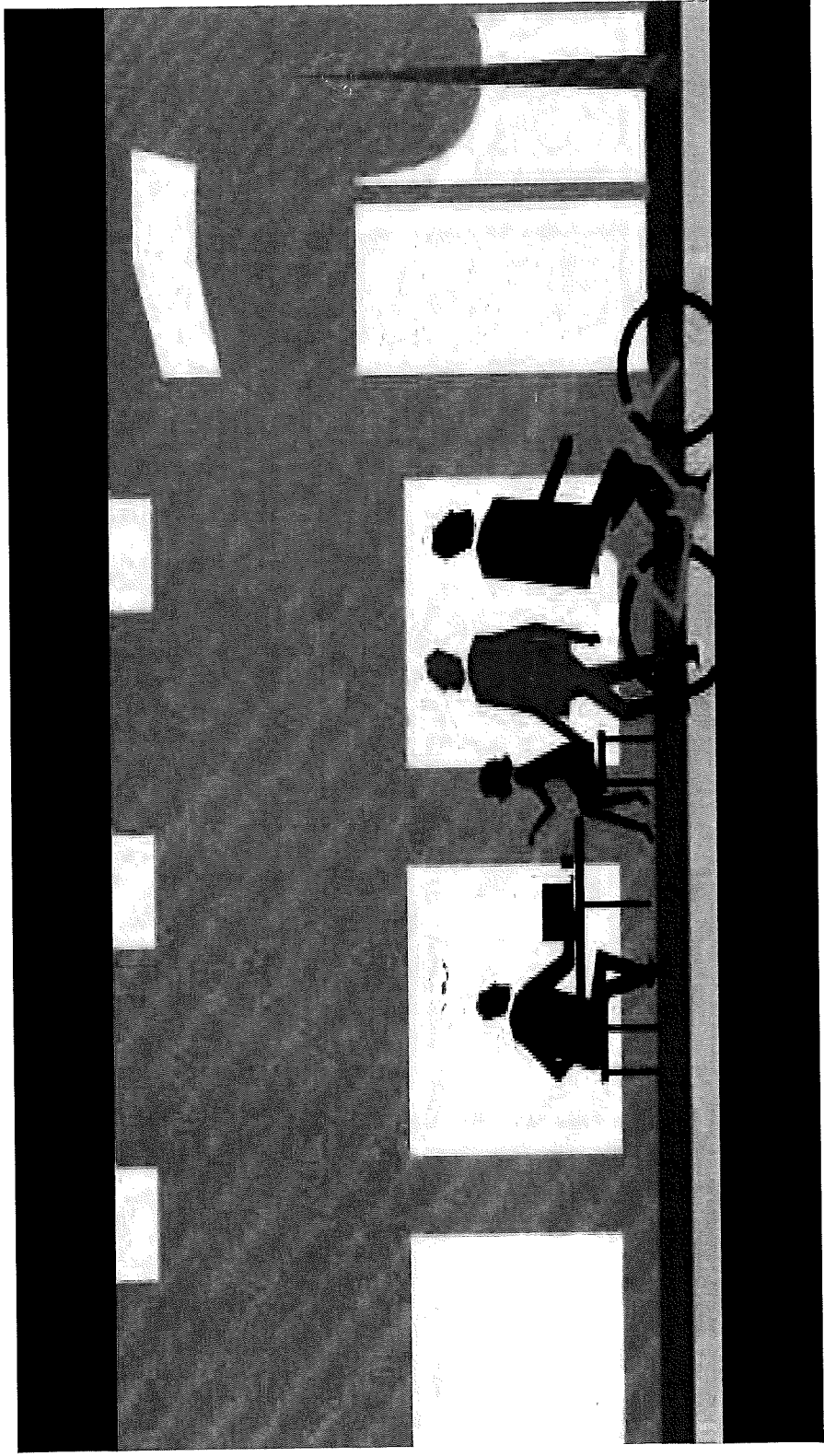
Urban
Innovation
District Incentive
Program



12/17/17
subcommittee
innovation
district
power point
presentation

NORWALK  RE:DEVELOPMENT AGENCY

What is an Innovation District?

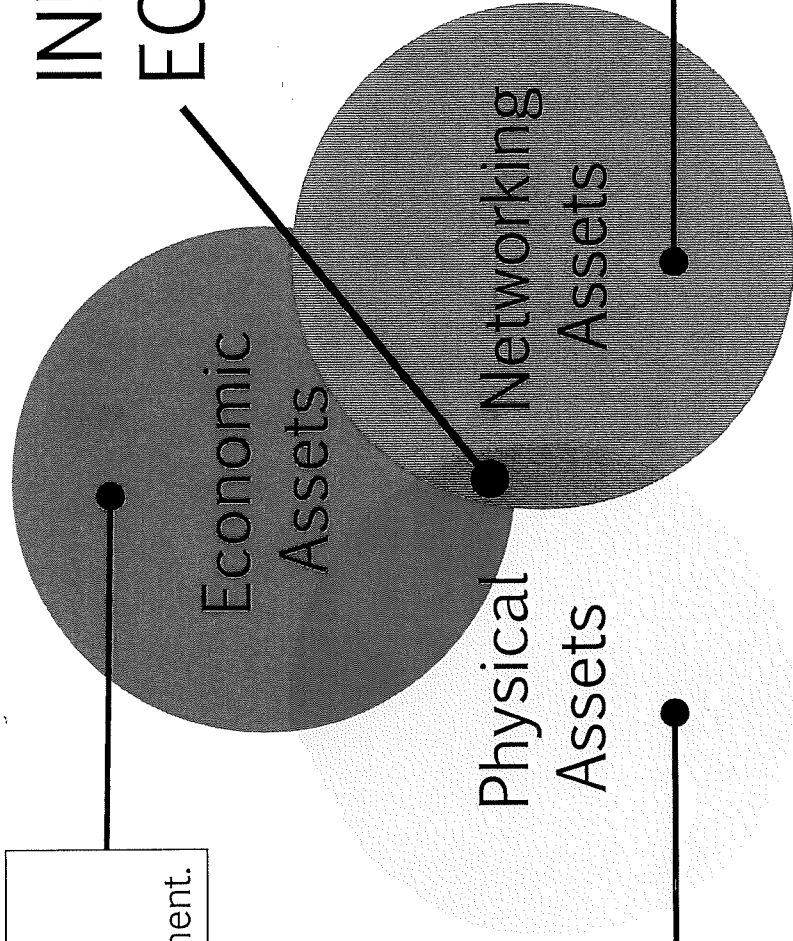


Reimagined Urban District Model

- *Economic development strategy to revitalize underutilized parcels of land by attracting both established companies and emerging entrepreneurs and developing the necessary infrastructure and amenities to support work-life opportunities within it.*
- These are the development and investment objectives we are seeking to incentivize.

The Three Pillars of Innovation Districts

Firms, institutions, and organizations that drive, cultivate, or support an innovation-rich environment.

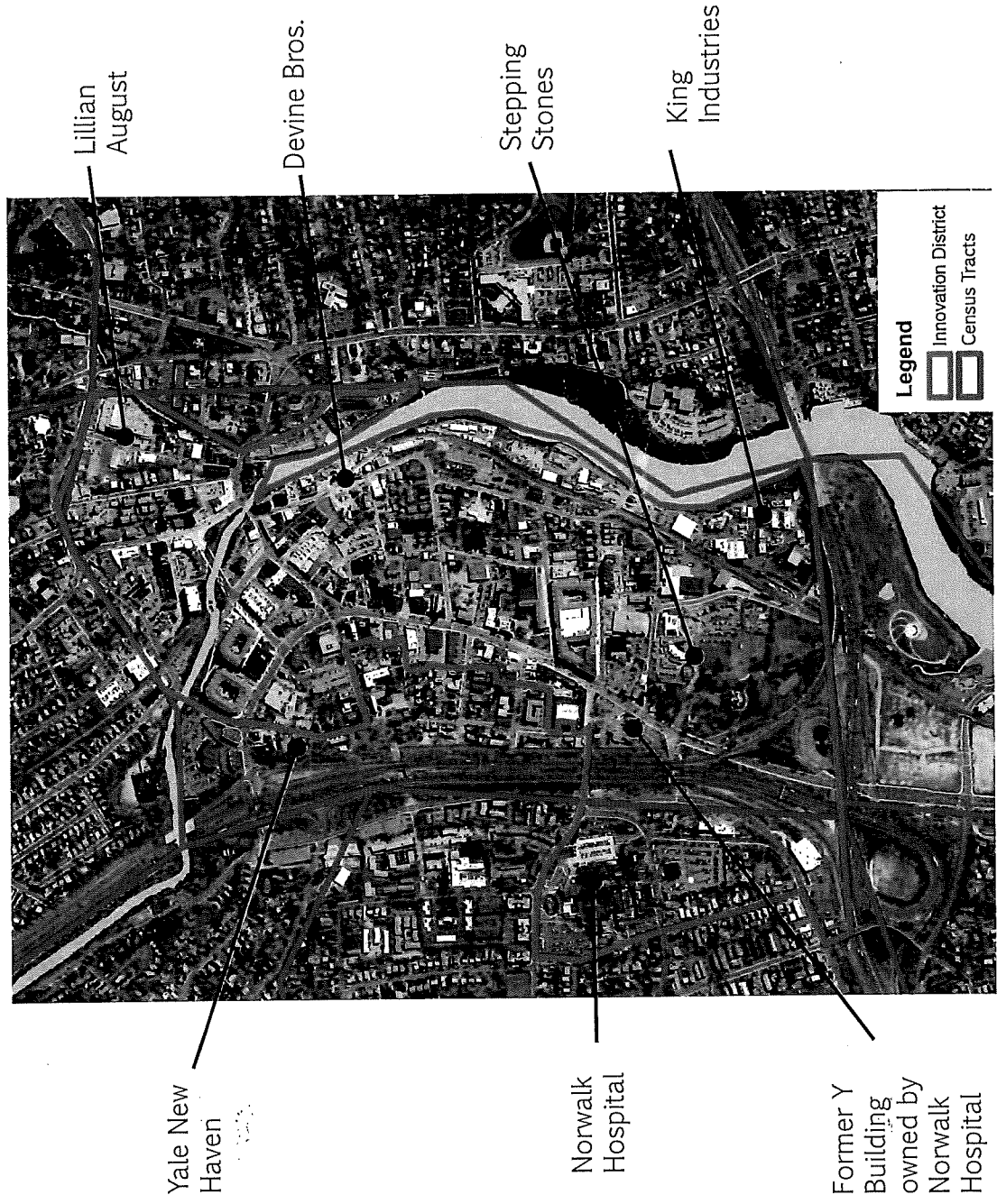


INNOVATION ECOSYSTEM

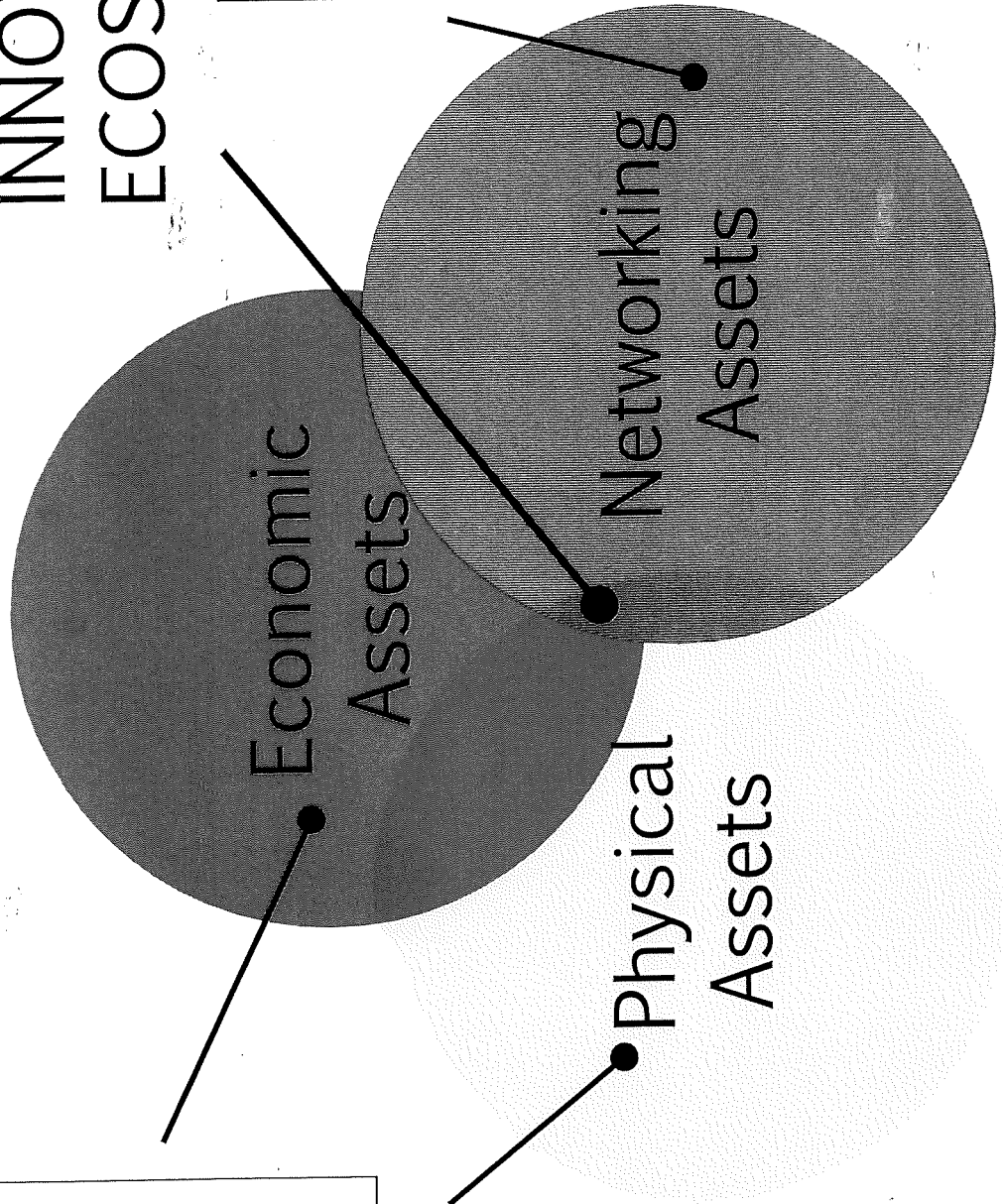
Public and privately owned spaces that are accessible to the public.

Shared spaces to foster relationships between individuals, firms, and institutions that have the potential to generate, sharpen, and accelerate the advancement of ideas.

Norwalk's Innovation District - Wall Street/West Avenue Redevelopment Plan Area



INNOVATION ECOSYSTEM



Library
Former Y Building ground floor use
Waypointe ground floor
Café Aroma
Restaurants & Bars
Entertainment Uses
Pulse Point
Churches

SCIENCE
King Industries
Devine Brothers
HEALTH
Norwalk Hospital
Yale-New Haven
DESIGN & ARTS
Lillian August
TECHNOLOGY
Factory Underground
Optimum
Priceline
CPTV

BUILDINGS
Library
Wall St. Theater
Garden Cinema
Lockwood Mathews
Stepping Stones
Jefferson School
OPEN SPACES
Freese Park
Union Park
Mathews Park
Harbor Loop Trail
Norwalk River Valley Trail
Plaza at Waypointe
Waterfront
CONNECTIVITY
Crosswalks
Lighting
Wide Sidewalks
Bike Lanes
Circulator
Pulse Point

Economic Assets



Yale New
Haven

Lillian August

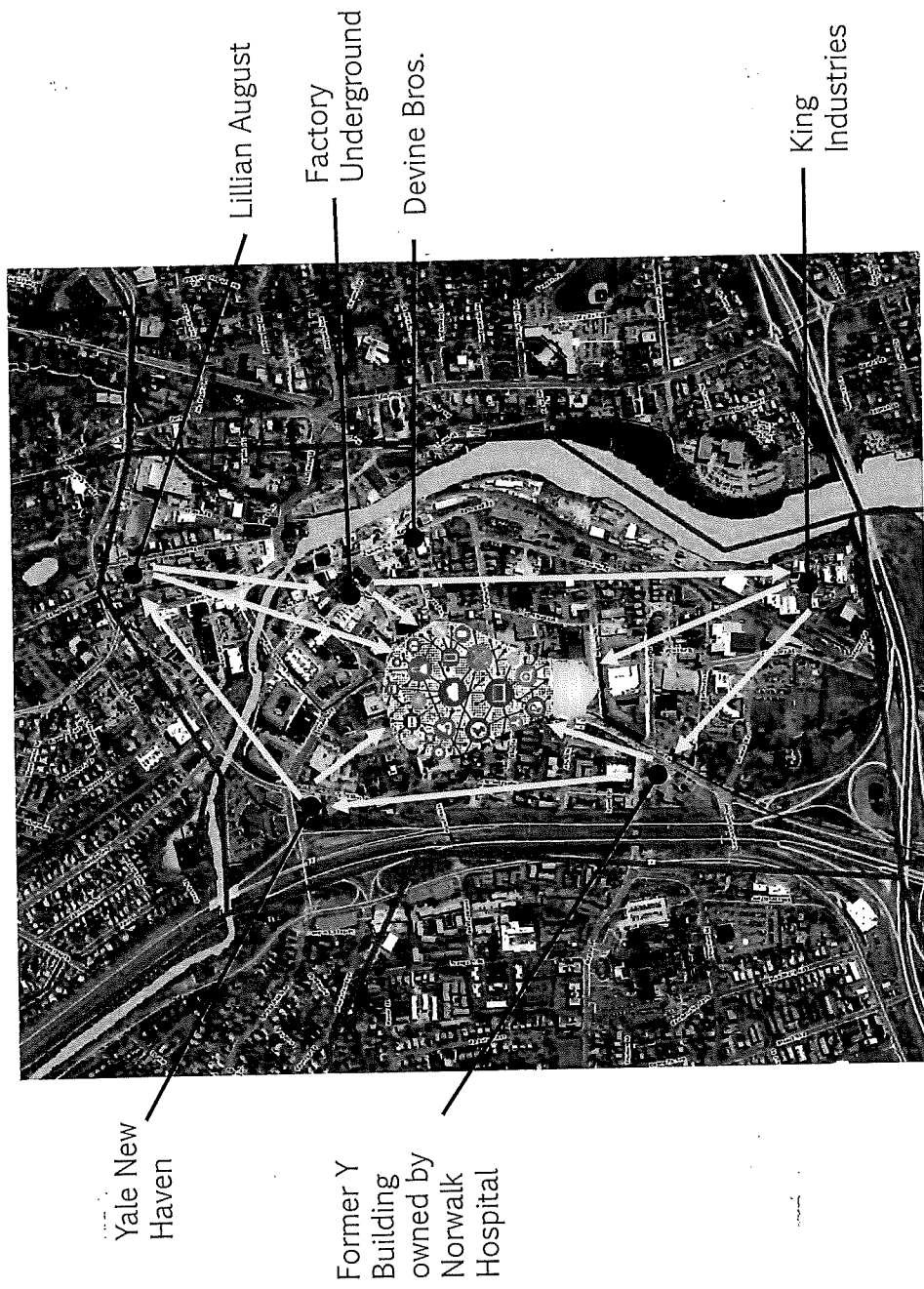
Factory
Underground

Devine Bros.

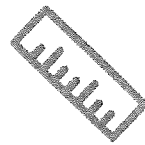
King
Industries

Former Y
Building
owned by
Norwalk
Hospital

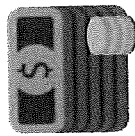
Economic Assets



Recommended Program Elements



Measurable goals and objectives



Financial incentive tools



An evaluation process



Performance standards



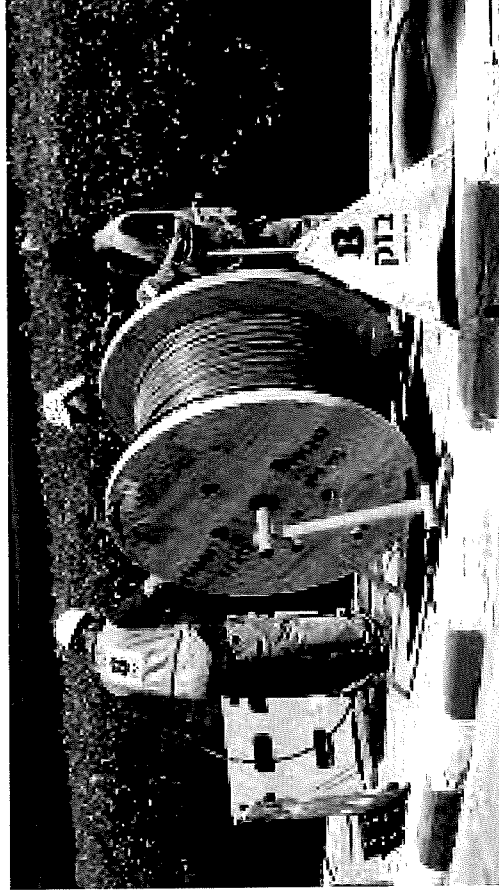
Continued monitoring and compliance

Types of Incentives Recommended

- District Infrastructure – service payment agreement, tax increment may be fully applied to support financing public infrastructure projects to support the District for up to 30 years provided the services payments are equal to the taxes that would have been paid to the City but for the exemption.
- Real Estate – tax increment exempted up to 50% for not more than 10 years.

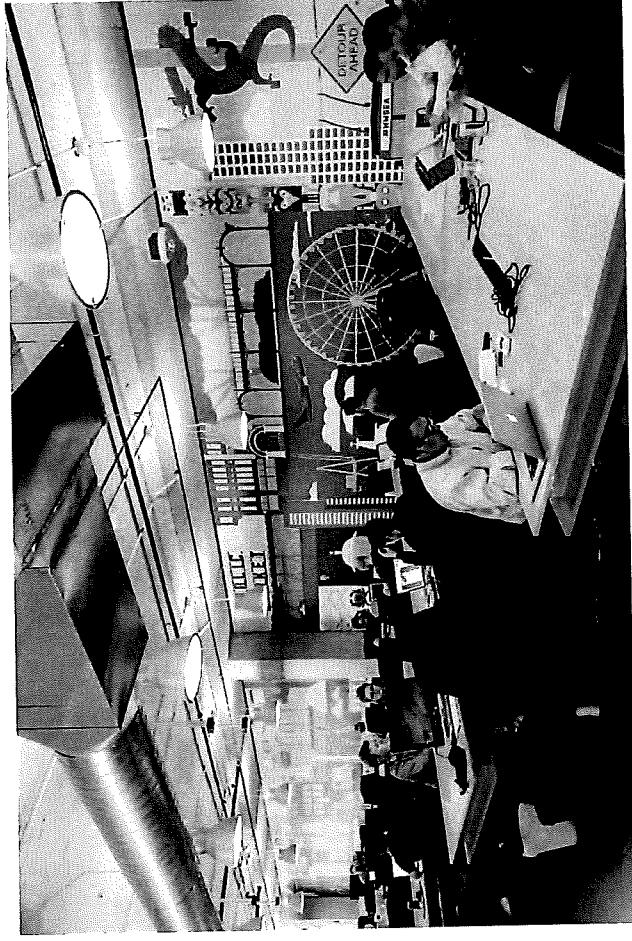
Infrastructure Example

- Norwalk Hospital seeks to add research labs. They want to be in a new building in the innovation district.
- To fill the business plan objectives of the new facilities there are significant costs associated with increasing the District's fiber optic capability.
- The service payment in lieu of taxes could fund the improvements to the District's fiber optic network.
- This model advances an infrastructure improvement that serves the new company and makes the District more competitive to attract other new businesses.



Real Estate Example

- Lillian August is interested in expanding to include shared furniture and fabric design space in an adjacent building.
- However the adjacent building is outdated and must be rehabilitated to facilitate the additional consumer base and users.
- The real estate tax incentive would allow up to 50% of the taxes attributed to the improvements to be exempted for up to 10 years.



Benefits of the Innovation District

Economic

- Job creation for a wide range of skill levels
- Increased private investment
- Enhanced visibility and visibility for the district
- Diversity of uses
- Promoted clustering of economies
- Additional income for surrounding businesses and increased spending
- Less vacancies in the district
- Retention of businesses and creative, talented individuals

Social

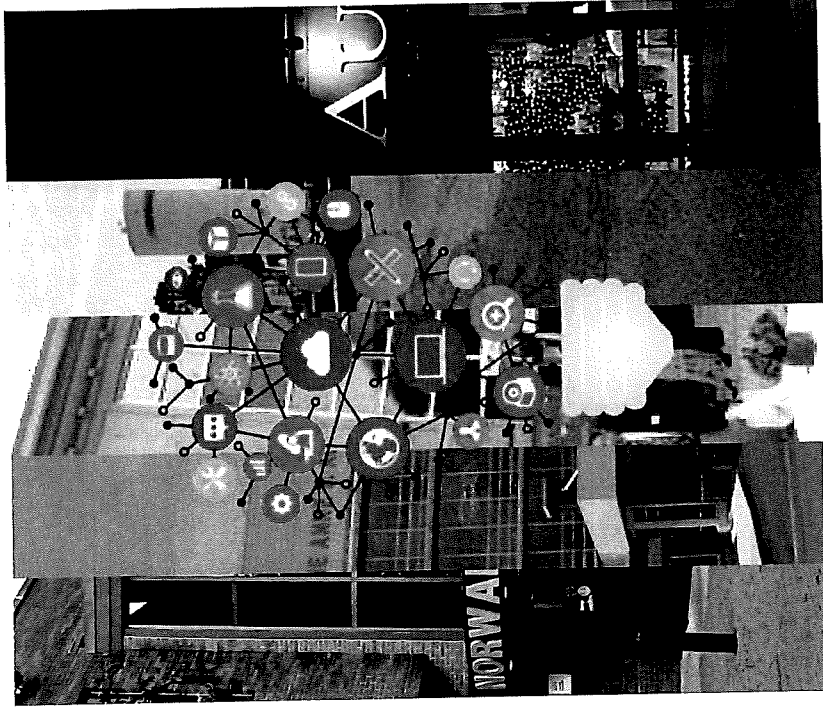
- Housing opportunities for a wide range of income levels
- Improved sociability and more frequent interactions
- Fosters a sense of cohesiveness and security
- Increase in number of neighborhood amenities
- Increase in population and diversity
- Positive impact on income (more long term, high paying jobs available)
- Development of a sense of place
- Shorter travel time to work

Physical

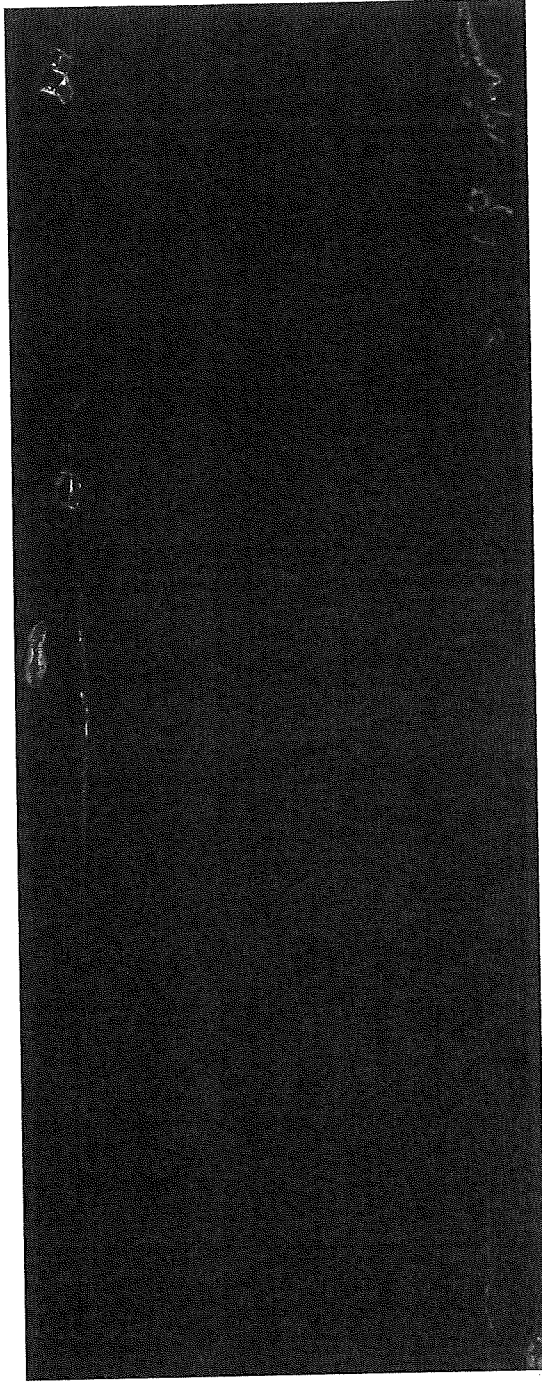
- Development of a business district centered on a variety of themes
- Improved building facades and building quality
- More frequent maintenance
- Activation of the district at all times of the day
- Improved infrastructure
- Blight mitigation
- Improved streetscapes and walkability
- Overall, physically appealing environment (more people on the streets, enhanced streetscapes, better lighting)

Next Steps

- Conversation between larger economic assets with committee
- Development of a program management structure
- Formulation of measurable goals and objectives
- Development of performance standards
- Application creation and approval by subcommittee to advance
- Formal approval by the Planning Committee and Common Council
- Policy adoption



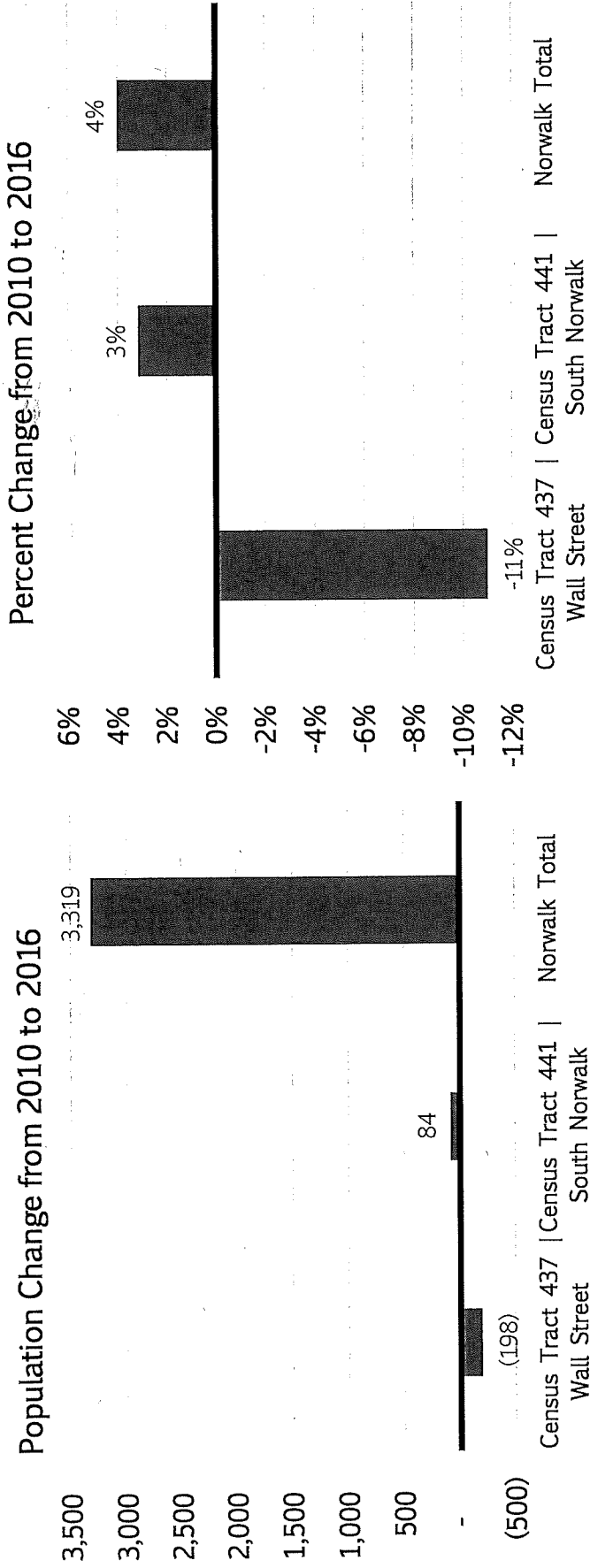
Urban
Innovation
District Incentive
Program



4/2/18
updated -
Power Point
Presentation

NORWALK  DEVELOPMENT AGENCY

Population Change



Estimated Population Increase

- Waypointe North and Midblock
460 units, Actual Population 943
- Quincy Lofts
69 units, Estimated Population* 105
- The Berkley
129 units, Estimated Population* 350
- TOTAL: 1,398

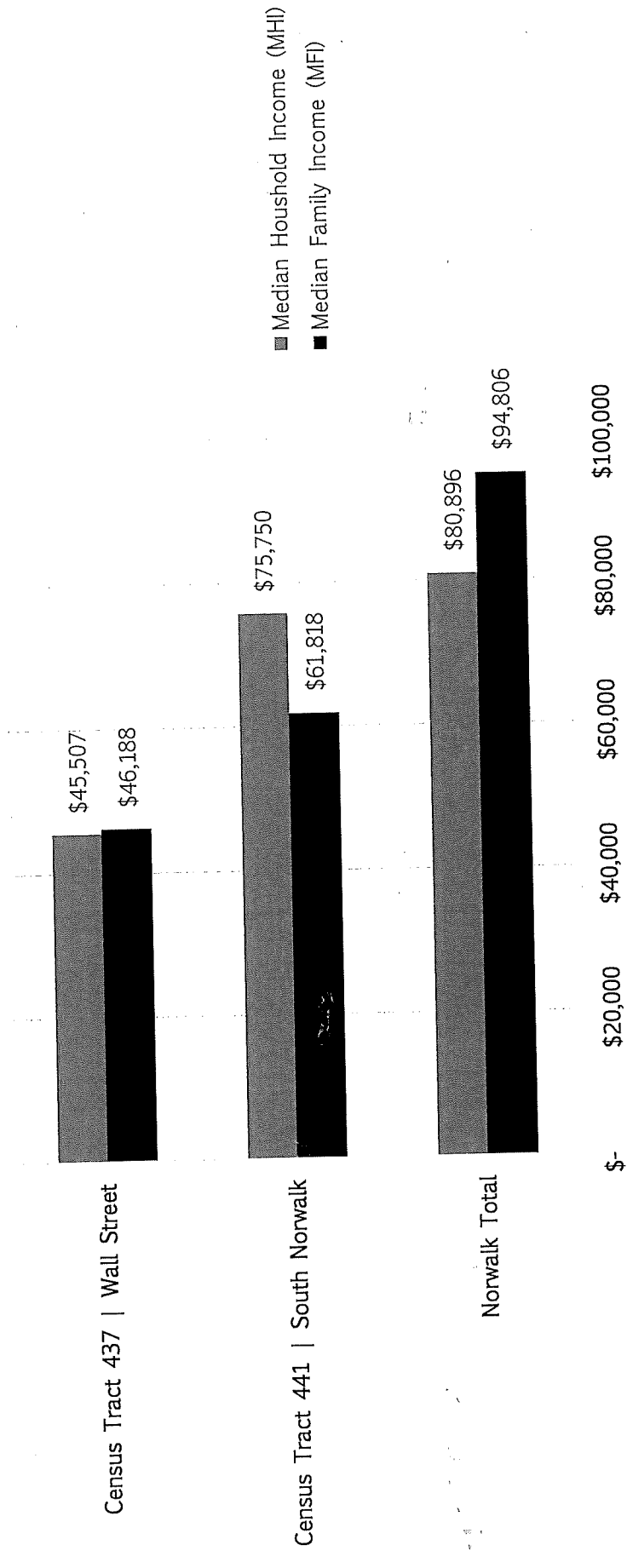
*Population estimates were calculated using the formula:
Population = Number of Units x 1.5

With this change, Census Tract 437 is still **300 people less populated** than Census Tract 440 (South Norwalk).

437 remains the **5th smallest Census Tract** with this change behind Tracts 429 (Silvermine - North of the Merritt), 430 (Silvermine - South of the Merritt), 435 (Westport Ave - nearer Westport), and 436 (The Green)

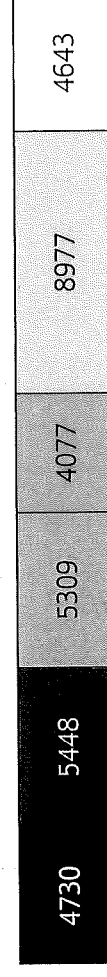
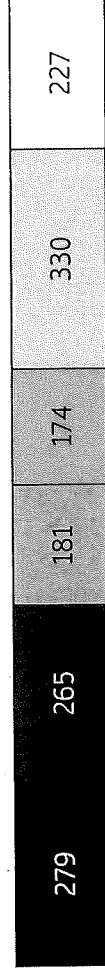
Income

Median Household and Family Income



Income Cohorts

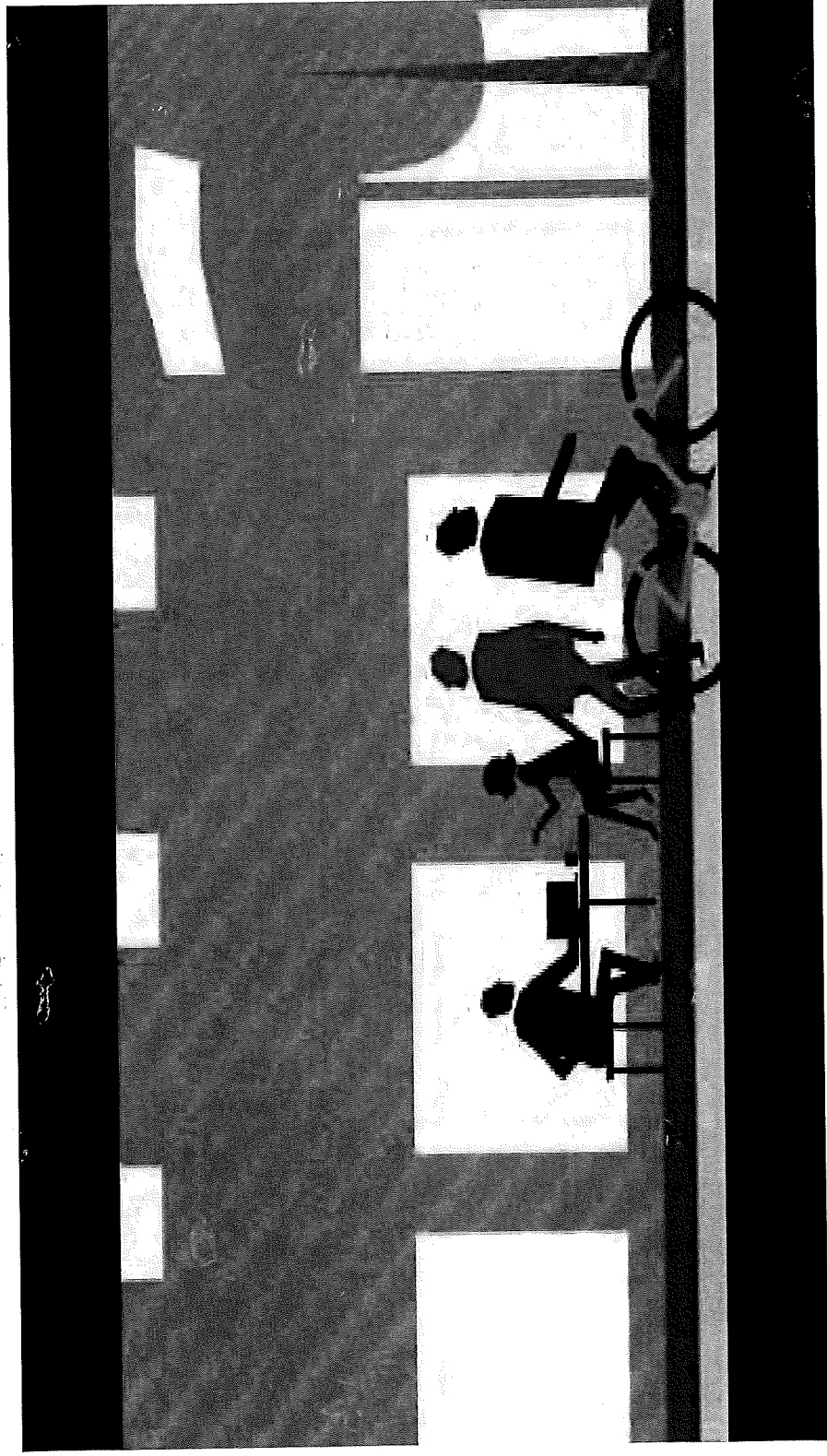
Income Cohorts



- Less than \$25,000
- \$25,000 to \$50,000
- \$50,000 to \$75,000
- \$75,000 to \$100,000
- \$100,000 to \$200,000
- \$200,000 or more

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

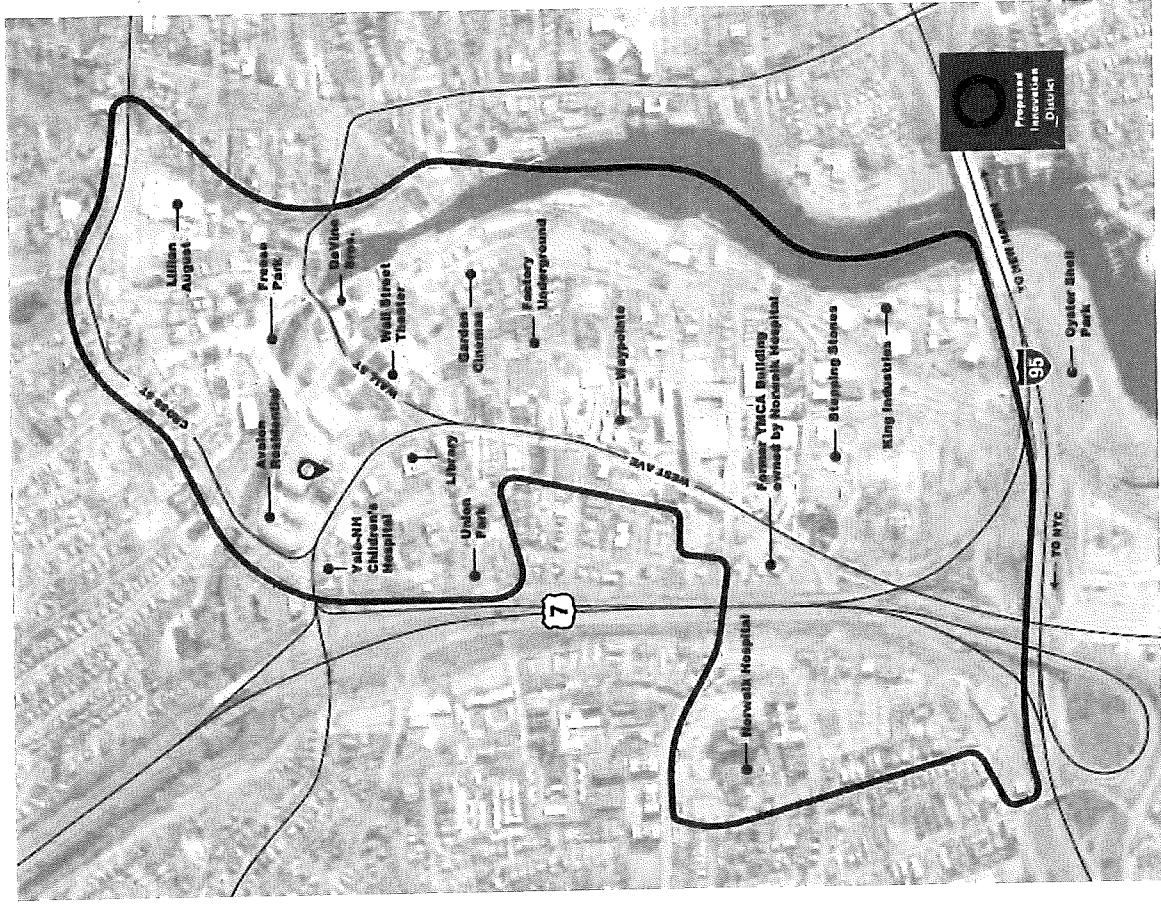
What is an Innovation District?



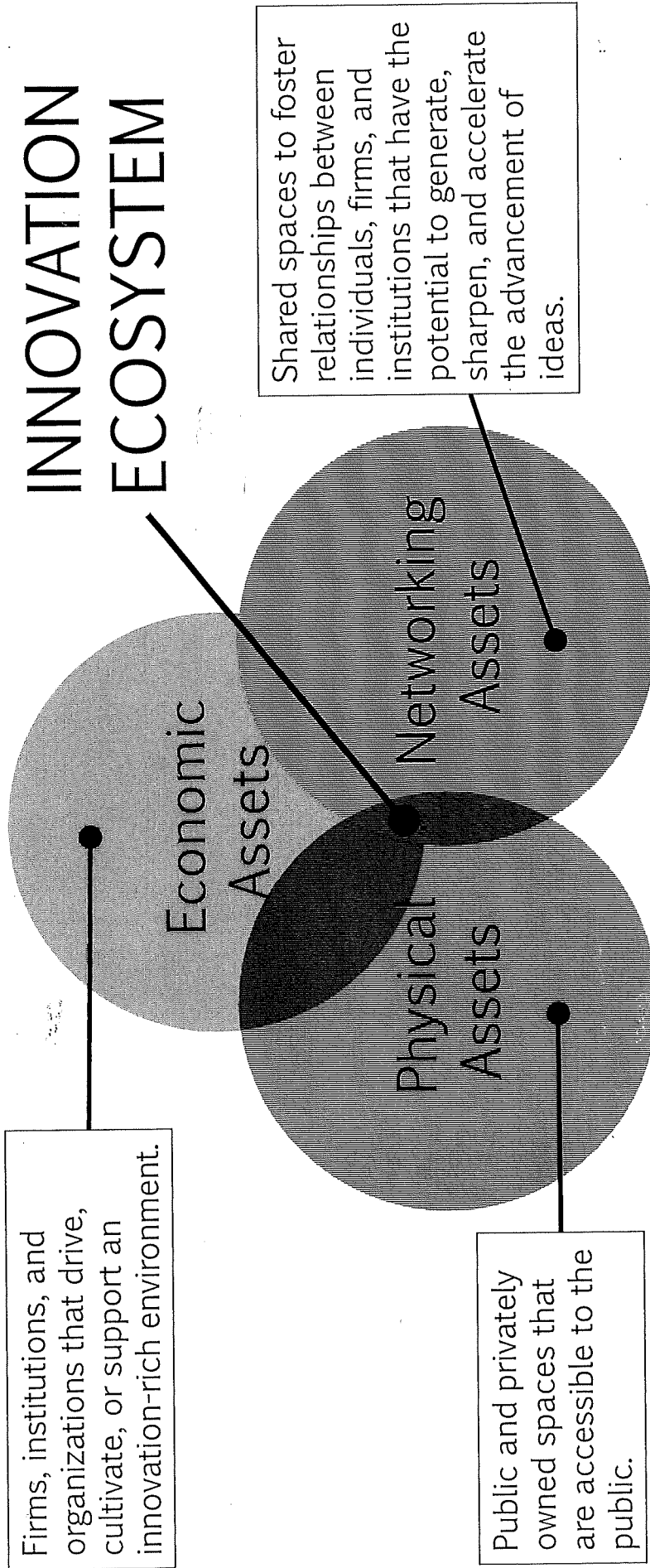
Reimagined Urban District Model

- *Economic development strategy to revitalize underutilized parcels of land by attracting both established companies and emerging entrepreneurs and developing the necessary infrastructure and amenities to support work-life opportunities within it.*
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Norwalk's Innovation District – Wall Street/West Avenue Redevelopment Plan Area

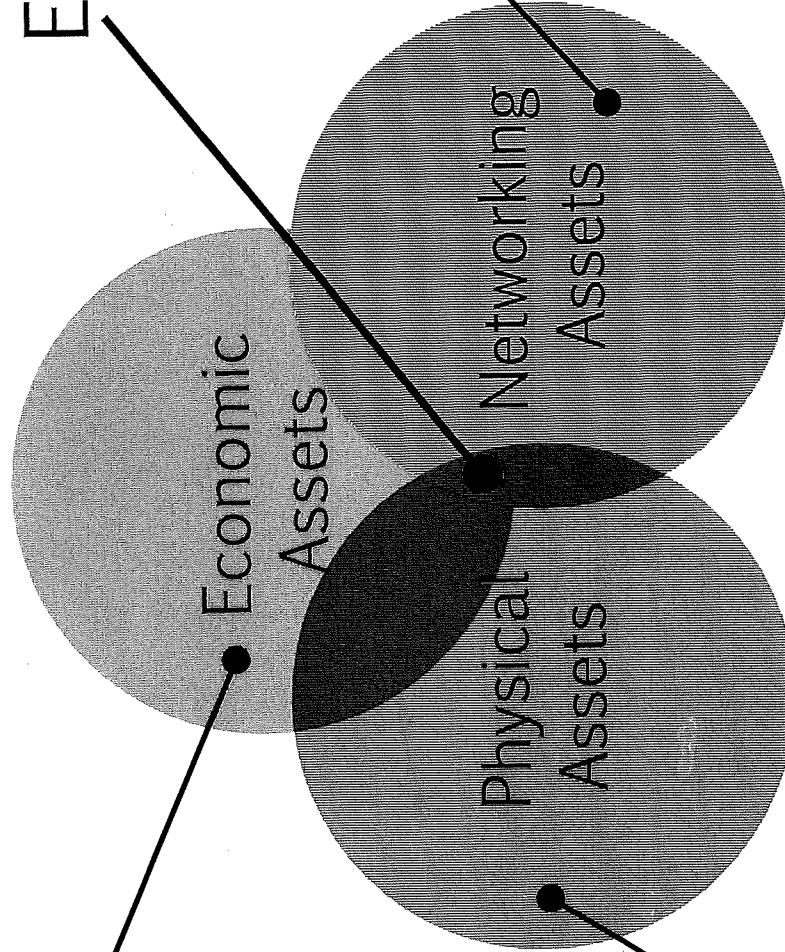


The Three Pillars of Innovation Districts



INNOVATION ECOSYSTEM

SCIENCE King Industries Devine Brothers HEALTH Norwalk Hospital Yale-New Haven DESIGN & ARTS Lillian August Factory Underground TECHNOLOGY Optimum Priceline CPTV	BUILDINGS Library Wall St. Theater Garden Cinema Lockwood Mathews Stepping Stones Jefferson School OPEN SPACES Freese Park Union Park Mathews Park Harbor Loop Trail Norwalk River Valley Trail Plaza at Waypointe Waterfront CONNECTIVITY Crosswalks Lighting Wide Sidewalks Bike Lanes Circulator Pulse Point
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- Library
- Former Y Building ground floor use
- Waypointe ground floor
- Café Aroma
- Restaurants & Bars
- Entertainment Uses
- Pulse Point
- Churches

Recommended Incentives – Real Estate

- **Real Estate: Housing, Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities Development:** The tax increment is exempted up to 50% for not more than 10 years for housing development projects that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

Recommended Incentives – Skilled Jobs

- **The Skilled Job Creation Tax Credit:** The real estate exemptions may be increased if a business increases the number of skilled jobs available in the District. A business has the option to take advantage of the increase if it creates new full time jobs, that spend a minimum of 60% of their time in the District and pays each position \$50,000 or more annually in a given year. Program participants must commit to maintaining business operations in the District for five years and maintain staffing levels of such jobs since the starting period. The exemption can be increased for: (a) up to 60% for an increase of 10% in skilled jobs; (b) up to 80% for an increase of 20% in skilled jobs; or (c) up to 100% for an increase of 40% in skilled jobs.

Recommended Incentives – Preservation

- **District Commercial Preservation Incentive:** A significant part of the District contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). As the District gains momentum as a place of strategic innovation it will be important to bring new life into many of the District's historic structures and ensure that they continue to positively influence the District's sense of place, distinctness and architectural relevance. For this purpose a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. The primary benefit of the special valuation would be that during the 7, 2 or 3 year special valuation period, property taxes would not reflect the value of the substantial improvements made to the historic property. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. The property must commence construction on an approved rehabilitation within six months after the execution of the agreement and complete the project within 30 months. Rehabilitation cost must equal or exceed 25% of the current assessed value of the property, exclusive of land value, prior to rehabilitation. Expenditures are based on Qualified Rehabilitation Expenditures. "Qualified rehabilitation expenditures" are expenses chargeable to the project, including improvements made to the building within its original perimeter, architectural and engineering fees, permit and development fees, loan interest, state sales tax, and other expenses incurred during the rehabilitation period. Not

Recommended Incentives – Small Business

- **Small Business Incentive:** Designed to incentivize small businesses and entrepreneurs that have less than fifteen full time employees to the Innovation District by fully exempting them from both the property tax associated with their business's space and any personal property tax associated with the business during their: (a) a period of 7 years or less for investments of at least \$3 million or (b) a period of 2 years or less for investments of at least \$500,000. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements of no less than \$25,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining at least three such employees each year of the incentive and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

Recommended Incentives – B-Corp

- **B Corp Tax Incentive:** This incentive allows all new, sustainable businesses committed to creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the incentive and the employees must work in the District 60% of the time and the incentive is capped at the property taxes for not more than ten thousand square feet.

Recommended Incentives – Arts

- **Arts Incentive:** Projects that have *qualifying residing artists occupying live-work space and/or artistic entertainment enterprise* may exempt up to 100% of their tax obligations for their real estate for up to 10 years. This promotes art throughout the district which will add to character and sense of place. It also may create more affordable spaces for artists to reside and work within the district.

Recommended Incentives – Sustainability

- Sustainability Incentive:

New Construction or Rehabilitation: Any real estate development project that is designed to meet LEED Green Building Rating System gold certificate or other equivalent certification (such as Living Building certification and others) and does not exceed 70% of the energy use allowed by the state energy code for new construction are exempt up to 50% of the increment for up to 10 years on housing, office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses. Projects that qualify may also be eligible for tax credits equivalent to a percentage of allowable costs based on the type of project and the LEED Rating achieved under the state Green Building Tax Credit Program.

Use of Alternative Energy Sources: Any project that uses over 50% of renewable (or green) energy sources may exempt up to 50% of their increment for a maximum of 10 years on housing, office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses. The exemption may increase as the renewable energy source use increases within the project on a matching basis. For example, if a project uses 70% renewable energy sources the increment may be exempted up to 70%.

Design Elements: Any project that incorporates a green roof, a storm water management system, includes reflective surfaces to mitigate the heat island effect, or any other design elements that are deemed sustainable, may exempt up to 25% of their increment for a maximum of 10 years on housing office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses.

Benefits of the Innovation District

Economic

- Job creation for a wide range of skill levels
- Increased private investment
- Enhanced visitability and visibility for the district
- Diversity of uses
- Promoted clustering of economies
- Additional income for surrounding businesses and increased spending
- Less vacancies in the district
- Retention of businesses and creative, talented individuals

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- Housing opportunities for a wide range of income levels
- Improved sociability and more frequent interactions
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- Development of a business district centered on a variety of themes
- Improved building facades and building quality
- More frequent maintenance
- Activation of the district at all times of the day
- Improved infrastructure
- Blight mitigation
- Improved streetscapes and walkability
- Overall, physically appealing environment (more people on the streets, enhanced streetscapes, better lighting)

Next Steps

- Development of a program management structure and district committee
- Formulation of measurable goals and objectives via a market study being completed by CERC
- Application creation
- Program Guidelines
- Formal approval by the Planning Committee and Common Council
- Policy adoption



**Additional Copies of 5/25/18
Draft Ordinance, Draft Incentives
&
Conn. Gen. Stats. being used by
Innovation District**

Draft ordinance 5/25/18

(#2) - additional copy

Innovation District Tax Agreements

§99-1. Concept

It is hereby found and declared that the establishment of a Norwalk Innovation District (the "District") in the Wall Street and West Avenue area will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology. The District shall serve as an economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The District's concept is that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

§99-2. Objectives

The District's objectives include; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, securing a sufficient workforce and ensuring that those who work in the district, can live in the district.

§99-3. Eligible Projects

Consideration of a potential negotiated tax agreement is extended to the following project types provided they evidence the project's furtherance of technology, science, health or design within the District:

- (a) Office use
- (b) Mixed Use
- (c) Retail use
- (d) Manufacturing use
- (e) Information Technology
- (f) Light Manufacturing

§99-4. Eligibility Requirements

From time to time eligibility requirements may be amended by the Common Council.

- a. Any project located within the District that has previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Ordinance are not eligible.
- b. Any applicant that has debt owed to the City of Norwalk or any related entity including real or personal property taxes, parking fees or penalties, or permit fees or penalties are not eligible.
- c. Any applicant that is not compliant with Norwalk City Code or has had a violation within the past 12 months are not eligible.

§99-5. Review Process

- a. Preliminary applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee – PROCESSING CONCERN (deposit) on a form approved by the Common Council. The Redevelopment Agency's review shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the application materials to the Board of Estimate and Taxation (BET). The BET shall review the forwarded materials and provide its comments to the Planning Committee within forty five (45) days. The Planning Committee shall review all applications materials and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5b.
- b. The decision to grant, reject or re-structure any tax agreement shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any tax agreement application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h.
- c. Applicants are required to sign a waiver on appeals upon entering the Agreement as the decision is based upon the sole discretion of the Common Council per CGS 12-65b and 12-65h. – LEGAL STAFF CONCERNS
- d. If the tax agreement is approved, the fixed assessment period shall commence the first fiscal year following the issuance of a Certificate of Occupancy for the real property or air space which is the subject of the tax agreement.
- e. Approved Projects are required to commence construction within six (6) months and shall be completed within 30 months of execution of the Agreement. Failure to comply with this schedule may result in termination of the Agreement by the Common Council.

§ 99-6. Post-Award Compliance

If a successful applicant during the term of the Agreement: (a) relocates its business from Norwalk; (b) becomes non-compliant with subsection 4b or 4c; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20%, a reduction in workforce by more than 20%, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S. 12-65b and 12-65h, the Common Council may terminate the Agreement and any tax incentive or other benefit granted to the successful applicant under this program, the Agreement shall be deemed breached, and the successful applicant shall be required to pay all assessments which were abated under the Agreement.

Conn. Gen. Stats. being used via Innovation District

Connecticut General Statutes 12-65 – Agreements fixing assessments on multifamily housing

Any municipality acting through its board of selectmen, town council, court of common council or other governing body shall have the power to enter into a written agreement with a taxpayer fixing the assessment of real estate to be used for a housing project consisting of three or more housing units to be constructed or rehabilitated, provided: (a) The real estate to be used for said housing project is in a redevelopment area, community development area or neighborhood strategy area, included (1) in a redevelopment plan approved by a redevelopment agency pursuant to section 8-127, (2) in an urban renewal project authorized by a redevelopment agency pursuant to section 8-141 or (3) in a community development plan approved by the municipality under sections 8-169a to 8-169j, inclusive; (b) the term of such agreement shall not exceed fifteen years from the date of the completion of the housing project or completion of rehabilitation of the housing project or sixteen years from the date of the agreement, whichever is the shorter period; (c) the assessment agreed on for the real estate plus future improvements shall not be less than the assessment as of the last regular assessment date of the real estate without such future improvements. 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 of the judicial district in which the municipality is located to force compliance with such agreement; but a mortgagee may loan its money in reliance on such agreement and nothing herein contained shall be construed to permit the municipality to increase the assessment during the aforesaid period beyond the amount agreed on.

Connecticut General Statutes 12-65b – Agreements between municipality and owner or lessee of real property or air space fixing the assessment of such property or air space

(a) Any municipality may, by affirmative vote of its legislative body, enter into a written agreement with any party owning or proposing to acquire an interest in real property in such municipality, or with any party owning or proposing to acquire an interest in air space in such municipality, or with any party who is the lessee of, or who proposes to be the lessee of, air space in such municipality in such a manner that the air space leased or proposed to be leased shall be assessed to the lessee pursuant to section 12-64, fixing the assessment of the real property or air space which is the subject of the agreement, and all improvements thereon or therein and to be constructed thereon or therein, subject to the provisions of subsection (b) of this section, (1) for a period of not more than seven years, provided the cost of such improvements to be constructed is not less than three million dollars, (2) for a period of not more than two years, provided the cost of such improvements to be constructed is not less than five hundred thousand dollars, or (3) to the extent of not more than fifty per cent of such increased assessment, for a period of not more than three years, provided the cost of such improvements to be constructed is not less than twenty-five thousand dollars.

(b) The provisions of subsection (a) of this section shall only apply if the improvements are for at least one of the following: (1) Office use; (2) retail use; (3) permanent residential use; (4) transient residential use; (5) manufacturing use; (6) warehouse, storage or distribution use; (7)

structured multilevel parking use necessary in connection with a mass transit system; (8) information technology; (9) recreation facilities; or (10) transportation facilities.

Connecticut General Statutes 12-65h – Agreements between municipality and owner or lessee of real property or air space containing a manufacturing facility or a wholesale and retail business fixing the assessment of personal property

Any municipality may, by affirmative vote of its legislative body, enter into a written agreement with any party owning or proposing to acquire an interest in real property in such municipality, or with any party owning or proposing to acquire an interest in air space in such municipality, or with any party who is the lessee of, or who proposes to be the lessee of, air space in such municipality in such a manner that the air space leased or proposed to be leased shall be assessed to the lessee pursuant to section 12-64, upon which is located or proposed to be located a manufacturing facility, as defined in subdivision (72) of section 12-81, fixing the assessment of the personal property located in the facility which is the subject of the agreement, (1) for a period of not more than seven years, provided the increase in the assessed value of such personal property in such facility is not less than three million dollars, (2) for a period of not more than two years, provided the increase in the assessed value of such personal property in such facility is not less than five hundred thousand dollars, or (3) to the extent of not more than fifty per cent of such increased assessment, for a period of not more than three years, provided the increase in the assessed value of such personal property in such facility is not less than twenty-five thousand dollars.

Innovation District Tax Agreement Examples Using CGS 12-65b and 12-65h

The Planning Committee of the Common Council reviewed the examples below of how a tax agreement could be structured using CGS 12-65b and 12-65h for a business or development that furthers the application of technology, science, health or design in the Innovation District. The information below is informational only as the final structure of any tax agreement ultimately is at the sole discretion of the Common Council per the statutory reference above. All tax agreement benefits are conditioned upon an improvement that results in an increased tax valuation.

- ***Real Estate Development Incentive:***

Housing, Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities Development: The tax increment is exempted up to 50% for not more than 10 years for development projects that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district and commits not less than 5% of their gross floor area to health, science, design or technology uses. Eligible projects are valued at not less than \$10 million.

- ***The Skilled Job Creation Tax Credit:***

A real estate tax exemption may be provided to a commercial property owner for the space occupied by a business that creates new or adds to the number of skilled jobs in the District. An eligible full-time job, spends a minimum of 60% of their time in the District and has a starting salary of \$50,000 or more annually. Applicants must commit to maintaining business operations in the District for five years and maintain staffing levels during the term of the tax agreement.

- ***District Commercial Preservation Incentive:***

A significant part of the area contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). To enhance such properties, a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. Rehabilitation cost must equal or exceed 25% of the current assessed value of the property, exclusive of land value, prior to rehabilitation.

- ***Small Business Incentive:***

A real estate tax agreement may be provided to a commercial property owner for small businesses and entrepreneurs that are newly locating, improving or expanding in the

Innovation District. Such businesses that have an improvement that results in an increased tax valuation not less than \$25,000 can be eligible for a full exemption of the property tax associated with their lease and any personal property tax associated with the business: (a) a period of 7 years or less for evidenced investments of \$3 million or more (b) a period of 2 years or less for investments between \$500,000 and under \$3 million. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements between \$25,000 – and under \$500,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining employment levels during the term of the tax agreement and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

- ***B Corp Tax Incentive:*** This incentive allows all sustainable businesses creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years if there is a real estate improvement that results in an increased tax valuation not less than \$25,000. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the tax agreement, the employees must work in the District 60% of the time and the corporation lease cannot exceed ten thousand square feet.

- ***Sustainability Incentive:***

New Construction or Rehabilitation: Any real estate development project that is designed to meet LEED Green Building Rating System gold certificate or other equivalent certification (such as Living Building certification and others) and does not exceed 70% of the energy use allowed by the state energy code for new construction are exempt up to 50% of the increment for up to 10 years on housing, office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses. Projects that qualify may also be eligible for tax credits equivalent to a percentage of allowable costs based on the type of project and the LEED Rating achieved under the state Green Building Tax Credit Program.

Use of Alternative Energy Sources: Any project that uses over 50% of renewable (or green) energy sources may exempt up to 50% of their increment for a maximum of 10 years on housing, office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses. The exemption may increase as the renewable energy source use increases within the project on a matching basis. For example, if a project uses 70% renewable energy sources the increment may be exempted up to 70%.

Design Elements: Any project that incorporates a green roof, a storm water management system, includes reflective surfaces to mitigate the heat island effect, or any other design elements that are deemed sustainable, may exempt up to 25% of their increment for a

maximum of 10 years on housing office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses.

All sustainable elements must result in an increased property valuation of not less than \$25,000 or be included within a new construction project.

- ***Arts Incentive for New Construction:*** Projects that have residing artists or artisans occupying space that is open to the public may exempt up to 100% of their tax obligations for their real estate for up to 10 years.

The Planning Committee recommended a cap of \$15 million in tax incentives be considered for the first five years of the ordinance and that Common Council consider further caps every five years thereafter. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be submitted.

update to Conn. Gen. Stats. 12-65b

Sec. 32. Section 12-65b of the 2016 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016*):

(a) Any municipality may, by affirmative vote of its legislative body, enter into a written agreement, for a period of not more than ten years, with any party owning or proposing to acquire an interest in real property in such municipality, or with any party owning or proposing to acquire an interest in air space in such municipality, or with any party who is the lessee of, or who proposes to be the lessee of, air space in such municipality in such a manner that the air space leased or proposed to be leased shall be assessed to the lessee pursuant to section 12-64, fixing the assessment of the real property or air space which is the subject of the agreement, and all improvements thereon or therein and to be constructed thereon or therein, subject to the provisions of subsection (b) of this section. [(1) for a period of not more than seven years, provided the cost of such improvements to be constructed is not less than three million dollars, (2) for a period of not more than two years, provided the cost of such improvements to be constructed is not less than five hundred thousand dollars, (3) to the extent of not more than fifty per cent of such increased assessment, for a period of not more than three years, provided the cost of such improvements to be constructed is not less than ten thousand dollars, or (4) for a period of years specified in an ordinance, for improvements to be constructed on land used or to be used for any retail business in an area designated in such ordinance.] For purposes of this section, "improvements to be constructed" includes the rehabilitation of existing structures for retail business use.

(b) The provisions of subsection (a) of this section shall only apply if the improvements are for at least one of the following: (1) Office use; (2) retail use; (3) permanent residential use in connection with a residential property consisting of four or more dwelling units; (4) transient residential use in connection with a residential property consisting of four or more dwelling units; (5) manufacturing use; (6) warehouse, storage or distribution use; (7) structured multilevel parking use necessary in connection with a mass transit system; (8) information technology; (9) recreation facilities; (10) transportation facilities; (11) mixed-use development, as defined in section 8-13m; or (12) use by or on behalf of a health system, as defined in section 19a-508c.

COMMON COUNCIL ORDINANCE COMMITTEE

REGULAR MEETING

June 19, 2018
7:00 p.m. – Room 231
Norwalk City Hall-125 East Avenue
Norwalk, CT

AGENDA

1. **ROLL CALL**
2. **PUBLIC HEARING (possible action on):** Liquor License
3. **PUBLIC HEARING DISCUSSION**
4. **PUBLIC COMMENT**
5. **ACCEPTANCE OF MINUTES:** May 15, 2018
6. **OLD BUSINESS:** Innovation District
7. **NEW BUSINESS:**
8. **DISCUSSION ITEM:**
9. **ADJOURNMENT**

Liquor License

MEMORANDUM TO FILE

Date: June 14, 2018

From: Brian Candela

RE: Liquor License Permit for the June 19, 2018 committee meeting

1) Enclosed please find documents concerning the Liquor License Permit

When an applicant comes into the Office of the Fire Marshal to pay \$65.00 for the annual renewal inspection, the applicant receives a form/checklist from the Office of the Fire Marshal. This form/checklist provides information to the applicant concerning what will be inspected and what is required to pass this inspection. The Office of the Fire Marshal believes that this new streamlined process will result in fewer return inspection visits as the applicants will be better prepared. The cost is far less than other municipalities charge.

The Office of the Fire Marshal is already responsible for and conducting these initial and annual renewal inspections. Norwalk is not responsible for enforcing violations. If an applicant is in noncompliance, Norwalk simply reports it to the State of Connecticut.

Chapter 42A. Fire Prevention

§ 42A-5. Approval of rates and fees.

The Fire Marshal, with the concurrence of the Fire Commission, and subject to the approval of the Common Council, shall establish and amend a schedule of fees for permits and licenses, issued by and services performed by the Office of the Fire Marshal. The Fire Commission shall submit the proposed fee schedule to the Common Council. A committee of the Common Council shall hold a public hearing on the proposed fee schedule not less than seven nor more than 14 days from the date of the notice of the time and place of such hearing, published in the form of a legal advertisement appearing in a newspaper having a substantial circulation in the City of Norwalk. Within 90 days of receipt by the City Clerk of notice of the action taken by the committee subsequent to the public hearing, the Common Council shall approve, modify and approve, or disapprove the proposed fee schedule. If the Council takes no action within such 90 days, the rates and fees shall be deemed disapproved, and the City Clerk shall issue a notice so stating, which notice shall be maintained with the records of the Common Council. Copies of the approved fee schedule shall be maintained in the records of the Common Council and the Office of the Fire Marshal. All fees collected by the Office of the Fire Marshal shall be deposited in the general fund.

§ 42A-6. Purpose.

The purpose of this article is to streamline the Office of the Fire Marshal's application and annual renewal inspection process for liquor license permits in the City of Norwalk.

A. Application

Initial applicant must submit a formal application to the State of Connecticut. Upon approval, the applicant must have the Office of the Fire Marshal sign the temporary application and then the applicant must re-submit this application to the State of Connecticut.

B. Annual Renewal Inspection

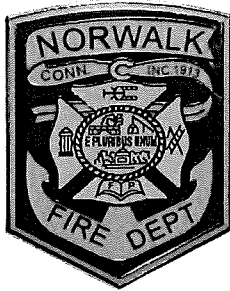
The applicant must make an appointment with the Office of the Fire Marshal to setup a renewal inspection and pay the annual renewal liquor license permit inspection fee as established in the Office of the Fire Marshal's schedule of fees for permits and licenses.

C. Duration of Liquor License Permit

Each liquor license permit issued in accordance with this chapter shall be valid for the period of one year from the date of issuance, unless revoked or suspended. Liquor license permits shall not be transferrable.

D. Penalty for Offenses

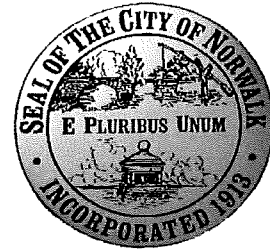
If an applicant fails to complete an annual renewal inspection in a timely manner, the Office of the Fire Marshal will notify the State of Connecticut immediately.



Norwalk Fire Department Office of the Fire Marshal

121 Connecticut Avenue - Norwalk, CT 06854

1(203)854-0244 Office - 1(203)854-0250 Fax



Fire Marshal Fees

Buildings Plans < 5,000 sq. ft. gross floor area (per floor)

Plan Review	\$25.00	1-Dept
Certificate of Occupancy Inspection	\$25.00	2-Dept

Buildings Plans > 5,000 ft. gross floor area (per floor)

Plan Review	\$100.00	3-Dept
Certificate of Occupancy Inspection	\$100.00	4-Dept

Automatic Sprinkler Systems

Plan Review (per floor)	\$25.00	5-Dept
Acceptance Test/Inspection (per floor)	\$25.00	6-Dept

Commercial Kitchen Hoods

Plan Review (per hood)	\$25.00	7-Dept
Acceptance Test/Inspection (per hood)	\$25.00	8-Dept
Hood Suppression Review	\$25.00	9-Dept
Hood Suppression Test/Inspection	\$25.00	10-Dept

Fire Alarm

Plan Review (per floor)	\$25.00	11-Dept
Acceptance Test/Inspection (per floor)	\$25.00	12-Dept

Permit Fees

Blasting Permits	\$30.00	13-Dept
Tank Removal Permit	\$25.00	14-Dept
Tank Installation Permit	\$25.00	15-Dept
Liquor License Permit: Annual Renewal Inspection	\$65.00	20-Dept
Liquor License Permit: Additional Renewal	\$100.00	21-Dept

Office / Lookup -Fees

Photo CD (each)	\$25.00	16-Dept
Lookup Underground Tank (per address)	\$5.00	17-Dept
Lookup Code Violations (Per Building/Business)	\$5.00	18-Dept
Copies (per page)	\$0.50	19-Dept

Rev 140324

**Draft Meeting Minutes from
5/15/2018 Ordinance
Committee Meeting**

**CITY OF NORWALK
ORDINANCE COMMITTEE
MAY 15, 2018**

ATTENDANCE: Eloisa Melendez, Chair; Michael Corsello; Thomas Livingston; Beth Siegelbaum; Doug Stern; Doug Hempstead; Chris Yerinides

STAFF: Brian Candela, Corporation Counsel

OTHERS: Brian Benz; Deborah Goldstein; Louise Washer; Kerry Shaw; Deanna D'Amore, Director of Health; Broderick Sawyer, Fire Marshall; Timothy Sheehan, John Slovak

1. ROLL CALL

The meeting was called to order at 7:10 p.m. by Ms. Melendez. A quorum was present.

2. PUBLIC HEARING

Senior Tax Relief

Ms. Melendez opened the public hearing on Senior Tax Relief at 7:10 p.m.

There were no speakers. Ms. Melendez closed the public hearing on Senior Tax Relief at 7:10:45 p.m.

Signs

Ms. Melendez opened the public hearing on signs at 7:10 p.m.

Brian Benz 139 Ponus Avenue, co-owner of Bucciarelli Farms, said he spoke with the Common Council about the signage issues. He said he hoped to get a vote to acknowledge the signs as legal.

Ms. Melendez closed the public hearing on signs at 7:12 p.m.

Fracking

Ms. Melendez opened the public hearing on fracking at 7:12 p.m.

Ms. Deborah Goldstein of 66 Osborne Avenue said she is happy that Norwalk is moving toward a fracking ordinance. She said nobody definitively owning the enforcement is a mistake and it should be somebody grounded in environmental training. Ms. Goldstein said there is nothing to prevent the transport of the fracking materials and stiff penalties should be implemented for spillage to protect air, rail, road and water.

Louise Washer of 280 Silvermine Avenue is the President of the Norwalk River Watershed Alliance and is very much in favor of this ordinance especially since the State failed to vote on a State ban.

Kerry Shaw of 11 Lisette Court asked why put a dangerous material in the 4th highest population density of all 50 states. He said it seems unconscionable to put dangerous materials in a high population area.

Deanna D'Amore, Director of Health Department, said the department has conducted a review of health impacts and the biggest concerns are the storage and disposal of the waste. She said the Health Department would be willing to be an enforcer if the city needed its assistance. Ms. D'Amore said the Department could help with research and provide a list of products to look out for that are brought into the City.

Ms. Melendez closed the Public Hearing on Fracking at 7:18 p.m.

Senior Tax Relief

There was no discussion

****MR. LIVINGSTON MOVED THAT THE ORDINANCE ON SENIOR TAX RELIEF THAT WAS CRAFTED ON APRIL 17, 2018 BE SENT TO THE FULL COMMON COUNCIL**

****THE MOTION WAS PASSED UNANIMOUSLY**

3. PUBLIC HEARING DISCUSSION

Signs

Mr. Corsello spoke on signs. He said there is no definition of Farm Stand. He said when you try to carve out an exception for one particular purpose it is never a good idea.

Mr. Hempstead said he is struggled with this because he wants to help the farm. He said we need a better Ordinance, but said the problem is we do not enforce them. He said he does not want to hit non-profits.

Mr. Livingston said there is a need for broader discussion. This is a unique situation as this is the only local farm. He said it is a worthy cause.

Mr. Corsello asked where do you draw the line. He said what allows this business to be accommodated.

Mr. Livingston said the farm is unique and the city has been asked to promote local farming. He said we need an ordinance to enforce.

Mr. Yerinides said the fact that the State has requested that Norwalk assist helps discern a difference with this particular issue.

The Committee debated the issue of using the word farm instead of farm stand.

****MR. LIVINGSTON MOVED TO AMEND SECTION 21-19, SUBSECTION 8 OF THE ORDINANCE TO READ:**

NO MORE THAN (7) SIGNS FOR EACH FARM AS DEFINED IN CONNECTICUT GENERAL STATUTES SECTION 1-1(q), WITHIN THE CITY OF NORWALK. THESE FARM SIGNS MAY ONLY BE ERECTED AND/OR DISPLAYED BETWEEN JUNE 1 AND OCTOBER 31 OF EACH CALENDAR YEAR.

****THE AMENDMENT PASSED WITH SIX (6) VOTES IN FAVOR (MS. MELENDEZ, MR. LIVINGSTON, MS. SIEGELBAUM, MR. STERN, MR. HEMPSTEAD AND MR. YERINIDES) AND ONE (1) VOTE OPPOSED (MR. CORSELLO).**

****MR. LIVINGSTON MOVED THE ITEM AS AMENDED TO THE FULL COMMON COUNCIL**

****THE MOTION PASSED WITH SIX (6) VOTES IN FAVOR (MS. MELENDEZ, MR. LIVINGSTON, MS. SIEGELBAUM, MR. STERN, MR. HEMPSTEAD AND MR. YERINIDES) AND ONE OPPOSED (MR. CORSELLO).**

Fracking

There was a discussion on Section F1 Enforcement of the ordinance.

Mr. Corsello said nobody wants fracking waste in this town. He said maybe this is better done by a resolution by the Council than an ordinance that is not going to be enforced.

Mr. Hempstead said putting it on the books is important. He said if the State does act then it becomes moot.

Ms. Melendez said this is our way of being proactive. Mr. Livingston said he would prefer we have something on the books to enforce.

Mr. Stern said symbols matters and the act of Norwalk participating in creating an ordinance is worthwhile. If Norwalk and other towns act it could force the State to do something.

**** MR. LIVINGSTON MOVED TO AMEND THE ORDINANCE**

SECTION C, PARAGRAPH 1

"THE" APPLICATION BECOMES "AN" APPLICATION

INSERT THE WORD "PUBLIC" BEFORE ROAD AND BEFORE REAL PROPERTY

THE WORD "WITH" BECOMES "WITHIN"

SECTION D, PARAGRAPH 1-3

THE WORD "PUBLIC" IS INSERTED BEFORE ROADWAY AND REAL PROPERTY

**SECTION F, PARAGRAPH 1, 3RD SENTENCE WILL READ
ANY DESIGNEE AUTHORIZED BY THE COMMON COUNCIL AND APPROVED BY
THE MAYOR SHALL ENFORCE THIS ORDINANCE**

**SECTION F, PARAGRAPH 2, 3RD LINE
"THE" APPROPRIATE BECOMES "AN" APPROPRIATE**

SECTION F, PARAGRAPH 3 IS REMOVED

****THE MOTION PASSED UNANIMOUSLY.**

****MR. CORSELLO MADE A MOTION TO MOVE THE ORDINANCE TO THE
COMMON COUNCIL**

****THE MOTION PASSED UNANIMOUSLY.**

Mr. Hempstead left the meeting at 8:00 p.m.

4. PUBLIC COMMENT

There was no public comment.

5. ACCEPTANCE OF MINUTES

April 17, 2018

On Page 1 and Page 2 change "Maury" to "Marny".

****THE MINUTES AS AMENDED WERE PASSED 6-0. MR. HEMPSTEAD WAS NOT
PRESENT FOR THE VOTE.**

Mr. Hempstead returned to the meeting at 8:05 p.m.

6. OLD BUSINESS

There was no discussion.

7. NEW BUSINESS

Liquor License

Mr. Broderick Sawyer, Fire Commissioner, said the reason the inspection is \$65 to make it cost effective. Mr. Yerinides said the regular renewal is \$65 and any follow up renewal is \$100.

****MR. YERINIDES MADE A MOTION TO SCHEDULE A PUBLIC HEARING ON
LIQUOR LICENSE ON JUNE 19, 2018 AT 7:00 P.M.**

****THE MOTION PASSED UNANIMOUSLY.**

Innovation District

Mr. Timothy Sheehan and Mr. John Slovak of the Norwalk Innovation District addressed the Committee. The goal of the District is to assist in the revitalization of the Wall Street and West Avenue areas. Mr. Sheehan said he is asking the Committee to approve what the Planning Committee approved.

Mr. Livingston said it would be helpful for the Committee to see what was talked about in terms of the tax incentives.

The Committee requested more information from Mr. Sheehan and will discuss this further at the next Committee Meeting in June.

ADJOURNMENT

**** MR. LIVINGSTON MOVED TO ADJOURN.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 8:37 pm.

Respectfully submitted,

G. Venuto
Telesco Secretarial Services

Innovation District

MEMORANDUM TO FILE

Date: June 14, 2018

From: Brian Candela

RE: Innovation District for the June 19, 2018 committee meeting

Tax increment financing legislation similar to California's has been passed in over half the states¹ and the majority of those laws have resulted in litigation testing their validity.² Christina G. Dudley, Tax Increment Financing for Redevelopment in Missouri: Beauty and the Beast, 54 UMKC L. Rev. 77, 78-79, fn. 14, 15 (1985). By 1987, at least thirty states had enacted this type of legislation. Joseph F. Luther, Tax Increment Financing: Municipalities Avoiding Voter Accountability, 1987 Det. C.L. Rev. 89, 91, fn7 (1987).³

The General Assembly expanded the application of an existing statute authorizing municipalities to enter into written agreements fixing the assessment of real property, improvements and air space for certain statutorily specified uses. Current law allows municipalities to enter into written agreements with owners, prospective owners or purchasers, and lessees, fixing the assessment of air space, real property and all improvements thereon or to be constructed thereon (1) for a period of not more than seven years, so long as the cost of improvements to be constructed is not less than \$3 million, (2) for a period of not more than two years, so long as the cost of improvements to be constructed is not less than \$500,000, or (3) to the extent of not more than fifty per cent of the increased assessment, for a period of not more than three years, so long as the cost of the

¹ CAL. HEALTH & SAFETY CODE §§ 33670-33679 (West 1973 and Supp. 1985); OR. REV. STAT. § 457.420-.460 (1983); IOWA CODE §§ 403.9 and 403.19 (West 1976 and Supp. 1985); UTAH CODE ANN. § 11-19-1 to 11-19-35 (1953 and Supp. 1983); MINN. STAT. ANN. §§ 273.71-273.78 (West Supp. 1985) and § 472A (West 1977 and Supp. 1985); ARIZ. REV. STAT. ANN. § 36-1488.01 (Supp. 1984-85); ALASKA STAT. § 18.55.695 (1984); CONN. GEN. STAT. ANN. §§ 12-65(c)-65(f) (West 1983); ME. REV. STAT. ANN. tit. 30, § 4864 (1978); MONT. CODE ANN. §§ 7-15-4282 to 4293 (1983); N.M. STAT. ANN. § 3-46-45 (1984); N.D. CENT. CODE § 40-58-20 (1983); OHIO REV. CODE ANN. § 725.01 (Page 1976); S.D. CODIFIED LAWS § 11-9-1 to 11-9-47 (1982 and Supp. 1984); TEX. CIV. CODE ANN. § 1269e-3 (Vernon Supp. 1985); WYO. STAT. § 15-9-120 (1980); ILL. ANN. STAT. ch. 24, § 11-74.4-1 (Smith-Hurd Supp. 1985); KAN. STAT. ANN. § 12-1770-1793 (1982 and Supp. 1984); MICH. STAT. ANN. § 5-3010(1)-3010(30) (Callaghan 1982 and Supp. 1985); COLO. REV. STAT. § 31-25-101 to 31-25-1119 (1977 and Supp. 1984); FLA. STAT. ANN. § 163.335(4) (West Supp. 1985); IND. CODE § 36-7-14-27 (1981); KY. REV. STAT. § 99.750-770 (1982); NEV. REV. STAT. § 279.674-680 (1983); TENN. CODE ANN. § 13-20-205 (1980 and Supp. 1984); WIS. STAT. ANN. § 66.46 (West Supp. 1984-85); MO. REV. STAT. § 99.800-.865 (Supp. 1984).

² *Bunker Hill*, 389 P.2d 538; *Tribe v. Salt Lake City Corp.*, 540 P.2d 499 (Utah 1975); *Salt Lake County v. Murray City Redev.*, 598 P.2d 1339 (Utah 1979); *R. E. Short Co. v. City of Minneapolis*, 269 N.W.2d 331 (Minn. 1978); *City of Minneapolis v. Wurtele*, 291 N.W.2d 386 (Minn. 1980); *Metropolitan Dev. & Housing Agency v. Leech*, 591 S.W.2d 427 (Tenn. 1979); *Richards v. City of Muscatine*, 237 N.W.2d 48 (Iowa 1978); *Miller v. Covington Dev. Auth.*, 539 S.W.2d 1 (Ky. 1976); *People ex rel. City of Canton v. Crouch*, 79 Ill. 2d 356, 403 N.E.2d 242 (1980); *State ex rel. Schneider v. City of Topeka*, 227 Kan. 115, 605 P.2d 556 (1980); *Denver Urban Renewal Auth. v. Byrne*, 618 P.2d 1374 (Colo. 1980); *State v. Miami Beach Redev. Agency*, 392 So. 2d 875 (Fla. 1980); *South Bend Pub. Transp. Corp. v. City of South Bend*, 428 N.E.2d 217 (Ind. 1981); *City of Sparks v. Best*, 96 Nev. 134, 605 P.2d 638 (1980); *Sigma Tau Gamma Fraternity House Corp. v. City of Menomonie*, 93 Wis. 2d 392, 288 N.W.2d 85 (1980); *City of Tucson v. Corbin*, 623 P.2d 1239 (Ariz. Ct. App. 1980); *Meierhenry v. City of Huron*, 354 N.W.2d 171 (S.D. 1984).

³ See ARIZ. REV. STAT. ANN. § 36-1471 (1986); CAL. HEALTH & SAFETY CODE § 336709 (West 1973); COLO. REV. STAT. § 31-25-107 (1986); CONN. GEN. STAT. ANN. § 12-65 (West Supp. 1986); FLA. STAT. ANN. § 163.387 (West Supp. 1986); GA. CODE ANN. 69-1501b (Supp. 1986); ILL. ANN. STAT. ch. 24, ¶11-74.4-1 (Smith-Hurd Supp. 1986); IND. CODE ANN. § 36-7-14-39 (Burns 1981); IOWA CODE ANN. § 403.19 (West Cum. Supp. 1986); KAN. STAT. ANN. § 12-1770 (1982); KY. REV. STAT. § 99-750 (Michie/Bobbs-Merrill 1982); ME. REV. STAT. ANN. tit. 30, § 4861 (1986); MASS. GEN. LAWS ANN. ch. 121A (West 1986); MICH. COMP. LAWS ANN. §§ 125.1651, 125.1801 (West 1978 & Supp. 1985); MINN. STAT. §§ 273.71-86 (West Supp. 1986); MO. ANN. STAT. § 99.800 (Vernon Supp. 1986); MONT. CODE ANN. § 7-15-4202 (1985); NEV. REV. STAT. § 279.010 (1985); N.M. STAT. ANN. § 3-46-35 (1986); N.D. CENT. CODE § 40-58-01 (1983); OHIO REV. CODE ANN. § 725.01 (Page 1976); OR. REV. STAT. § 457.010 (1985); S.C. CODE ANN. § 36-6-10 (Law Co-op 1976); S.D. CODIFIED LAWS ANN. § 11-9-1 (1982); TENN. CODE ANN. § 13-20-205 (1980); TEX. REV. CIV. STAT. ANN. art. 1066e (Vernon Supp. 1987); UTAH CODE ANN. § 11-19-29 (1986); WASH. REV. CODE ANN. § 35.81.010 (1965); WIS. STAT. § 66.405 (West 1965 & Supp. 1986); WYO. STAT. § 15-9-201 (Supp. 1986).

improvements to be constructed is not less than \$25,000. Conn. Gen. Stats. § 12-65b; Felicia S. Hoeniger, 2013 Connecticut Tax Law Developments, 88 Conn. B.J. 111, 126, fn. 54 (2014).

1) Preclusion for applying for benefits under Innovation District Ordinances.

During the May 2018 meeting, the committee requested the insertion of additional eligibility requirements to Section 99-4. Following that meeting, Sections 99-4(b) and 99-4(c) were added to mirror Chapter 19 of the Norwalk City Code, entitled Bidding and Purchasing.

2) Has there been a history of litigation under Conn. Gen. Stats. §§ 12-65, 12-65b or 12-65h?

In addition to researching lawsuits on Westlaw, I reached out to other municipal attorneys to see if any other towns have dealt with lawsuits concerning agreements pursuant to Conn. Gen. Stats. §§ 12-65, 12-65b or 12-65h. I only received two responses. Danbury advised that most of the Council's arguments concerned whether the applicant would bring sufficient jobs or other benefits to the City were they to be given the deferral. Danbury has not advised that they have not been involved in any lawsuits. However, Waterbury advised that have had approximately four lawsuits.

In the matter of Sadloski v. Town of Manchester, 235 Conn. 637 (1995), a taxpayer sought to enjoin enforcement of a tax assessment agreement between the city, investment company, and a development partnership. The defendant's dismissal was granted and the taxpayer appealed. The Supreme Court held that the taxpayer had no standing to challenge the abatement agreement on grounds that tax abatement to the developer would cause her taxes to rise. Justice Borden noted that the "plaintiff's status as a taxpayer does not automatically give her standing to challenge alleged improprieties in the conduct of the town ... [t]he plaintiff must also allege and demonstrate that the allegedly improper municipal conduct cause[d her] to suffer some pecuniary or other great injury ... [i]t is not enough for the plaintiff to show that her tax dollars have contributed to the challenged project ... the plaintiff must prove that the project has directly or indirectly increased her taxes ... or, in some other fashion caused her irreparable injury in her capacity as a taxpayer." (Citations omitted).

In Orange St. Armory Assocs., Inc. v. City of New Haven, 17 Conn. App. 166, 166-68 (1988), the plaintiffs appealed from the judgment of the trial court affirming the defendant's denial of the plaintiffs' application for a tax assessment deferral pursuant to Conn. Gen. Stats. § 12-65c(b). One basis of appeal was the plaintiffs' claim that the defendant's denial of the plaintiffs' application was arbitrary, capricious and a deprivation of constitutional due process. Conn. Gen. Stat. § 12-65c is entitled Deferral of increased assessments due to rehabilitation: Definitions. Although this is not one of the statutes that the Innovation District ordinance is based on, I wanted to provide you with this information as this lawsuit was based on the application process and the denial by the City. Essentially, this case turned on whether work that was the basis of the tax agreement was "rehabilitation" as opposed to new construction.

A dispute arose between the Town and the owner of real property in E. Windsor Ltd. Partnership I v. Town of E. Windsor, 1991 WL 28075 (Conn. Super. Ct. Jan. 30, 1991). Specifically, the owner asserted that the Town had assessed the land at a lesser amount and then increased its assessment without following the requirements of Conn. Gen. Stats. § 12-65b. The owner's summary judgment was denied by the court as it found that there were genuine issues of material fact that would need to be considered by the factfinder at trial.

3) Waiving a right to file a lawsuit or take an appeal following an unsuccessful bid.

The ordinance committee is considering a draft ordinance pursuant Conn. Gen. Stats. §§ 12-65b and 12-65h. The ordinance, in its draft form, provides for an application process. It is a proposed restriction on the application process which is the subject of the question posed.

Whether an ordinance may require, as condition precedent to the apply, the relinquishment of the applicant's right to appeal the decision on said application given that entering into this agreement is a discretionary act of the Agency/Committee/Common Council.⁴

We believe that a waiver of appellate rights condition in the ordinance would be unenforceable, and as such, cannot recommend the inclusion of the condition.

Generally, an individual (or entity) may waive constitutional and statutory rights; provided that, (1) the object which is sought to be waived is a right, which would render the waive doctrine applicable, Pereira v. State Board of Education, 304 Conn. 1, 40 (2012); and (2) if so, that nature of that right is one which solely benefits or protects the would be waving party of the right, Id. at 46, and (3) the waiver must be knowing, voluntary and intelligent. Delahunty v. Targonski, 158 Conn. App. 741, 748-49 (2015) (hereinafter referred to as the "Waiver Test"). It is the Law Department's opinion that the ordinance satisfies Parts 1 and 2 of the Waiver Test, but Part 3 presents a hurdle which there does not appear to be a work around.

Certainly, Part 1 of the Waiver Test is satisfied as appellate review of an Agency/Committee/Common Council decision is a statutory right pursuant to Conn. Gen. Stats. §4-183 of the Uniform Administrative Procedures Act (the "UAPA"). Moreover, we believe that Part 2 of the Waiver Test is equally satisfied. Specifically, it is our opinion that the nature of a right to appellate review under the UAPA is a right which solely benefits or protects the would-be waiving party and is analogous to a contractual waiver of a right to a jury trial.

Moreover, the right to a jury trial may be waived. "[T]he right to a jury trial is a right which, like other rights, may be waived but ... it is a right the waiver of which is not to be inferred without reasonably clear evidence of the intent to waive. Leahey v. Heasley, 127 Conn. 332, 336, 16 A.2d 609 [1940]." Krupa v. Farmington River Power Co., 147 Conn. 153, 156 (1959); Gargiulo v. Delsole, 769 F.2d 77, 79 (2d Cir.1985) (right to jury trial is fundamental and waiver not lightly to be inferred); Leasing Service Corp. v. Crane, 804 F.2d 828, 833 (4th Cir.1986) (right to jury trial may be waived by "contract executed before litigation is contemplated"); K.M.C. Co. v. Irving Trust Co., 757 F.2d 752, 755-56 (6th Cir. 1985); Phoenix Leasing, Inc. v. Sure Broadcasting, Inc., 843 F.Supp. 1379, 1384 (D.Nev.), *aff'd*, 89 F.3d 846 (9th Cir.1996) (same).

L & R Realty v. Connecticut Nat. Bank, 246 Conn. 1, 9-10 (1998).

However, we believe that crafting ordinance language that would satisfy Part 3 of the Waiver Test is problematic. Certainly, the choice to apply for an agreement under the ordinance would be voluntary. However, we are of the opinion that the same cannot be said about the relinquishment of one's statutory right to appeal a decision under the circumstances presented, *i.e.* - when the relinquishment of the right is made a condition precedent to the consideration of an applicant's application and that applicant has no other avenue with which to pursue the right. In this regard, we find it difficult to reconcile the necessary element of volition with the subject ordinance condition.

⁴ As a preliminary matter, the decision to enter into an agreement is at the discretion of the Agency/Committee/Common Council; provided that, the decision is not arbitrary and capricious or motivated by discriminatory animus against a protect class under Federal and/or State Law.

Therefore, we are of the opinion that it is not prudent to require a waiver as a condition precedent to consideration of one's application for an agreement under this ordinance.

Current Version of Ordinance
Current Version of Incentives
Current Version of Guidelines
Conn. Gen. Stats. §§ 12-65, 12-65b, 12-65h
Map of Incentive Boundary
Planning Committee Letter

Innovation District Tax Agreements

§99-1. Concept

It is hereby found and declared that the establishment of a Norwalk Innovation District (the "District") in the Wall Street and West Avenue area will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology. The District shall serve as an economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The District's concept is that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

§99-2. Objectives

The District's objectives include; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, securing a sufficient workforce and ensuring that those who work in the district, can live in the district.

§99-3. Eligible Projects

Consideration of a potential negotiated tax agreement is extended to the following project types provided they evidence the project's furtherance of technology, science, health or design within the District:

- (a) Office use
- (b) Mixed Use
- (c) Retail use
- (d) Manufacturing use
- (e) Information Technology
- (f) Light Manufacturing

§99-4. Eligibility Requirements

From time to time eligibility requirements may be amended by the Common Council.

- a. Any project located within the District that has previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Ordinance are not eligible.
- b. Any applicant that has debt owed to the City of Norwalk or any related entity including real or personal property taxes, parking fees or penalties, or permit fees or penalties are not eligible.
- c. Any applicant that is not compliant with Norwalk City Code or has had a violation within the past 12 months are not eligible.

§99-5. Review Process

- a. Preliminary applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee – PROCESSING CONCERN (deposit) on a form approved by the Common Council. The Redevelopment Agency's review shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the application materials to the Board of Estimate and Taxation (BET). The BET shall review the forwarded materials and provide its comments to the Planning Committee within forty five (45) days. The Planning Committee shall review all applications materials and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5b.
- b. The decision to grant, reject or re-structure any tax agreement shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any tax agreement application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h.
- c. Applicants are required to sign a waiver on appeals upon entering the Agreement as the decision is based upon the sole discretion of the Common Council per CGS 12-65b and 12-65h. – LEGAL STAFF CONCERNS
- d. If the tax agreement is approved, the fixed assessment period shall commence the first fiscal year following the issuance of a Certificate of Occupancy for the real property or air space which is the subject of the tax agreement.
- e. Approved Projects are required to commence construction within six (6) months and shall be completed within 30 months of execution of the Agreement. Failure to comply with this schedule may result in termination of the Agreement by the Common Council.

§ 99-6. Post-Award Compliance

If a successful applicant during the term of the Agreement: (a) relocates its business from Norwalk; (b) becomes non-compliant with subsection 4b or 4c; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20%, a reduction in workforce by more than 20%, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S. 12-65b and 12-65h, the Common Council may terminate the Agreement and any tax incentive or other benefit granted to the successful applicant under this program, the Agreement shall be deemed breached, and the successful applicant shall be required to pay all assessments which were abated under the Agreement.

Innovation District Tax Agreement Examples Using CGS 12-65b and 12-65h

The Planning Committee of the Common Council reviewed the examples below of how a tax agreement could be structured using CGS 12-65b and 12-65h for a business or development that furthers the application of technology, science, health or design in the Innovation District. The information below is informational only as the final structure of any tax agreement ultimately is at the sole discretion of the Common Council per the statutory reference above. All tax agreement benefits are conditioned upon an improvement that results in an increased tax valuation.

- ***Real Estate Development Incentive:***

Housing, Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities Development: The tax increment is exempted up to 50% for not more than 10 years for development projects that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district and commits not less than 5% of their gross floor area to health, science, design or technology uses. Eligible projects are valued at not less than \$10 million.

- ***The Skilled Job Creation Tax Credit:***

A real estate tax exemption may be provided to a commercial property owner for the space occupied by a business that creates new or adds to the number of skilled jobs in the District. An eligible full-time job, spends a minimum of 60% of their time in the District and has a starting salary of \$50,000 or more annually. Applicants must commit to maintaining business operations in the District for five years and maintain staffing levels during the term of the tax agreement.

- ***District Commercial Preservation Incentive:***

A significant part of the area contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). To enhance such properties, a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. Rehabilitation cost must equal or exceed 25% of the current assessed value of the property, exclusive of land value, prior to rehabilitation.

- ***Small Business Incentive:***

A real estate tax agreement may be provided to a commercial property owner for small businesses and entrepreneurs that are newly locating, improving or expanding in the

Innovation District. Such businesses that have an improvement that results in an increased tax valuation not less than \$25,000 can be eligible for a full exemption of the property tax associated with their lease and any personal property tax associated with the business: (a) a period of 7 years or less for evidenced investments of \$3 million or more (b) a period of 2 years or less for investments between \$500,000 and under \$3 million. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements between \$25,000 – and under \$500,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining employment levels during the term of the tax agreement and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

- ***B Corp Tax Incentive:*** This incentive allows all sustainable businesses creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years if there is a real estate improvement that results in an increased tax valuation not less than \$25,000. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the tax agreement, the employees must work in the District 60% of the time and the corporation lease cannot exceed ten thousand square feet.

- ***Sustainability Incentive:***
New Construction or Rehabilitation: Any real estate development project that is designed to meet LEED Green Building Rating System gold certificate or other equivalent certification (such as Living Building certification and others) and does not exceed 70% of the energy use allowed by the state energy code for new construction are exempt up to 50% of the increment for up to 10 years on housing, office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses. Projects that qualify may also be eligible for tax credits equivalent to a percentage of allowable costs based on the type of project and the LEED Rating achieved under the state Green Building Tax Credit Program.

Use of Alternative Energy Sources: Any project that uses over 50% of renewable (or green) energy sources may exempt up to 50% of their increment for a maximum of 10 years on housing, office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses. The exemption may increase as the renewable energy source use increases within the project on a matching basis. For example, if a project uses 70% renewable energy sources the increment may be exempted up to 70%.

Design Elements: Any project that incorporates a green roof, a storm water management system, includes reflective surfaces to mitigate the heat island effect, or any other design elements that are deemed sustainable, may exempt up to 25% of their increment for a

maximum of 10 years on housing office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses.

All sustainable elements must result in an increased property valuation of not less than \$25,000 or be included within a new construction project.

- ***Arts Incentive for New Construction:*** Projects that have residing artists or artisans occupying space that is open to the public may exempt up to 100% of their tax obligations for their real estate for up to 10 years.

The Planning Committee recommended a cap of \$15 million in tax incentives be considered for the first five years of the ordinance and that Common Council consider further caps every five years thereafter. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be submitted.

Guidelines 5/14/18 (current)

Innovation District Incentive Program Guidelines

1. Eligibility

(a) The following projects are deemed eligible for Innovation District tax incentive consideration:

- a. Office use
- b. Mixed use
- c. Retail use
- d. Manufacturing use
- e. Information Technology
- f. Light Manufacturing

(b) Projects that have previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Innovation District Ordinance are not eligible.

2. Application Submittal:

(a) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council.

3. Application Review:

(a) Once the Redevelopment Agency has determined that the application is complete, the application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty-five (45) days. The Planning Committee shall review all materials, recommendations and comments and determine whether the application shall advance to the Common Council for final action.

(b) After review of an application as provided in subsection (a) above, an application reviewed favorably by the Common Council will contain an authorization for the Mayor to enter into the agreement with the applicant.

4. General Provisions:

(a) The decision to grant or reject any application under the Innovation District Ordinance shall be within the sole and exclusive discretion of the Common Council. The

Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h. The Planning Committee of the Common Council will review every application and determine those that proceed to the Common Council for action with the recommendation of the Redevelopment Agency and the comments of the Board of Estimate and Taxation.

(b) The City assessor shall determine the assessment of real property or air space and /or the personal property and any and all improvements constructed or to be constructed on the real property which is the subject of the agreement.

(c) The Redevelopment Agency shall take in all applications and conduct an economic and innovation capacity assessment of all applications that the assessor has determined involve valuations greater than five million (\$5,000,000) dollars.

(e) The Common Council, may in its sole discretion, offer to enter into an Agreement with an applicant for an abatement of taxes for a lesser percentage and /or of fewer years than authorized by the state statute(s).

(f) Projects are required to commence construction within six (6) months and shall be completed within thirty (30) months of execution of the tax Agreement with the City. Failure to comply with this schedule may result in termination of the tax Agreement by the Common Council.

(g) If the valuation of an applicant's project exceeds \$5,000,000 and during the term of the tax Agreement with the City it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning a reduction in square feet occupied within the facility by more than 20%, a reduction in workforce by more than 20%, a failure to construct additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, then the Common Council shall terminate the Agreement and any tax incentive or other benefit enjoyed by the applicant under this program and the Agreement shall be immediately forfeited and the applicant shall be required to pay all taxes it was assessed but were abated pursuant to the tax Agreement with the City. Every Agreement shall contain a provision to this effect.

(h) No Agreement entered into, pursuant to the Innovation District tax incentive ordinance, may be assigned, transferred, or sold without the express, written approval from the Norwalk Common Council.

(i) No agreement shall be executed by the Common Council until it is approved by Corporation Counsel as to form and legality.

(j) Every Innovation District tax Agreement shall be recorded in the Land Records of the City of Norwalk.

Connecticut General Statutes Annotated
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Title 12. Taxation (Refs & Annos)

Chapter 203. Property Tax Assessment (Refs & Annos)

C.G.S.A. § 12-65

§ 12-65. Agreements fixing assessments on multifamily housing

Currentness

Any municipality acting through its board of selectmen, town council, court of common council or other governing body shall have the power to enter into a written agreement with a taxpayer fixing the assessment of real estate to be used for a housing project consisting of three or more housing units to be constructed or rehabilitated, provided: (a) The real estate to be used for said housing project is in a redevelopment area, community development area or neighborhood strategy area, included (1) in a redevelopment plan approved by a redevelopment agency pursuant to section 8-127, (2) in an urban renewal project authorized by a redevelopment agency pursuant to section 8-141 or (3) in a community development plan approved by the municipality under sections 8-169a to 8-169j, inclusive; (b) the term of such agreement shall not exceed fifteen years from the date of the completion of the housing project or completion of rehabilitation of the housing project or sixteen years from the date of the agreement, whichever is the shorter period; (c) the assessment agreed on for the real estate plus future improvements shall not be less than the assessment as of the last regular assessment date of the real estate without such future improvements. 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 of the judicial district in which the municipality is located to force compliance with such agreement; but a mortgagee may loan its money in reliance on such agreement and nothing herein contained shall be construed to permit the municipality to increase the assessment during the aforesaid period beyond the amount agreed on.

Credits

(1949 Rev., § 1739; 1957, P.A. 163, § 25; 1963, P.A. 615, § 1; 1969, P.A. 335; 1978, P.A. 78-280, § 2, eff. July 1, 1978; 1979, P.A. 79-589, § 1, eff. June 28, 1979; 1988, P.A. 88-280, § 10.)

Notes of Decisions (2)

C. G. S. A. § 12-65, CT ST § 12-65

The statutes and Constitution are current with enactments of Public Acts enrolled and approved by the Governor on or before June 6, 2018 and effective on or before June 6, 2018.

End of Document

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Connecticut General Statutes Annotated
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Title 12. Taxation (Refs & Annos)

Chapter 203. Property Tax Assessment (Refs & Annos)

C.G.S.A. § 12-65b

§ 12-65b. Agreements between municipality and owner or lessee of real property or air space fixing the assessment of such property or air space

Effective: October 1, 2016

Currentness

(a) Any municipality may, by affirmative vote of its legislative body, enter into a written agreement, for a period of not more than ten years, with any party owning or proposing to acquire an interest in real property in such municipality, or with any party owning or proposing to acquire an interest in air space in such municipality, or with any party who is the lessee of, or who proposes to be the lessee of, air space in such municipality in such a manner that the air space leased or proposed to be leased shall be assessed to the lessee pursuant to section 12-64, fixing the assessment of the real property or air space which is the subject of the agreement, and all improvements thereon or therein and to be constructed thereon or therein, subject to the provisions of subsection (b) of this section. For purposes of this section, "improvements to be constructed" includes the rehabilitation of existing structures for retail business use.

(b) The provisions of subsection (a) of this section shall only apply if the improvements are for at least one of the following: (1) Office use; (2) retail use; (3) permanent residential use in connection with a residential property consisting of four or more dwelling units; (4) transient residential use in connection with a residential property consisting of four or more dwelling units; (5) manufacturing use; (6) warehouse, storage or distribution use; (7) structured multilevel parking use necessary in connection with a mass transit system; (8) information technology; (9) recreation facilities; (10) transportation facilities; (11) mixed-use development, as defined in section 8-13m; or (12) use by or on behalf of a health system, as defined in section 19a-508c.

Credits

(1971, P.A. 471, §§ 1, 2; 1973, P.A. 73-477; 1975, P.A. 75-575, § 1, eff. July 7, 1975; 1977 P.A. 77-138, § 1, eff. May 12, 1977; 1977 P.A. 77-586, § 2, eff. July 5, 1977; 1979, P.A. 79-78, § 1, eff. May 3, 1979; 1982, P.A. 82-414, § 1, eff. June 7, 1982; 1985, P.A. 85-573, § 1; 1990, P.A. 90-219, § 13; 1992, May Sp.Sess., P.A. 92-15, § 4; 1994, P.A. 94-157, § 3; 1997, P.A. 97-235, § 1, eff. June 24, 1997; 1998, P.A. 98-207; 2001, P.A. 01-125, § 1; 2003, P.A. 03-19, § 25, eff. May 12, 2003; 2013, P.A. 13-246, § 1; 2014, P.A. 14-174, § 5; 2015, June Sp.Sess., P.A. 15-5, § 240, eff. June 30, 2015; 2016, May Sp.Sess., P.A. 16-3, § 32.)

C. G. S. A. § 12-65b, CT ST § 12-65b

The statutes and Constitution are current with enactments of Public Acts enrolled and approved by the Governor on or before June 6, 2018 and effective on or before June 6, 2018.

Connecticut General Statutes Annotated

Title 12. Taxation (Refs & Annos)

Chapter 203. Property Tax Assessment (Refs & Annos)

C.G.S.A. § 12-65h

§ 12-65h. Agreements between municipality and owner or lessee of real property or air space containing a manufacturing facility or a wholesale and retail business fixing the assessment of personal property

Effective: October 1, 2014

Currentness

Any municipality may, by affirmative vote of its legislative body, enter into a written agreement with any party owning or proposing to acquire an interest in real property in such municipality, or with any party owning or proposing to acquire an interest in air space in such municipality, or with any party who is the lessee of, or who proposes to be the lessee of, air space in such municipality in such a manner that the air space leased or proposed to be leased shall be assessed to the lessee pursuant to section 12-64, upon which is located or proposed to be located a manufacturing facility, as defined in subdivision (72) of section 12-81, or a wholesale and retail business, as defined in subdivision (54) of section 12-81, fixing the assessment of the personal property located in the facility that is the subject of the agreement, (1) for a period of not more than seven years, provided the increase in the assessed value of such personal property in such facility or wholesale and retail business is not less than three million dollars, (2) for a period of not more than two years, provided the increase in the assessed value of such personal property in such facility or wholesale and retail business is not less than five hundred thousand dollars, or (3) to the extent of not more than fifty per cent of such increased assessment, for a period of not more than three years, provided the increase in the assessed value of such personal property in such facility or wholesale and retail business is not less than twenty-five thousand dollars.

Credits

(1992, May Sp.Sess., P.A. 92-15, § 5; 2001, P.A. 01-125, § 2; 2014, P.A. 14-174, § 6.)

Notes of Decisions (2)

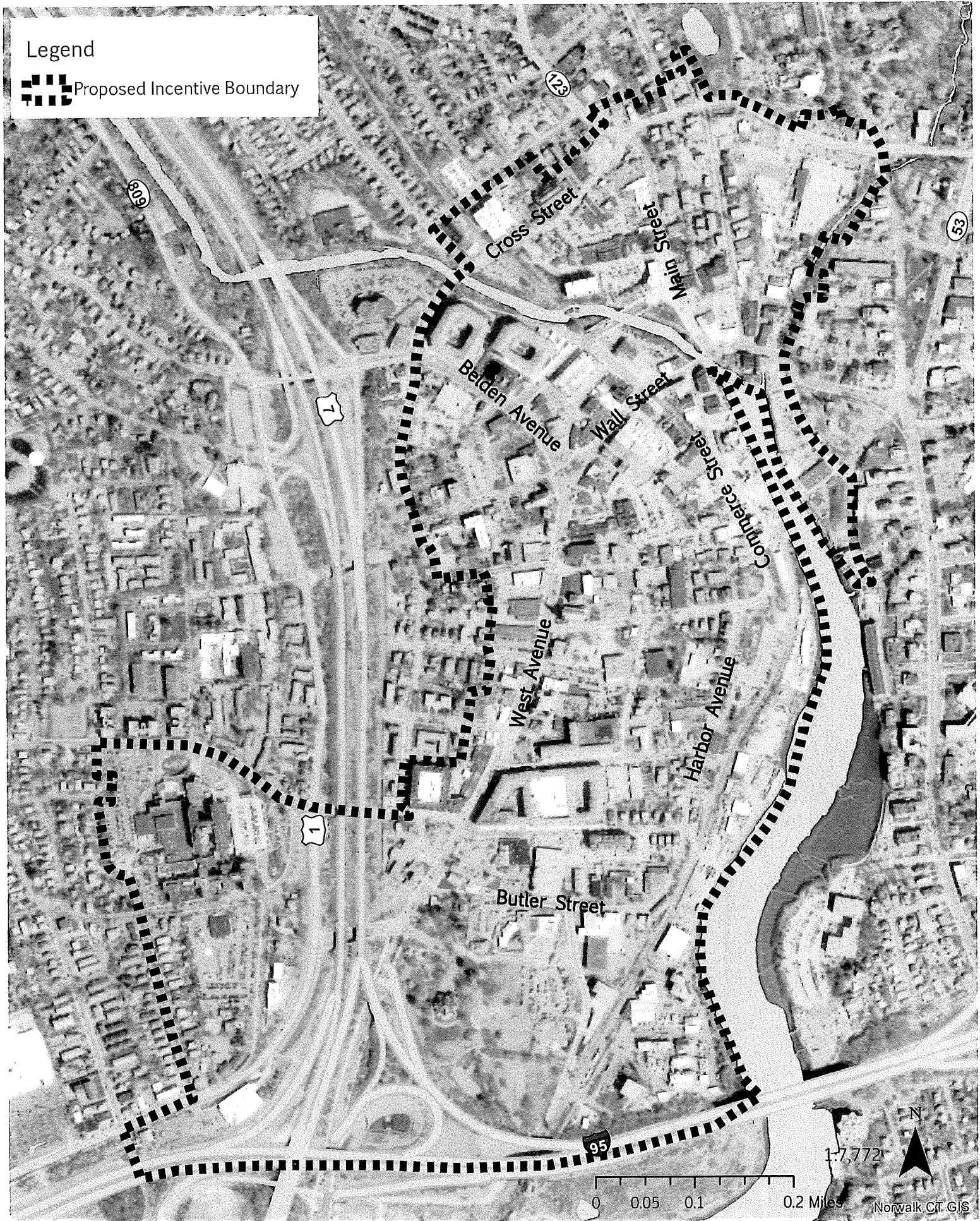
C. G. S. A. § 12-65h, CT ST § 12-65h

The statutes and Constitution are current with enactments of Public Acts enrolled and approved by the Governor on or before June 6, 2018 and effective on or before June 6, 2018.

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Exhibit A: Wall Street - West Avenue Proposed Incentive Boundary



**THE PLANNING COMMITTEE
OF THE COMMON COUNCIL**

**125 East Avenue
P.O. Box 5125
Norwalk, CT 06856**

ordinance
cover
Letter
5/9/18

May 9, 2018

Ms. Eloisa Melendez, Chair
Ordinance Committee of the Common Council
Norwalk City Hall
125 East Avenue
Norwalk, CT. 06856

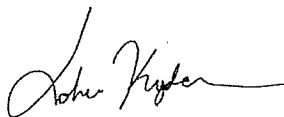
Dear Councilwoman Melendez:

On Thursday, May 3, 2018, the Planning Committee voted unanimously to favorably advance to the Ordinance Committee of the Common Council the attached draft ordinance for its consideration and to undertake the requisite implementation actions. The proposed ordinance grants to the City of Norwalk via its legislative body the ability to use the powers conveyed to it by the State of Connecticut under CGS 12-65b and 12-65h within the Norwalk Innovation District geography (see attached map). Such statutory authority allows the City via its legislative body to enter into a written agreement with any party owning or proposing to acquire an interest in real property located in this area, or with any party owning or proposing to acquire an interest in air space in this area, or with any party who is the lessee of, or who proposes to be the lessee of, air space in this area at its sole discretion.

The Planning Committee has determined the need to introduce the potential for tax incentives to this area based on its primary census tract 437 demographics which indicate that the median income is below 80% of the area median income, it has a poverty rate in excess of 20%, it reflects persistent blight and it lacks the residential population and jobs required to economically sustain traditional urban commerce that makes urban centers successful and vibrant.

The proposed ordinance was reviewed by the Ordinance Committee staff prior to its referral. It outlines the Innovation District planning concept, states the intended planning objectives, eligible projects and review process. The Planning Committee encourages the Ordinance Committee and its staff to fully consider the proposed ordinance and to offer any meaningful modifications to it as the Committee proceeds with the requisite implementation actions.

Sincerely,



John T. Kydes
Common Council President

Attachments

CC: Brian McCann, Assistant Corporation Counsel
Brian Candela, Assistant Corporation Counsel

Innovation District Program Guidelines
5/9/18, 5/11/18 & 5/14/18

Candela, Brian

From: Church, Sabrina
Sent: Thursday, May 31, 2018 2:41 PM
To: Candela, Brian
Subject: Innovation District Program Guidelines
Attachments: 5-14-18 Innovation District Program Guidelines v3.docx; 5-9-18 Innovation District Program Guidelines.docx; 5-11-18 Innovation District Program Guidelines v2.docx

Attached are the latest guidelines. I have attached the previous drafts as well in case you would like to share those.

-Sabrina

////////////////////////////////////

Sabrina Church

Community Development Planner

Norwalk Redevelopment Agency

Phone: (203)854-7810 x46781

Email: schurch@norwalkct.org

We hope you enjoy our most recent [Urban Highlights](#)

Guidelines 5/9/18

Innovation District Incentive Program Guidelines

A. Eligibility

(a) The following projects are deemed eligible for consideration by the City under ordinance number xxxxxx:

- a. Office use
- b. Retail use
- c. Manufacturing use
- d. Information Technology
- e. Light Manufacturing

(b) Projects that have previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Ordinance #xxxx are ineligible to apply.

B. Application Submittal:

(a) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council.

C. Application Review:

(a) After determining that an application is complete it shall be forwarded to the Redevelopment Agency for its review. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty-five (45) days. The Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action.

(b) After review of an application as provided in subsection (a) above, an application reviewed favorably by the Common Council will contain an authorization for the Mayor to enter into the agreement with the applicant.

D. General Provisions:

(a) The decision to grant or reject any application under this Ordinance shall be within the sole and exclusive discretion of the Common Council. The Common Council is under

no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h. The Planning Committee of the Common Council will review every application and determine those that proceed to the Common Council for action with the recommendation of the Redevelopment Agency and the comments of the Board of Estimate and Taxation. Should the Planning Committee choose to advance an application to the Common Council that is contrary to the recommendation of the Redevelopment Agency, approval of said application shall require a two thirds majority vote of the Common Council.

(b) The City assessor shall in the assessor's sole discretion determine the assessment of real property or air space and /or the personal property and any and all improvements constructed or to be constructed on the real property which is the subject of the agreement.

(c) The Redevelopment Agency shall take in all applications and conduct an economic and innovation capacity assessment of all applications that the assessor has determined involve valuations greater than five million (\$5,000,000) dollars. The Redevelopment Agency Commission will take formal action on all applications and advance the application, related assessments and its action to the Planning Committee of the Common Council, who shall refer said application to the Board of Estimate and Taxation for its comment to be completed within forty-five (45) days. Upon receipt of the Board of Estimate and Taxation comment the Planning Committee will vote to advance the application to the Common Council for final consideration. The intended timeline for application approval is ninety (90) days, however the City does not formally obligate itself to take action on an application within ninety (90) days.

(d) The fixed assessment period shall commence the first fiscal year for which a tax list is prepared on the October 1st immediately following the issuance of a Certificate of Occupancy by the appropriate building official for the construction of the buildings or manufacturing facilities or other structures and all improvements in or on the real property or air space which is the subject of this agreement.

(e) Notwithstanding anything in Ordinance #xxxxxx to the contrary, and provided in all other respects the applicant qualifies under the provisions of CGS12-65b or 12-65h and these guidelines, the Common Council, may in its sole discretion, offer to enter into an Agreement with such applicant for an abatement of taxes of a lesser percentage and /or of fewer years than authorized by the statute(s).

(f) Projects are required to evidence the commencement of construction within six (6) months and shall be complete within thirty (30) months of execution of the Agreement.

Failure to comply with this schedule shall result in termination of the Agreement by the Common Council.

(g) If an applicant valuation exceeds \$5,000,000 and during the period of participation in this program and during the term of an Agreement it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of Ordinance #xxxxx, among other things, a reduction in square feet occupied within the facility by more than 20% or more, a reduction in workforce by more than 20% or more, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, Ordinance #xxxxx and/or C.G.S. 12-65b and 12-65h then the Common Council shall terminate the Agreement and any tax incentive or other benefit enjoyed by the applicant under this program and the Agreement shall be immediately forfeited and the applicant shall be required to pay back all taxes it would have been assessed had the application not been granted and the Agreement not been entered into. Every Agreement shall contain a provision to this effect.

(h) No agreement entered into pursuant to this policy shall be subject to assignment, transfer or sale without written approval from the Redevelopment Agency.

(i) No agreement shall be executed by the Common Council until it is approved by Corporation Counsel as to form and legality.

(j) Any Agreement hereunder shall be recorded in the land records of the City of Norwalk.

Guidelines 5/11/18

Innovation District Incentive Program Guidelines

A. Eligibility

(a) The following projects are deemed eligible for Innovation District tax incentive consideration:

- a. Office use
- b. Mixed use
- c. Retail use
- d. Manufacturing use
- e. Information Technology
- f. Light Manufacturing

(b) Projects that have previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Innovation District Ordinance are ineligible to apply.

B. Application Submittal:

(a) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council.

C. Application Review:

(a) After Redevelopment Agency staff determines that an application is complete it shall be forwarded to the Redevelopment Agency for its review. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty-five (45) days. The Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action.

(b) After review of an application as provided in subsection (a) above, an application reviewed favorably by the Common Council will contain an authorization for the Mayor to enter into the agreement with the applicant.

D. General Provisions:

(a) The decision to grant or reject any application under this Ordinance shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h. The Planning Committee of the Common Council will review every application and determine those that proceed to the Common Council for action with the recommendation of the Redevelopment Agency and the comments of the Board of Estimate and Taxation.

(b) The City assessor shall determine the assessment of real property or air space and /or the personal property and any and all improvements constructed or to be constructed on the real property which is the subject of the agreement.

(c) The Redevelopment Agency shall take in all applications and conduct an economic and innovation capacity assessment of all applications that the assessor has determined involve valuations greater than five million (\$5,000,000) dollars. The Redevelopment Agency Commission will take formal action on all applications and advance the application, related assessments and its action to the Planning Committee of the Common Council, who shall refer said application to the Board of Estimate and Taxation for its comment to be completed within forty-five (45) days. Upon receipt of the Board of Estimate and Taxation comment the Planning Committee will vote to advance the application to the Common Council for final consideration.

(d) The fixed assessment period shall commence the first fiscal year for which a tax list is prepared on the October 1st immediately following the issuance of a Certificate of Occupancy by the appropriate building official for the construction of the buildings or manufacturing facilities or other structures and all improvements in or on the real property or air space within the District.

(e) The Common Council, may in its sole discretion, offer to enter into an Agreement with an applicant for an abatement of taxes for a lesser percentage and /or fewer years than authorized by the state statute(s).

(f) Projects are required to commence construction within six (6) months and shall be completed within thirty (30) months of execution of the tax Agreement with the City. Failure to comply with this schedule may result in termination of the tax Agreement by the Common Council.

(g) If an applicant's project valuation exceeds \$5,000,000 and during the term of an Agreement it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations"

meaning a reduction in square feet occupied within the facility by more than 20%, a reduction in workforce by more than 20%, a failure to construct additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the tax Agreement, then the Common Council shall terminate the tax Agreement and any tax incentive or other benefit enjoyed by the applicant under this program. The tax Agreement shall be immediately forfeited and the applicant shall be required to pay all taxes it was assessed but were abated pursuant to the tax Agreement with the City. Every Agreement shall contain a provision to this effect.

(h) No Agreement entered into pursuant to the Innovation District tax incentive ordinance shall be subject to assignment, transfer or sale without written approval from the Common Council.

(i) No Agreement shall be executed by the Common Council until it is approved by Corporation Counsel as to form and legality.

(j) Any Agreement hereunder shall be recorded in the Land Records of the City of Norwalk.

Guidelines 5/14/18 (current)

Innovation District Incentive Program Guidelines

1. Eligibility

(a) The following projects are deemed eligible for Innovation District tax incentive consideration:

- a. Office use
- b. Mixed use
- c. Retail use
- d. Manufacturing use
- e. Information Technology
- f. Light Manufacturing

(b) Projects that have previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Innovation District Ordinance are not eligible.

2. Application Submittal:

(a) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council.

3. Application Review:

(a) Once the Redevelopment Agency has determined that the application is complete, the application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty-five (45) days. The Planning Committee shall review all materials, recommendations and comments and determine whether the application shall advance to the Common Council for final action.

(b) After review of an application as provided in subsection (a) above, an application reviewed favorably by the Common Council will contain an authorization for the Mayor to enter into the agreement with the applicant.

4. General Provisions:

(a) The decision to grant or reject any application under the Innovation District Ordinance shall be within the sole and exclusive discretion of the Common Council. The

Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h. The Planning Committee of the Common Council will review every application and determine those that proceed to the Common Council for action with the recommendation of the Redevelopment Agency and the comments of the Board of Estimate and Taxation.

(b) The City assessor shall determine the assessment of real property or air space and /or the personal property and any and all improvements constructed or to be constructed on the real property which is the subject of the agreement.

(c) The Redevelopment Agency shall take in all applications and conduct an economic and innovation capacity assessment of all applications that the assessor has determined involve valuations greater than five million (\$5,000,000) dollars.

(e) The Common Council, may in its sole discretion, offer to enter into an Agreement with an applicant for an abatement of taxes for a lesser percentage and /or of fewer years than authorized by the state statute(s).

(f) Projects are required to commence construction within six (6) months and shall be completed within thirty (30) months of execution of the tax Agreement with the City. Failure to comply with this schedule may result in termination of the tax Agreement by the Common Council.

(g) If the valuation of an applicant's project exceeds \$5,000,000 and during the term of the tax Agreement with the City it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning a reduction in square feet occupied within the facility by more than 20%, a reduction in workforce by more than 20%, a failure to construct additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, then the Common Council shall terminate the Agreement and any tax incentive or other benefit enjoyed by the applicant under this program and the Agreement shall be immediately forfeited and the applicant shall be required to pay all taxes it was assessed but were abated pursuant to the tax Agreement with the City. Every Agreement shall contain a provision to this effect.

(h) No Agreement entered into, pursuant to the Innovation District tax incentive ordinance, may be assigned, transferred, or sold without the express, written approval from the Norwalk Common Council.

(i) No agreement shall be executed by the Common Council until it is approved by Corporation Counsel as to form and legality.

(j) Every Innovation District tax Agreement shall be recorded in the Land Records of the City of Norwalk.

Versions of Incentives
3/21/18 – 5/25/18

Incentives - 3/21/18

NORWALK DEVELOPMENT AGENCY

TO:

FROM: TIMOTHY SHEEHAN, EXECUTIVE DIRECTOR

RE: INNOVATION DISTRICT INCENTIVE PACKAGE

DATE: MARCH 22, 2018

Introduction – Page 1-5

Norwalk last year began to lay the ground work for the Wall Street and West Avenue Corridor to become an Urban Innovation District. An Urban Innovation District is a defined geographic area within a city where technology and creative class businesses and institutions are clustered. Those businesses then connect with start-ups, accelerators, and incubators. These areas are emerging as the new urban business centers. The defined geographic area for a typical innovation district is amenity-rich, operates 24/7, has diversified housing opportunities and is a hyper-connected area via both technology and transportation.

The “Reimagined Urban District” model of Innovation District development drives forward an economic development strategy aimed at revitalizing underutilized parcels of land by attracting both established companies and emerging entrepreneurs, and developing infrastructure and amenities to holistically support the work-life opportunities within it. Business relocation, retention and new development that significantly contributes to these public policy objectives are the development building blocks that the incentives would encourage. To further these ideas and incentives, the Agency has gathered input from the Innovation District Subcommittee and Planning Committee of the Common Council and is proposing the following incentive program.

Program Boundary – Page 7

The proposed incentive program will only apply to a targeted area within the City to draw new jobs and businesses to a specific area that is of interest. It is important that the chosen area has the foundation to support an Innovation District. This foundation mainly comes in the form of anchor institutions, available space, and amenities. Of these, the most crucial being anchor institutions. These institutions are well established and have the potential to draw other synergistic employers and businesses to the district. Having these institutions within the incentive boundary will not only benefit the cohesiveness of the district as a whole, but also incentivize the anchor institutions and new businesses hoping to enter the district.

The Agency, with input from the anchor institutions and the Innovation District Subcommittee, has proposed that the boundary reflect that of the new Wall Street-West Avenue Redevelopment Plan boundary which resembles the boundary of Census Tract 437. The boundary extends to include the Norwalk Hospital, King Industries, Devine Brothers, Lillian August, Yale-New Haven Children’s Hospital, the Norwalk Main Library, and Stepping Stones. All of these institutions are major employers and assets within the district. The institutions also have the potential to create synergistic relationships with one another within the underutilized areas in the

NORWALK DEVELOPMENT AGENCY

district boundary centered on the themes of health, science, design and technology. (For the Incentive Boundary please see Page 7 of the attached brochure.)

Proposed Incentives – Pages 9 and 10

The Agency is proposing six tax incentives for the Innovation District to attract new development, businesses and jobs to the area. The following incentives can be used in combination or standalone, depending on the business and/or project. The advancement of an application regarding a proposed incentive will require Innovation District Committee recommendation (committee will be formed after incentive approval from the Common Council). That recommendation will be referred to the Redevelopment Agency and Planning Committee for their respective consideration, comment and action. All respective consideration, comment and action will then be advanced to the Common Council for final approval (See page 16 of the attached brochure).

The Agency will develop the various incentive applications for the Innovation District that will vet applicants and streamline the process prior to coming to the Innovation District Committee and the Common Council for approval. Such application will be reviewed with the Planning Committee.

- ***Real Estate Development Incentive:***

Housing Development: The tax increment is exempted up to 50% for not more than 15 years for housing development projects that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

Other Eligible Uses (Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities): The tax increment is exempted up to 50% for not more than 7 years for projects including the uses listed above that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

- ***The Skilled Job Creation Tax Credit:***

The real estate exemptions may be increased if a business increases the number of skilled jobs available in the District. A business has the option to take advantage of the increase if it creates new full time jobs, that spend a minimum of 60% of their time in the District and pays each position \$50,000 or more annually in a given year. Program participants must commit to maintaining business operations in the District for five years and maintain staffing levels of such jobs since the starting period. The exemption can be

NORWALK DEVELOPMENT AGENCY

increased for: (a) up to 60% for an increase of 10% in skilled jobs; (b) up to 80% for an increase of 20% in skilled jobs; or (c) up to 100% for an increase of 40% in skilled jobs.

- ***District Commercial Preservation Incentive:***

A significant part of the District contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). As the District gains momentum as a place of strategic innovation it will be important to bring new life into many of the District's historic structures and ensure that they continue to positively influence the District's sense of place, distinctness and architectural relevance. For this purpose a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. The primary benefit of the special valuation would be that during the 7, 2 or 3 year special valuation period, property taxes would not reflect the value of the substantial improvements made to the historic property. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. The property must have undergone an approved rehabilitation within the two years prior to the date of application and rehabilitation cost must equal or exceed 25% of the assessed value of the property, exclusive of land value, prior to rehabilitation. Expenditures are based on Qualified Rehabilitation Expenditures. "Qualified rehabilitation expenditures" are expenses chargeable to the project, including improvements made to the building within its original perimeter, architectural and engineering fees, permit and development fees, loan interest, state sales tax, and other expenses incurred during the rehabilitation period. Not included are costs associated with acquiring the property or enlarging the building.

- ***Small Business Incentive:***

Designed to incentivize small businesses and entrepreneurs that have less than fifteen full time employees to the Innovation District by fully exempting them from both the property tax associated with their business's space and any personal property tax associated with the business during their: (a) a period of 7 years or less for investments of at least \$3 million or (b) a period of 2 years or less for investments of at least \$500,000. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements of no less than \$25,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining at least three such employees each year of the incentive and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

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- ***B Corp Tax Incentive:*** This incentive allows all new, sustainable businesses committed to creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the incentive and the employees must work in the District 60% of the time and the incentive is capped at the property taxes for not more than ten thousand square feet.

A cap on the incentives of \$15 million is proposed for the first five years of the program. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be offered by that party regarding any future recapitalization actions.

Progress

The Agency has met over the past couple of months with many of the anchor institutions within the district to discuss the incentives, ask questions about what other businesses would benefit their businesses, and what the incentive program could do to assist them in achieving their goals. All of the institutions have expressed interest within the growth of the district and gave an overall positive response to the proposed incentive program concepts and innovation district theme.

Many of the institutions were also interested in bringing other businesses into the district and increasing their own presence within the district. Some expressed interest in expanding their own footprints and others were in support of amenities that could potentially benefit their current employees. Communication between these institutions and the City will promote and improve the Innovation District and form an amenity-rich and active destination.

Next Steps

Staff is currently seeking formal comment on the package from the Board of Estimate and Taxation and the City's municipal tax counsel. Once that comment has been received, potential modifications will be considered by the Planning Committee and then will proceed to the full Council for approval. The Agency has received a general consensus on the current package from the Planning Committee to advance to the full Common Council for approval in April pending comment.

REQUESTED ACTIONS:

Give comment on the Innovation District Package.

Incentives 3/26/18

NORWALK DEVELOPMENT AGENCY

TO:

FROM: TIMOTHY SHEEHAN, EXECUTIVE DIRECTOR

RE: INNOVATION DISTRICT INCENTIVE PACKAGE

DATE: MARCH 26, 2018

Introduction – Page 1-5

Norwalk last year began to lay the ground work for the Wall Street and West Avenue Corridor to become an Urban Innovation District. An Urban Innovation District is a defined geographic area within a city where technology and creative class businesses and institutions are clustered. Those businesses then connect with start-ups, accelerators, and incubators. These areas are emerging as the new urban business centers. The defined geographic area for a typical innovation district is amenity-rich, operates 24/7, has diversified housing opportunities and is a hyper-connected area via both technology and transportation.

The “Reimagined Urban District” model of Innovation District development drives forward an economic development strategy aimed at revitalizing underutilized parcels of land by attracting both established companies and emerging entrepreneurs, and developing infrastructure and amenities to holistically support the work-life opportunities within it. Business relocation, retention and new development that significantly contributes to these public policy objectives are the development building blocks that the incentives would encourage. To further these ideas and incentives, the Agency has gathered input from the Innovation District Subcommittee and Planning Committee of the Common Council and is proposing the following incentive program.

Program Boundary – Page 7

The proposed incentive program will only apply to a targeted area within the City to draw new jobs and businesses to a specific area that is of interest. It is important that the chosen area has the foundation to support an Innovation District. This foundation mainly comes in the form of anchor institutions, available space, and amenities. Of these, the most crucial being anchor institutions. These institutions are well established and have the potential to draw other synergistic employers and businesses to the district. Having these institutions within the incentive boundary will not only benefit the cohesiveness of the district as a whole, but also incentivize the anchor institutions and new businesses hoping to enter the district.

The Agency, with input from the anchor institutions and the Innovation District Subcommittee, has proposed that the boundary reflect that of the new Wall Street-West Avenue Redevelopment Plan boundary which resembles the boundary of Census Tract 437. The boundary extends to include the Norwalk Hospital, King Industries, Devine Brothers, Lillian August, Yale-New Haven Children’s Hospital, the Norwalk Main Library, and Stepping Stones. All of these institutions are major employers and assets within the district. The institutions also have the potential to create synergistic relationships with one another within the underutilized areas in the

NORWALK DEVELOPMENT AGENCY

district boundary centered on the themes of health, science, design and technology. (For the Incentive Boundary please see Page 7 of the attached brochure.)

Proposed Incentives – Pages 9 and 10

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The Agency will develop the various incentive applications for the Innovation District that will vet applicants and streamline the process prior to coming to the Innovation District Committee and the Common Council for approval. Such application will be reviewed with the Planning Committee.

- ***Real Estate Development Incentive:***

Housing Development: The tax increment is exempted up to 50% for not more than 15 years for housing development projects that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

Other Eligible Uses (Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities): The tax increment is exempted up to 50% for not more than 7 years for projects including the uses listed above that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

- ***The Skilled Job Creation Tax Credit:***

The real estate exemptions may be increased if a business increases the number of skilled jobs available in the District. A business has the option to take advantage of the increase if it creates new full time jobs, that spend a minimum of 60% of their time in the District and pays each position \$50,000 or more annually in a given year. Program participants must commit to maintaining business operations in the District for five years and maintain staffing levels of such jobs since the starting period. The exemption can be

NORWALK DEVELOPMENT AGENCY

increased for: (a) up to 60% for an increase of 10% in skilled jobs; (b) up to 80% for an increase of 20% in skilled jobs; or (c) up to 100% for an increase of 40% in skilled jobs.

- ***District Commercial Preservation Incentive:***

A significant part of the District contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). As the District gains momentum as a place of strategic innovation it will be important to bring new life into many of the District's historic structures and ensure that they continue to positively influence the District's sense of place, distinctness and architectural relevance. For this purpose a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. The primary benefit of the special valuation would be that during the 7, 2 or 3 year special valuation period, property taxes would not reflect the value of the substantial improvements made to the historic property. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. The property must have undergone an approved rehabilitation within the two years prior to the date of application and rehabilitation cost must equal or exceed 25% of the assessed value of the property, exclusive of land value, prior to rehabilitation. Expenditures are based on Qualified Rehabilitation Expenditures. "Qualified rehabilitation expenditures" are expenses chargeable to the project, including improvements made to the building within its original perimeter, architectural and engineering fees, permit and development fees, loan interest, state sales tax, and other expenses incurred during the rehabilitation period. Not included are costs associated with acquiring the property or enlarging the building.

- ***Small Business Incentive:***

Designed to incentivize small businesses and entrepreneurs that have less than fifteen full time employees to the Innovation District by fully exempting them from both the property tax associated with their business's space and any personal property tax associated with the business during their: (a) a period of 7 years or less for investments of at least \$3 million or (b) a period of 2 years or less for investments of at least \$500,000. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements of no less than \$25,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining at least three such employees each year of the incentive and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

NORWALK DEVELOPMENT AGENCY

- ***B Corp Tax Incentive:*** This incentive allows all new, sustainable businesses committed to creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the incentive and the employees must work in the District 60% of the time and the incentive is capped at the property taxes for not more than ten thousand square feet.
- ***Sustainability Incentive:***
 - New Construction or Rehabilitation:* Any real estate development project that is designed to meet LEED Green Building Rating System gold certificate or other equivalent certification and does not exceed 70% of the energy use allowed by the state energy code for new construction are exempt up to 50% of the increment for up to 15 years on housing projects and 7 years on other uses (Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities). Projects that qualify may also be eligible for tax credits equivalent to a percentage of allowable costs based on the type of project and the LEED Rating achieved under the state Green Building Tax Credit Program.
 - Use of Alternative Energy Sources:* Any project that uses over 50% of renewable (or green) energy sources may exempt up to 50% of their increment for a maximum of 15 years on housing projects and 7 years on other uses (office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facilities). The exemption may increase as the renewable energy source use increases within the project on a matching basis. For example, if a project uses 70% renewable energy sources the increment may be exempted up to 70%.
- ***Arts Incentive:*** Projects that have qualifying residing artists occupying live-work space and/or artistic entertainment enterprise may exempt up to 100% of their tax obligations for their real estate for up to 7 years. This promotes art throughout the district which will add to character and sense of place. It also may create more affordable spaces for artists to reside and work within the district.

A cap on the incentives of \$15 million is proposed for the first five years of the program. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be offered by that party regarding any future recapitalization actions.

Progress

The Agency has met over the past couple of months with many of the anchor institutions within the district to discuss the incentives, ask questions about what other businesses would benefit their businesses, and what the incentive program could do to assist them in achieving their goals. All of the institutions have expressed interest within the growth of the district and gave an

NORWALK DEVELOPMENT AGENCY

overall positive response to the proposed incentive program concepts and innovation district theme.

Many of the institutions were also interested in bringing other businesses into the district and increasing their own presence within the district. Some expressed interest in expanding their own footprints and others were in support of amenities that could potentially benefit their current employees. Communication between these institutions and the City will promote and improve the Innovation District and form an amenity-rich and active destination.

Next Steps

Staff is currently seeking formal comment on the package from the Board of Estimate and Taxation and the City's municipal tax counsel. Once that comment has been received, potential modifications will be considered by the Planning Committee and then will proceed to the full Council for approval. The Agency has received a general consensus on the current package from the Planning Committee to advance to the full Common Council for approval in April pending comment.

REQUESTED ACTIONS:

Give comment on the Innovation District Package.

Incentives 4/12/18

NORWALK DEVELOPMENT AGENCY

EXHIBIT A

Proposed Incentives

The Agency is proposing seven tax incentives for the Innovation District to attract new development, businesses and jobs to the area. The following incentives can be used in combination or standalone, depending on the business and/or project and must further the themes of technology, science, health, or design. The advancement of an application regarding a proposed incentive will require Redevelopment Agency and Common Council approval.

The Agency will develop the various incentive applications for the Innovation District that will vet applicants and streamline the process prior to coming to the Agency Commissioners and the Common Council for approval. Such application will be reviewed with the Planning Committee.

- ***Real Estate Development Incentive:***

Housing Development: The tax increment is exempted up to 50% for not more than 15 years for housing development projects that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

Other Eligible Uses (Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities): The tax increment is exempted up to 50% for not more than 7 years for projects including the uses listed above that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

- ***The Skilled Job Creation Tax Credit:***

The real estate exemptions may be increased if a business increases the number of skilled jobs available in the District. A business has the option to take advantage of the increase if it creates new full time jobs, that spend a minimum of 60% of their time in the District and pays each position \$50,000 or more annually in a given year. Program participants must commit to maintaining business operations in the District for five years and maintain staffing levels of such jobs since the starting period. The exemption can be increased for: (a) up to 60% for an increase of 10% in skilled jobs; (b) up to 80% for an increase of 20% in skilled jobs; or (c) up to 100% for an increase of 40% in skilled jobs.

- ***District Commercial Preservation Incentive:***

NORWALK DEVELOPMENT AGENCY

A significant part of the District contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). As the District gains momentum as a place of strategic innovation it will be important to bring new life into many of the District's historic structures and ensure that they continue to positively influence the District's sense of place, distinctness and architectural relevance. For this purpose a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. The primary benefit of the special valuation would be that during the 7, 2 or 3 year special valuation period, property taxes would not reflect the value of the substantial improvements made to the historic property. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. The property must have undergone an approved rehabilitation within the two years prior to the date of application and rehabilitation cost must equal or exceed 25% of the assessed value of the property, exclusive of land value, prior to rehabilitation. Expenditures are based on Qualified Rehabilitation Expenditures. "Qualified rehabilitation expenditures" are expenses chargeable to the project, including improvements made to the building within its original perimeter, architectural and engineering fees, permit and development fees, loan interest, state sales tax, and other expenses incurred during the rehabilitation period. Not included are costs associated with acquiring the property or enlarging the building.

- ***Small Business Incentive:***

Designed to incentivize small businesses and entrepreneurs that have less than fifteen full time employees to the Innovation District by fully exempting them from both the property tax associated with their business's space and any personal property tax associated with the business during their: (a) a period of 7 years or less for investments of at least \$3 million or (b) a period of 2 years or less for investments of at least \$500,000. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements of no less than \$25,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining at least three such employees each year of the incentive and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

- ***B Corp Tax Incentive:*** This incentive allows all new, sustainable businesses committed to creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the incentive and the employees must

NORWALK DEVELOPMENT AGENCY

work in the District 60% of the time and the incentive is capped at the property taxes for not more than ten thousand square feet.

- ***Sustainability Incentive:***

New Construction or Rehabilitation: Any real estate development project that is designed to meet LEED Green Building Rating System gold certificate or other equivalent certification and does not exceed 70% of the energy use allowed by the state energy code for new construction are exempt up to 50% of the increment for up to 15 years on housing projects and 7 years on other uses (Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities). Projects that qualify may also be eligible for tax credits equivalent to a percentage of allowable costs based on the type of project and the LEED Rating achieved under the state Green Building Tax Credit Program.

Use of Alternative Energy Sources: Any project that uses over 50% of renewable (or green) energy sources may exempt up to 50% of their increment for a maximum of 15 years on housing projects and 7 years on other uses (office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facilities). The exemption may increase as the renewable energy source use increases within the project on a matching basis. For example, if a project uses 70% renewable energy sources the increment may be exempted up to 70%.

- ***Arts Incentive:*** Projects that have qualifying residing artists occupying live-work space and/or artistic entertainment enterprise may exempt up to 100% of their tax obligations for their real estate for up to 7 years. This promotes art throughout the district which will add to character and sense of place. It also may create more affordable spaces for artists to reside and work within the district.

A cap on the incentives of \$15 million is proposed for the first five years of the program. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be offered by that party regarding any future recapitalization actions.

EXHIBIT B

Proposed Incentives

The Agency is proposing seven tax incentives for the Innovation District to attract new development, businesses and jobs to the area. The following incentives can be used in combination or standalone, depending on the business and/or project and must further the themes of technology, science, health, or design. The advancement of an application regarding a proposed incentive will require Redevelopment Agency and Common Council approval.

The Agency will develop the various incentive applications for the Innovation District that will vet applicants and streamline the process prior to coming to the Agency Commissioners and the Common Council for approval. Such application will be reviewed with the Planning Committee.

- ***Real Estate Development Incentive:***

Housing Development: The tax increment is exempted up to 50% for not more than 15 years for housing development projects that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

Other Eligible Uses (Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities): The tax increment is exempted up to 50% for not more than 7 years for projects including the uses listed above that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

- ***The Skilled Job Creation Tax Credit:***

The real estate exemptions may be increased if a business increases the number of skilled jobs available in the District. A business has the option to take advantage of the increase if it creates new full time jobs, that spend a minimum of 60% of their time in the District and pays each position \$50,000 or more annually in a given year. Program participants must commit to maintaining business operations in the District for five years and maintain staffing levels of such jobs since the starting period. The exemption can be increased for: (a) up to 60% for an increase of 10% in skilled jobs; (b) up to 80% for an increase of 20% in skilled jobs; or (c) up to 100% for an increase of 40% in skilled jobs.

- ***District Commercial Preservation Incentive:***

A significant part of the District contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). As the District gains momentum as a place of strategic innovation it will be important to bring new life into many of the District's historic structures and ensure that they continue to positively

influence the District's sense of place, distinctness and architectural relevance. For this purpose a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. The primary benefit of the special valuation would be that during the 7, 2 or 3 year special valuation period, property taxes would not reflect the value of the substantial improvements made to the historic property. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. The property must commence construction on an approved rehabilitation within six months after the execution of the agreement and complete the project within 30 months. Rehabilitation cost must equal or exceed 25% of the current assessed value of the property, exclusive of land value, prior to rehabilitation. Expenditures are based on Qualified Rehabilitation Expenditures. "Qualified rehabilitation expenditures" are expenses chargeable to the project, including improvements made to the building within its original perimeter, architectural and engineering fees, permit and development fees, loan interest, state sales tax, and other expenses incurred during the rehabilitation period. Not included are costs associated with acquiring the property or enlarging the building.

- ***Small Business Incentive:***

Designed to incentivize small businesses and entrepreneurs that have less than fifteen full time employees to the Innovation District by fully exempting them from both the property tax associated with their business's space and any personal property tax associated with the business during their: (a) a period of 7 years or less for investments of at least \$3 million or (b) a period of 2 years or less for investments of at least \$500,000. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements of no less than \$25,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining at least three such employees each year of the incentive and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

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Incentives 5/7/18

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are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. The property must commence construction on an approved rehabilitation within six months after the execution of the agreement and complete the project within 30 months. Rehabilitation cost must equal or exceed 25% of the current assessed value of the property, exclusive of land value, prior to rehabilitation. Expenditures are based on Qualified Rehabilitation Expenditures. "Qualified rehabilitation expenditures" are expenses chargeable to the project, including improvements made to the building within its original perimeter, architectural and engineering fees, permit and development fees, loan interest, state sales tax, and other expenses incurred during the rehabilitation period. Not included are costs associated with acquiring the property or enlarging the building.

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A cap on the incentives of \$15 million is proposed for the first five years of the program. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be offered by that party regarding any future recapitalization actions.

Possible Innovation District Structures Using CGS 12-65b and 12-65h

The Planning Committee of the Common Council considered various tax agreement structures using CGS 12-65b and 12-65h. The structures below are meant to provide examples of how a potential tax agreement could be structured. The final structure of any tax agreement ultimately is at the sole discretion of the Common Council per the statutory reference above.

- ***Real Estate Development Incentive:***

Housing, Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities Development: The tax increment is exempted up to 50% for not more than 10 years for housing development projects that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district or commit not less than 5% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 million.

- ***The Skilled Job Creation Tax Credit:***

The real estate exemptions may be increased if a business increases the number of skilled jobs available in the District. A business has the option to take advantage of the increase if it creates new full time jobs, that spend a minimum of 60% of their time in the District and pays each position \$50,000 or more annually in a given year. Program participants must commit to maintaining business operations in the District for five years and maintain staffing levels of such jobs since the starting period. The exemption can be applied for: (a) up to 50% for an increase of 5% in skilled jobs; (b) up to 60% for an increase of 10% in skilled jobs; (b) up to 80% for an increase of 20% in skilled jobs; or (c) up to 100% for an increase of 40% in skilled jobs.

- ***District Commercial Preservation Incentive:***

A significant part of the District contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). To enhance such properties, a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. The primary benefit of the special valuation would be that during the 7, 2 or 3 year special valuation period, property taxes would not reflect the value of the substantial improvements made to the historic property. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. Rehabilitation cost must equal or exceed 25% of the current assessed value of the property, exclusive of land value, prior to rehabilitation.

- ***Small Business Incentive:***

Designed to incentivize small businesses and entrepreneurs that have less than fifteen full time employees to the Innovation District by fully exempting them from both the property tax associated with their business's space and any personal property tax associated with the business: (a) a period of 7 years or less for investments of at least \$3 million or (b) a period of 2 years or less for investments of at least \$500,000. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements of no less than \$25,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining at least three such employees each year of the incentive and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

- ***B Corp Tax Incentive:*** This incentive allows all new, sustainable businesses committed to creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the incentive and the employees must work in the District 60% of the time and the incentive is capped at the property taxes for not more than ten thousand square feet.

- ***Sustainability Incentive:***

New Construction or Rehabilitation: Any real estate development project that is designed to meet LEED Green Building Rating System gold certificate or other equivalent certification (such as Living Building certification and others) and does not exceed 70% of the energy use allowed by the state energy code for new construction are exempt up to 50% of the increment for up to 10 years on housing, office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses. Projects that qualify may also be eligible for tax credits equivalent to a percentage of allowable costs based on the type of project and the LEED Rating achieved under the state Green Building Tax Credit Program.

Use of Alternative Energy Sources: Any project that uses over 50% of renewable (or green) energy sources may exempt up to 50% of their increment for a maximum of 10 years on housing, office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses. The exemption may increase as the renewable energy source use increases within the project on a matching basis. For example, if a project uses 70% renewable energy sources the increment may be exempted up to 70%.

Design Elements: Any project that incorporates a green roof, a storm water management system, includes reflective surfaces to mitigate the heat island effect, or any other design elements that are deemed sustainable, may exempt up to 25% of their increment for a

maximum of 10 years on housing office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses.

- **Arts Incentive:** Projects that have qualifying residing artists occupying live-work space and/or artistic entertainment enterprise may exempt up to 100% of their tax obligations for their real estate for up to 10 years. This promotes art throughout the district which will add to character and sense of place. It also may create more affordable spaces for artists to reside and work within the district.

A cap on the incentives of \$15 million is proposed for the first five years of the program. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be offered by that party regarding any future recapitalization actions.

Incentives 5/25/18 (current)

Innovation District Tax Agreement Examples Using CGS 12-65b and 12-65h

The Planning Committee of the Common Council reviewed the examples below of how a tax agreement could be structured using CGS 12-65b and 12-65h for a business or development that furthers the application of technology, science, health or design in the Innovation District. The information below is informational only as the final structure of any tax agreement ultimately is at the sole discretion of the Common Council per the statutory reference above. All tax agreement benefits are conditioned upon an improvement that results in an increased tax valuation.

- ***Real Estate Development Incentive:***

Housing, Office, Retail, Permanent Residential, Light Manufacturing, Information Technology, or Indoor Recreation Facilities Development: The tax increment is exempted up to 50% for not more than 10 years for development projects that have street frontage on main arterials that reserve not less than 5% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people employed within the district and commits not less than 5% of their gross floor area to health, science, design or technology uses. Eligible projects are valued at not less than \$10 million.

- ***The Skilled Job Creation Tax Credit:***

A real estate tax exemption may be provided to a commercial property owner for the space occupied by a business that creates new or adds to the number of skilled jobs in the District. An eligible full-time job, spends a minimum of 60% of their time in the District and has a starting salary of \$50,000 or more annually. Applicants must commit to maintaining business operations in the District for five years and maintain staffing levels during the term of the tax agreement.

- ***District Commercial Preservation Incentive:***

A significant part of the area contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). To enhance such properties, a special valuation for improvements of: (a) at least \$3 million will have a 0% increment value for no more than 7 years; (b) at least \$500,000 will have a 0% increment value for no more than 2 years; or (c) at least \$25,000 will have a 50% increment value for no more than 3 years. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. Rehabilitation cost must equal or exceed 25% of the current assessed value of the property, exclusive of land value, prior to rehabilitation.

- ***Small Business Incentive:***

A real estate tax agreement may be provided to a commercial property owner for small businesses and entrepreneurs that are newly locating, improving or expanding in the

Innovation District. Such businesses that have an improvement that results in an increased tax valuation not less than \$25,000 can be eligible for a full exemption of the property tax associated with their lease and any personal property tax associated with the business: (a) a period of 7 years or less for evidenced investments of \$3 million or more (b) a period of 2 years or less for investments between \$500,000 and under \$3 million. An exemption not more than 50% of the tax increment for a period of no more than 3 years can be applied to improvements between \$25,000 – and under \$500,000. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining employment levels during the term of the tax agreement and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

- ***B Corp Tax Incentive:*** This incentive allows all sustainable businesses creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years if there is a real estate improvement that results in an increased tax valuation not less than \$25,000. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the tax agreement, the employees must work in the District 60% of the time and the corporation lease cannot exceed ten thousand square feet.

- ***Sustainability Incentive:***

New Construction or Rehabilitation: Any real estate development project that is designed to meet LEED Green Building Rating System gold certificate or other equivalent certification (such as Living Building certification and others) and does not exceed 70% of the energy use allowed by the state energy code for new construction are exempt up to 50% of the increment for up to 10 years on housing, office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses. Projects that qualify may also be eligible for tax credits equivalent to a percentage of allowable costs based on the type of project and the LEED Rating achieved under the state Green Building Tax Credit Program.

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Design Elements: Any project that incorporates a green roof, a storm water management system, includes reflective surfaces to mitigate the heat island effect, or any other design elements that are deemed sustainable, may exempt up to 25% of their increment for a

maximum of 10 years on housing office, retail, permanent residential, light manufacturing, information technology, or indoor recreation facility uses.

All sustainable elements must result in an increased property valuation of not less than \$25,000 or be included within a new construction project.

- ***Arts Incentive for New Construction:*** Projects that have residing artists or artisans occupying space that is open to the public may exempt up to 100% of their tax obligations for their real estate for up to 10 years.

The Planning Committee recommended a cap of \$15 million in tax incentives be considered for the first five years of the ordinance and that Common Council consider further caps every five years thereafter. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be submitted.

Versions of Ordinances

4/13/18 – 5/25/18

ordinance 4/13/18

BE IT ORDAINED BY THE CITY OF NORWALK that the following is adopted as City Ordinance # _____, and shall be entitled City of Norwalk Innovation District Business Incentive Ordinance pursuant to CGS12-65b and 12-65h:

1. Purpose

Formulation of the District

It is hereby found and declared that the establishment of a Norwalk Innovation District in the Wall Street and West Avenue area (Exhibit A Map) will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology and therefore is a necessary economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The Norwalk Innovation District is a concept based on the premise that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

The Norwalk Innovation District redevelopment objectives of; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, secure a sufficient workforce and ensuring that those who work in the district in such industry can live in the district will not happen spontaneously or through the force of current market conditions. Such redevelopment objectives will only achieve their maximum potential - the number and quality of jobs, housing units, tax base increase, and more - with a district approach and the active participation of the City of Norwalk.

Related District Tax Incentives

The City of Norwalk (City) recognizes that the Innovation District will exist in an economically competitive global marketplace and therefore elects to use authority granted it by the State of Connecticut to expand and diversify its commercial tax base within the District to enable the retention of existing businesses that want to expand and by attracting new businesses and investment into the District consistent with the District's stated economic development goals. Utilizing the Innovation District as an economic development tool to promote high quality economic development projects that contribute jobs and increase the District's tax base the City has developed the Innovation District Business Incentive Ordinance ("Ordinance").

2. Legal Authority

This ordinance is adopted under authority of CGS 12-65b and 12-65h, which each authorize the City, following a vote by its legislative body to so, enter into agreements ("Agreement") with applicants eligible under the terms of said statutes and of this Ordinance to provide specified forms and amounts of tax relief for prescribed periods of time.

3. Eligible Projects

The following projects are deemed eligible for consideration by the City under this ordinance and as aligned with the tax incentives outlined in **Exhibit B**:

- (a) Office use
- (b) Retail use
- (c) Manufacturing use
- (d) Information Technology
- (e) Light Manufacturing

4. Eligibility Requirements

From time to time eligibility requirements can be amended by the Common Council, but those stated at the adoption of this Ordinance are contained in **Exhibit B**

5. General Provisions

- a. The decision to grant or reject any application under this Ordinance shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h. The Planning Committee of the Common Council will review every application and determine those that proceed to the Common Council for action with the recommendation of the Redevelopment Agency and the comments of the Board of Estimate and Taxation. Should the Planning Committee choose to advance an application to the Common Council that is contrary to the recommendation of the Redevelopment Agency, approval of said application shall require a two thirds majority vote of the Common Council.
- b. The City assessor shall in the assessor's sole discretion determine the assessment of real property or air space and /or the personal property and any and all improvements constructed or to be constructed on the real property which is the subject of the agreement.
- c. The Redevelopment Agency shall take in all applications and conduct an economic and innovation capacity assessment of all applications that the assessor has determined involve valuations greater than five million (\$5,000,000) dollars. The

Redevelopment Agency Commission will take formal action on all applications and advance the application, related assessments and its action to the Planning Committee of the Common Council, who shall refer said application to the Board of Estimate and Taxation for its comment to be completed within forty five days. Upon receipt of the Board of Estimate and Taxation comment the Planning Committee will vote to advance the application to the Common Council for final consideration. The intended timeline for application approval is ninety days, however the City does not formally obligate itself to take action on an application within ninety days.

- d. The fixed assessment period shall commence the first fiscal year for which a tax list is prepared on the October 1st immediately following the issuance of a Certificate of Occupancy by the appropriate building official for the construction of the buildings or manufacturing facilities or other structures and all improvements in or on the real property or air space which is the subject of this agreement
- e. Notwithstanding anything in this Ordinance to the contrary, and provided in all other respects the applicant qualifies under the provisions of CGS 12-65b or 12-65h and this Ordinance, the Common Council, may in its sole discretion, offer to enter into an Agreement with such applicant for an abatement of taxes of a lesser percentage and /or of fewer years than authorized by the statute(s)
- f. On a case by case basis, the Common Council in its exclusive discretion and to further the purposes of this Ordinance, may grant an applicant, in addition to the incentives provided by CGS 12-65b and 12-65h, a full or partial waiver of (1) fees under the building code; and or (2) filing fees with land use agencies.
- g. This Ordinance is not retroactive to any project located within the District that has previously obtained a foundation or building permit prior to the adoption of the Ordinance.
- h. Projects are required to evidence the commencement of construction within six (6) months and shall be complete within 30 months of execution of the Agreement. Failure to comply with this schedule shall result in termination of the Agreement by the Common Council.
- i. If an applicant valuation exceeds \$5,000,000 and during the period of participation in this program and during the term of an Agreement it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20% or more, a reduction in workforce by more than 20% or more, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S. 12-65b and 12-65h then the Common Council shall terminate the Agreement and any tax incentive or other benefit enjoyed by the applicant under this program and the Agreement shall be

immediately forfeited and the applicant shall be required to pay back all taxes it would have been assessed had the application not been granted and the Agreement not been entered into. Every Agreement shall contain a provision to this effect.

- j. No agreement entered into pursuant to this policy shall be subject to assignment, transfer or sale without written approval from the Redevelopment Agency.
 - k. No agreement shall be executed by the Common Council until it is approved by Corporation Counsel as to form and legality.
 - l. Any Agreement hereunder shall be recorded in the land records of the City of Norwalk.
6. Application Process
- (a) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council. After determining that an application is complete it shall be forwarded to the Redevelopment Agency for its review. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty five (45) days. Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5a.
 - (b) After review of an application as provided in subsection (a) above, an application reviewed favorably by the Common Council will contain an authorization for the Mayor to enter into the agreement with the applicant.

Innovation District Tax Incentives

§99-1. Concept

It is hereby found and declared that the establishment of a Norwalk Innovation District (the "District") in the Wall Street and West Avenue area will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology. The District shall serve as an economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The District's concept is that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

§99-2. Objectives

The District's objectives include; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, securing a sufficient workforce and ensuring that those who work in the district, can live in the district.

§99-3. Eligible Projects

The following project types are eligible for tax incentive consideration:

- (a) Office use
- (b) Mixed Use
- (c) Retail use
- (d) Manufacturing use
- (e) Information Technology
- (f) Light Manufacturing

§99-4. Eligibility Requirements

From time to time eligibility requirements may be amended by the Common Council,

§99-5. Review Process

- a. The decision to grant or reject any application shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h.
- b. The Planning Committee of the Common Council will review every application with the advice and analysis of the Norwalk Redevelopment Agency and determine those applications that shall proceed to the Common Council for a vote on approval of tax incentives. .

- c. If approved for a tax incentive, the fixed assessment period shall commence the first fiscal year following the issuance of a Certificate of Occupancy for the real property or air space which is the subject of the tax agreement
- d. The Common Council, may, in its sole discretion, enter into an Agreement with a successful applicant, for an abatement of taxes at a lesser percentage and /or for fewer years than authorized by the statute or this ordinance.
- e. (new construction *only* shall be stated in eligibility requirements) *Not sure this sentence is in the right context seems to be limiting only to new construction*
Approved Projects are required to commence construction within six (6) months and shall be completed within 30 months of execution of the Agreement. Failure to comply with this schedule may result in termination of the Agreement by the Common Council.

If a successful applicant's valuation exceeds \$5,000,000, and, during the term of the Agreement it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20% or more, a reduction in workforce by more than 20% or more, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S. 12-65b and 12-65h, the Common Council may terminate the Agreement and any tax incentive or other benefit granted to the successful applicant under this program, the Agreement shall be deemed breached, and the successful applicant shall be required to pay all assessments which were abated under the Agreement.

(f) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council. . The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty five (45) days. Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5a.

ordinance 5/7/18

Innovation District Tax Incentives

§99-1. Concept

It is hereby found and declared that the establishment of a Norwalk Innovation District (the "District") in the Wall Street and West Avenue area will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology. The District shall serve as an economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The District's concept is that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

§99-2. Objectives

The District's objectives include; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, securing a sufficient workforce and ensuring that those who work in the district, can live in the district.

§99-3. Eligible Projects

The following project types are eligible for tax incentive consideration:

- (a) Office use
- (b) Mixed Use
- (c) Retail use
- (d) Manufacturing use
- (e) Information Technology
- (f) Light Manufacturing

§99-4. Eligibility Requirements

From time to time eligibility requirements may be amended by the Common Council.

§99-5. Review Process

- a. The decision to grant or reject any application shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h.
- b. The Planning Committee of the Common Council will review every application with the advice and analysis of the Norwalk Redevelopment Agency and determine those applications that shall proceed to the Common Council for a vote on approval of tax incentives.

- c. Any project located within the District that has previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Ordinance are not eligible.
- d. If approved for a tax incentive, the fixed assessment period shall commence the first fiscal year following the issuance of a Certificate of Occupancy for the real property or air space which is the subject of the tax agreement.
- e. The Common Council, may, in its sole discretion, enter into an Agreement with a successful applicant, for an abatement of taxes at a lesser percentage and /or for fewer years than authorized by the statute or this ordinance.
- f. Approved Projects are required to commence construction within six (6) months and shall be completed within 30 months of execution of the Agreement. Failure to comply with this schedule may result in termination of the Agreement by the Common Council.

If a successful applicant's valuation exceeds \$5,000,000, and, during the term of the Agreement it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20% or more, a reduction in workforce by more than 20% or more, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S. 12-65b and 12-65h, the Common Council may terminate the Agreement and any tax incentive or other benefit granted to the successful applicant under this program, the Agreement shall be deemed breached, and the successful applicant shall be required to pay all assessments which were abated under the Agreement.

(e) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty five (45) days. Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5a.

Innovation District Tax Incentives

§99-1. Concept

It is hereby found and declared that the establishment of a Norwalk Innovation District (the "District") in the Wall Street and West Avenue area will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology. The District shall serve as an economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The District's concept is that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

§99-2. Objectives

The District's objectives include; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, securing a sufficient workforce and ensuring that those who work in the district, can live in the district.

§99-3. Eligible Projects

The following project types are eligible for tax incentive consideration:

- (a) Office use
- (b) Mixed Use
- (c) Retail use
- (d) Manufacturing use
- (e) Information Technology
- (f) Light Manufacturing

§99-4. Eligibility Requirements

From time to time eligibility requirements may be amended by the Common Council.

- a. -Any project located within the District that has previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Ordinance are not eligible.
- b. Any applicant that has debt owed to the City of Norwalk or any related entity including real or personal property taxes, parking fees or penalties, or permit fees or penalties are not eligible.
- c. Any applicant that is not compliant with Norwalk City Code or has had a violation within the past 12 months are not eligible.

§99-5. Review Process

- a. Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty five (45) days. Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5b.
- a.b. The decision to grant or reject any application shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h.
- b.c. The Planning Committee of the Common Council will review every application with the advice and analysis of the Norwalk Redevelopment Agency and determine those applications that shall proceed to the Common Council for a vote on approval of tax incentives.
- ~~c.a. Any project located within the District that has previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Ordinance are not eligible.~~
- d. If approved for a tax incentive, the fixed assessment period shall commence the first fiscal year following the issuance of a Certificate of Occupancy for the real property or air space which is the subject of the tax agreement.
- e. The Common Council, may, in its sole discretion, enter into an Agreement with a successful applicant, for an abatement of taxes at a lesser percentage and /or for fewer years than authorized by the statute or this ordinance.
- e.f. Applicants are required to sign a waiver on appeals upon entering the Agreement as the decision is based upon the sole discretion of the Common Council per CGS 12-65b and 12-65h. – STAFF CONCERNS
- f.g. Approved Projects are required to commence construction within six (6) months and shall be completed within 30 months of execution of the Agreement. Failure to comply with this schedule may result in termination of the Agreement by the Common Council.

§ 99-6. Post-Award Compliance

If a successful applicant's ~~valuation exceeds \$5,000,000, and,~~ during the term of the Agreement ~~it:~~ (a) relocates its business from Norwalk; (b) ~~becomes delinquent in taxes or fees~~ becomes non-compliant with subsection 4b or 4c; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20% ~~or more~~, a reduction in workforce by more than 20% ~~or more~~, a failure to construct upon additional phases of construction, and/or

sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S> 12-65b and 12-65h, the Common Council may terminate the Agreement and any tax incentive or other benefit granted to the successful applicant under this program, the Agreement shall be deemed breached, and the successful applicant shall be required to pay all assessments which were abated under the Agreement. ~~(e) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty five (45) days. Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5a.~~

Innovation District Tax Agreements

§99-1. Concept

It is hereby found and declared that the establishment of a Norwalk Innovation District (the "District") in the Wall Street and West Avenue area will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology. The District shall serve as an economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The District's concept is that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

§99-2. Objectives

The District's objectives include; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, securing a sufficient workforce and ensuring that those who work in the district, can live in the district.

§99-3. Eligible Projects

Consideration of a potential negotiated tax agreement is extended to the following project types provided they evidence the project's furtherance of technology, science, health or design within the District:

- (a) Office use
- (b) Mixed Use
- (c) Retail use
- (d) Manufacturing use
- (e) Information Technology
- (f) Light Manufacturing

§99-4. Eligibility Requirements

From time to time eligibility requirements may be amended by the Common Council.

- a. Any project located within the District that has previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Ordinance are not eligible.
- b. Any applicant that has debt owed to the City of Norwalk or any related entity including real or personal property taxes, parking fees or penalties, or permit fees or penalties are not eligible.
- c. Any applicant that is not compliant with Norwalk City Code or has had a violation within the past 12 months are not eligible.

§99-5. Review Process

- a. Preliminary applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee – PROCESSING CONCERN (deposit) on a form approved by the Common Council. The Redevelopment Agency's review shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the application materials to the Board of Estimate and Taxation (BET). The BET shall review the forwarded materials and provide its comments to the Planning Committee within forty five (45) days. The Planning Committee shall review all applications materials and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5b.
- b. The decision to grant, reject or re-structure any tax agreement shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any tax agreement application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h.
- c. Applicants are required to sign a waiver on appeals upon entering the Agreement as the decision is based upon the sole discretion of the Common Council per CGS 12-65b and 12-65h. – LEGAL STAFF CONCERNS
- d. If the tax agreement is approved, the fixed assessment period shall commence the first fiscal year following the issuance of a Certificate of Occupancy for the real property or air space which is the subject of the tax agreement.
- e. Approved Projects are required to commence construction within six (6) months and shall be completed within 30 months of execution of the Agreement. Failure to comply with this schedule may result in termination of the Agreement by the Common Council.

§ 99-6. Post-Award Compliance

If a successful applicant during the term of the Agreement: (a) relocates its business from Norwalk; (b) becomes non-compliant with subsection 4b or 4c; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20%, a reduction in workforce by more than 20%, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S. 12-65b and 12-65h, the Common Council may terminate the Agreement and any tax incentive or other benefit granted to the successful applicant under this program, the Agreement shall be deemed breached, and the successful applicant shall be required to pay all assessments which were abated under the Agreement.

**Materials provided to Ordinance
Committee – May 2018**

**THE PLANNING COMMITTEE
OF THE COMMON COUNCIL**

**125 East Avenue
P.O. Box 5125
Norwalk, CT 06856**

ordinance
cover
Letter
shlis

May 9, 2018

Ms. Eloisa Melendez, Chair
Ordinance Committee of the Common Council
Norwalk City Hall
125 East Avenue
Norwalk, CT. 06856

Dear Councilwoman Melendez:

On Thursday, May 3, 2018, the Planning Committee voted unanimously to favorably advance to the Ordinance Committee of the Common Council the attached draft ordinance for its consideration and to undertake the requisite implementation actions. The proposed ordinance grants to the City of Norwalk via its legislative body the ability to use the powers conveyed to it by the State of Connecticut under CGS 12-65b and 12-65h within the Norwalk Innovation District geography (see attached map). Such statutory authority allows the City via its legislative body to enter into a written agreement with any party owning or proposing to acquire an interest in real property located in this area, or with any party owning or proposing to acquire an interest in air space in this area, or with any party who is the lessee of, or who proposes to be the lessee of, air space in this area at its sole discretion.

The Planning Committee has determined the need to introduce the potential for tax incentives to this area based on its primary census tract 437 demographics which indicate that the median income is below 80% of the area median income, it has a poverty rate in excess of 20%, it reflects persistent blight and it lacks the residential population and jobs required to economically sustain traditional urban commerce that makes urban centers successful and vibrant.

The proposed ordinance was reviewed by the Ordinance Committee staff prior to its referral. It outlines the Innovation District planning concept, states the intended planning objectives, eligible projects and review process. The Planning Committee encourages the Ordinance Committee and its staff to fully consider the proposed ordinance and to offer any meaningful modifications to it as the Committee proceeds with the requisite implementation actions.

Sincerely,



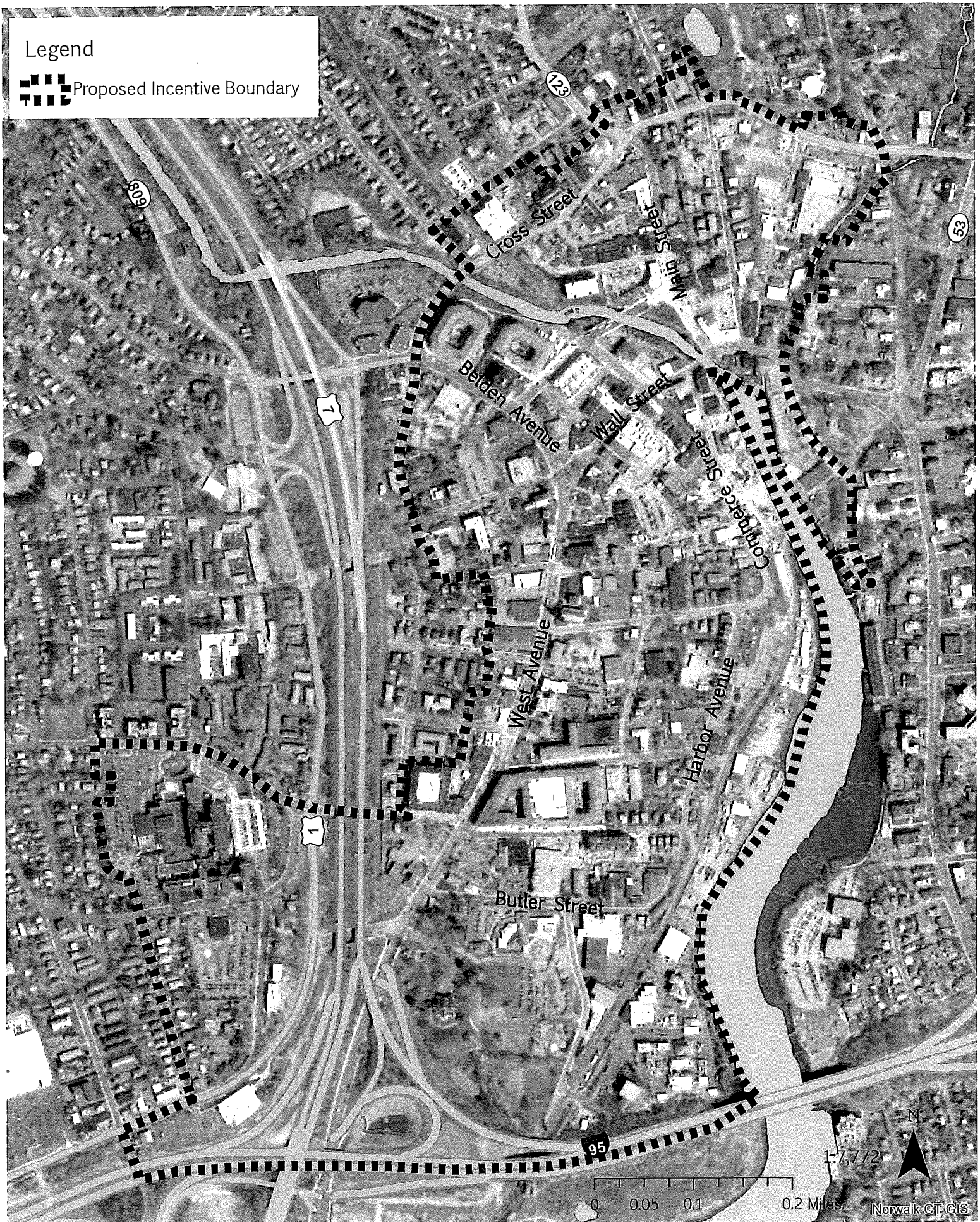
John T. Kydes
Common Council President

Attachments

CC: Brian McCann, Assistant Corporation Counsel
Brian Candela, Assistant Corporation Counsel

Exhibit A: Wall Street - West Avenue Proposed Incentive Boundary

MAP



ordinance 5/7/18 draft

Innovation District Tax Incentives

§99-1. Concept

It is hereby found and declared that the establishment of a Norwalk Innovation District (the "District") in the Wall Street and West Avenue area will assist in the revitalization of that area and diversify its economy as it relates to advanced health, science, design and technology. The District shall serve as an economic development tool by which partnerships between public and private institutions, businesses, and government will fuel future job growth. The District's concept is that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas and people.

§99-2. Objectives

The District's objectives include; leveraging area advantages, improving local industry research, growing, attracting and retaining new technology companies, securing a sufficient workforce and ensuring that those who work in the district, can live in the district.

§99-3. Eligible Projects

The following project types are eligible for tax incentive consideration:

- (a) Office use
- (b) Mixed Use
- (c) Retail use
- (d) Manufacturing use
- (e) Information Technology
- (f) Light Manufacturing

§99-4. Eligibility Requirements

From time to time eligibility requirements may be amended by the Common Council.

§99-5. Review Process

- a. The decision to grant or reject any application shall be within the sole and exclusive discretion of the Common Council. The Common Council is under no obligation to approve any application, nor will any application be granted that does not comply with CGS 12-65b and 12-65h.
- b. The Planning Committee of the Common Council will review every application with the advice and analysis of the Norwalk Redevelopment Agency and determine those applications that shall proceed to the Common Council for a vote on approval of tax incentives.

- c. Any project located within the District that has previously obtained a foundation, building permit, or zoning approval prior to the adoption of the Ordinance are not eligible.
- d. If approved for a tax incentive, the fixed assessment period shall commence the first fiscal year following the issuance of a Certificate of Occupancy for the real property or air space which is the subject of the tax agreement.
- e. The Common Council, may, in its sole discretion, enter into an Agreement with a successful applicant, for an abatement of taxes at a lesser percentage and /or for fewer years than authorized by the statute or this ordinance.
- f. Approved Projects are required to commence construction within six (6) months and shall be completed within 30 months of execution of the Agreement. Failure to comply with this schedule may result in termination of the Agreement by the Common Council.

If a successful applicant's valuation exceeds \$5,000,000, and, during the term of the Agreement it: (a) relocates its business from Norwalk; (b) becomes delinquent in taxes or fees; (c) declares bankruptcy; (d) substantially reduces its operations on the subject property during the time of the Agreement, with substantially reduced "operations" meaning for purposes of this Ordinance, among other things, a reduction in square feet occupied within the facility by more than 20% or more, a reduction in workforce by more than 20% or more, a failure to construct upon additional phases of construction, and/or sale or lease of some or all of the property; and /or in any other way fails to comply with the Agreement, this Ordinance and or C.G.S. 12-65b and 12-65h, the Common Council may terminate the Agreement and any tax incentive or other benefit granted to the successful applicant under this program, the Agreement shall be deemed breached, and the successful applicant shall be required to pay all assessments which were abated under the Agreement.

(e) Applications shall be submitted to the Norwalk Redevelopment Agency with an estimated application processing fee (deposit) on a form approved by the Common Council. The application and the recommendation of the Redevelopment Agency shall be forwarded to the Planning Committee of the Common Council. The Planning Committee shall advance the Redevelopment Agency materials to the Board of Estimate and Taxation (BET). The BET shall review the Redevelopment Agency materials and provide its comments to the Planning Committee within forty five (45) days. Planning Committee shall review all materials, recommendations and comments and determine application advancement to the Common Council for final action consistent with the limitations of subsection 5a.

**Materials provided to
Planning Committee
2/1/18 – 5/3/18**

Final Memo to Planning Committee 12/29/17

**THE PLANNING COMMITTEE
OF THE COMMON COUNCIL**

125 East Avenue
P.O. Box 5125
Norwalk, CT 06856

↳ PC meeting
agenda
2/1/18

TO: MEMBERS, PLANNING COMMITTEE OF THE COMMON COUNCIL
FROM: TIMOTHY SHEEHAN, EXECUTIVE DIRECTOR
RE: WALL STREET-WEST AVENUE INNOVATION DISTRICT
DATE: DECEMBER 26, 2017

Introduction

Norwalk last year began to lay the ground work for the Wall Street and West Avenue Corridor to become an Urban Innovation District. An Urban Innovation District is a defined geographic area within a city where technology and creative class businesses and institutions are clustered. Those businesses then connect with start-ups, accelerators, and incubators. These areas are emerging as the new urban business centers. The defined geographic area for a typical innovation district is amenity-rich, operates 24/7, has diversified housing opportunities and is a hyper-connected area via both technology and transportation.

The "Reimagined Urban District" model of Innovation District development drives forward an economic development strategy aimed at revitalizing underutilized parcels of land by attracting both established companies and emerging entrepreneurs, and developing infrastructure and amenities to holistically support the work-life opportunities within it. Business relocation, retention and new development that significantly contributes to these public policy objectives are the development building blocks that the incentives would encourage. To further these ideas and incentives, the Agency has gathered input from the Innovation District Subcommittee of the Common Council and is proposing the following incentive program.

Program Boundary

The proposed incentive program will only apply to a targeted area within the City to draw new jobs and businesses to a specific area that is of interest. It is important that the chosen area has the foundation to support an Innovation District. This foundation mainly comes in the form of anchor institutions, available space, and amenities. Of these, the most crucial being anchor institutions. These institutions are well established and have the potential to draw other synergistic employers and businesses to the district. Having these institutions within the incentive boundary will not only benefit the cohesiveness of the district as a whole, but also incentivize the anchor institutions and new businesses hoping to enter the district.

The Agency, with input from the anchor institutions and the Innovation District Subcommittee, has proposed that the boundary reflect that of the new Wall Street-West Avenue Redevelopment Plan boundary which resembles the boundary of Census Tract 437. The boundary extends to include the Norwalk Hospital, King Industries, Devine Brothers, Lillian August, Yale-New Haven Children's Hospital, the Norwalk Main Library, and Stepping Stones (see Figure 1). All

of these institutions are major employers and assets within the district. The institutions also have the potential to create synergistic relationships with one another within the underutilized areas in the district boundary centered on the themes of health, science, and technology.

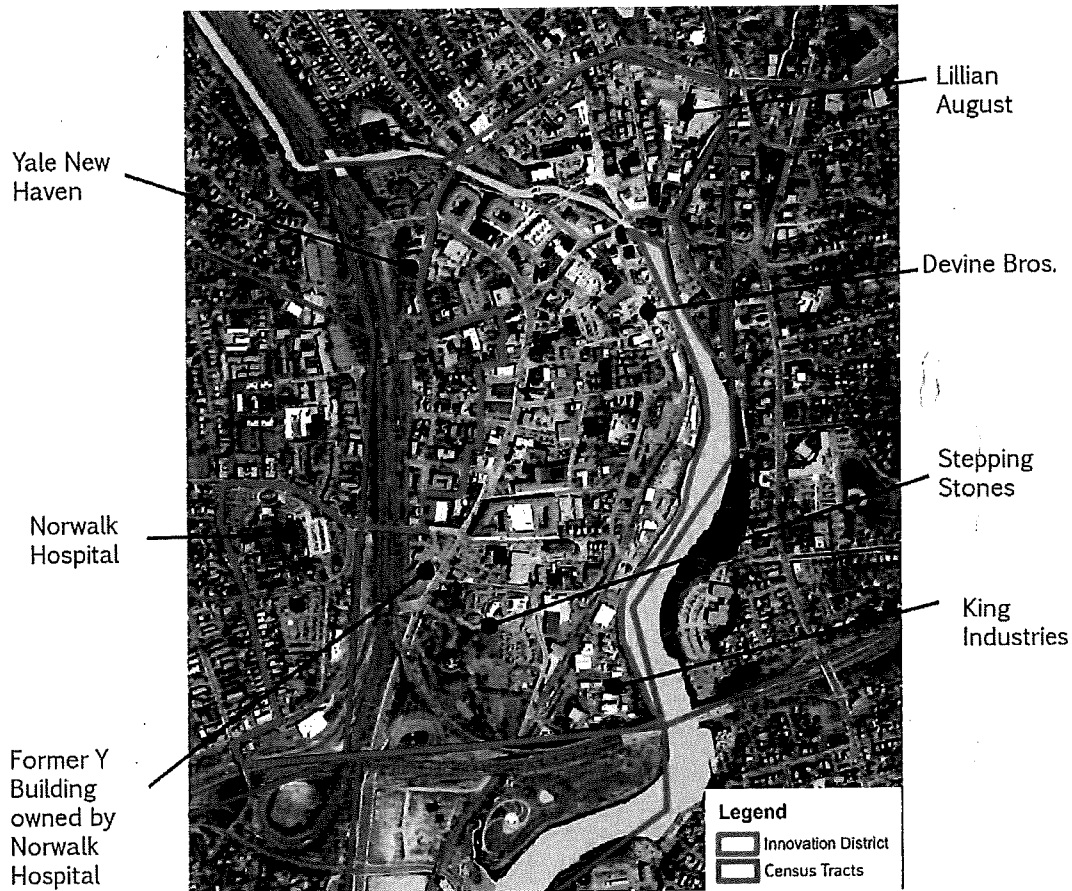


Figure 1. Map of Innovation District Boundary.

Proposed Incentives

The Agency is proposing five tax incentives for the Innovation District to attract new development, businesses and jobs to the area. The following incentives can be used in combination or standalone, depending on the business and/or project. The advancement of an application regarding a proposed incentive will require Innovation District Committee recommendation (committee will be formed after incentive approval from the Common Council). That recommendation will be referred to the Planning Committee, Redevelopment Agency and Planning Commission for their respective consideration, comment and action. All respective consideration, comment and action will then be advanced to the Common Council for final approval (See Figure 2).

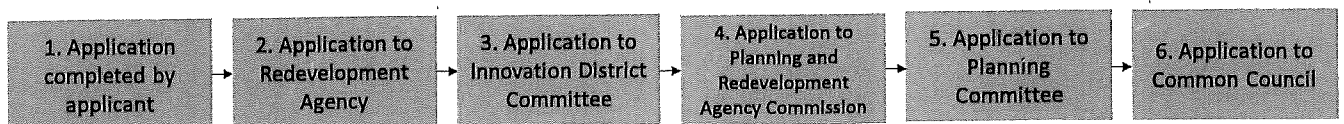


Figure 2. Steps to Approval.

The Agency will develop the various incentive applications for the Innovation District that will vet applicants and streamline the process prior to coming to the Innovation District Committee and the Common Council for approval. Such application will be reviewed with the Planning Committee.

- ***Infrastructure Investment Incentive:***

A service payment agreement where the tax increment may be fully applied to support financing public infrastructure projects within the district for up to 30 years provided the service payments are equal to the taxes that would have been paid to the City but for the exemption. As a result, the district will be able to support new business growth and increased population throughout the area which would have otherwise not been possible without significant City financing.

- ***Real Estate Development Incentive:***

The tax increment is exempted up to 50% for not more than 10 years on new mixed use and not more than 15 years for office development projects that have street frontage on main arterials within the District, that reserve not less than 10% of their developable square footage as highly activated public realm, dedicate 5% of any required workforce housing units to people earning not more than 50% of State Median Income or commit not less than 10% of their gross floor area to health, science or technology uses. Eligible projects are valued at not less than \$10 Million. This is to incentivize investment in new larger scale real estate development in the district and to allow those that are building the opportunity to invest more capital into their development projects as they come to market and to allow the project to economically stabilize before realizing the full tax impact.

- ***District Commercial Preservation Incentive:***

A significant part of the District contains a Historic Preservation District as designated by the Connecticut State Historic Preservation Office (SHPO). As the District gains momentum as a place of strategic innovation it will be important to bring new life into many of the District's historic structures and ensure that they continue to positively influence the District's sense of place, distinctness and architectural relevance. For this purpose a twenty year special valuation is recommended for District historic structures that undergo approved historic rehabilitation. The primary benefit of the special valuation would be that during the twenty year special valuation period, property taxes would not reflect the value of the substantial improvements made to the historic property. Eligible properties, would include those as defined by the Norwalk Common Council, are designated as contributing properties to the Wall Street Historic District, buildings in the District that are located within the National Register and any building deemed by the Norwalk Historic Commission as having local historical significance. The property must have undergone an approved rehabilitation within the two years prior to the date of application and rehabilitation cost must equal or exceed 25% of the assessed value of the improvements, exclusive of land value, prior to rehabilitation. Expenditures are based on Qualified Rehabilitation Expenditures. "Qualified rehabilitation expenditures" are expenses chargeable to the project, including improvements made to the building within its original perimeter, architectural and engineering fees, permit and development fees,

loan interest, state sales tax, and other expenses incurred during the rehabilitation period. Not included are costs associated with acquiring the property or enlarging the building.

- ***Small Business Incentive:***

Designed to incentivize small businesses and entrepreneurs that have less than fifteen full time employees to the Innovation District by fully exempting them from both the property tax associated with their business's space and any personal property tax associated with the business during their first four years of operations. Primary conditions include evidencing a minimum of three full time non-related employees that spend a minimum of 60% of their time in the District at the point of opening and maintaining at least three such employees each year of the incentive and the occupied space cannot exceed 10,000 square feet. Similarly, for small businesses already located in the District, additions of three or more new employees would entitle them to the same tax benefit with the same restrictions.

- ***The Skilled Job Creation Tax Credit:***

The Job Creation Tax Credit rewards businesses that increase the number of skilled jobs available in the District. A business can apply the credit to its property tax obligation if it creates ten or more new full time jobs, that spend a minimum of 60% of their time in the District and pays each position \$50,000 or more annually in a given year. Program participants must commit to maintaining business operations in the District for five years and maintain staffing levels at a minimum of ten such jobs since the starting period. The credit amounts for the new jobs created is 2% of annual wages paid for each new job up to \$5,000 per new job created, whichever is higher for each of the five years going forward.

- ***B Corp Tax Incentive:***

Allows all new, sustainable businesses committed to creating jobs in the District to fully exempt their tax obligations for their real estate for the first five years. The B Corp business must have upon opening and maintain at least two non-related employees for the full term of the incentive and the employees must work in the District 60% of the time and the incentive is capped at the property taxes for not more than ten thousand square feet.

A cap on the incentives of \$15 million is proposed for the first five years of the program. The cap amount can be altered by the Common Council if deemed necessary and in the interests of the City. The program structure will be economically evaluated by an independent party at the end of the five year period and a formal recommendation to the Common Council will be offered by that party regarding any future recapitalization actions.

Progress

The Agency has met over the past month with many of the anchor institutions within the district to discuss the incentives, ask questions about what other businesses would benefit their businesses, and what the incentive program could do to assist them in achieving their goals. All

of the institutions have expressed interest within the growth of the district and gave an overall positive response to the proposed incentive program concepts and innovation district theme.

Many of the institutions were also interested in bringing other businesses into the district and increasing their own presence within the district. Some expressed interest in expanding their own footprints and others were in support of amenities that could potentially benefit their current employees. Communication between these institutions and the City will promote and improve the Innovation District and form an amenity-rich and active destination.

Next Steps

Upon general consensus from the Planning Committee to advance the above program outline, staff recommends that it be advanced into a formalized Program/Business Plan. Upon the completion of that plan, it is further recommended that the Planning Committee seek formal comment on the plan from the City's Finance Director, the Board of Estimate and Taxation, the Planning Commission and the City's municipal tax counsel. Once that comment has been received, potential modifications should be considered by the Planning Committee. After the Planning Committee is satisfied with the program structure then it should be advanced for public hearing. After the public hearing the Committee should consider further refinement of the program and, assuming the Committee is supportive, advance to the Common Council for approval.

REQUESTED ACTIONS:

Direct staff to advance the Innovation District Incentive Program into a Program/Business Plan for further review and consideration by the Planning Committee.

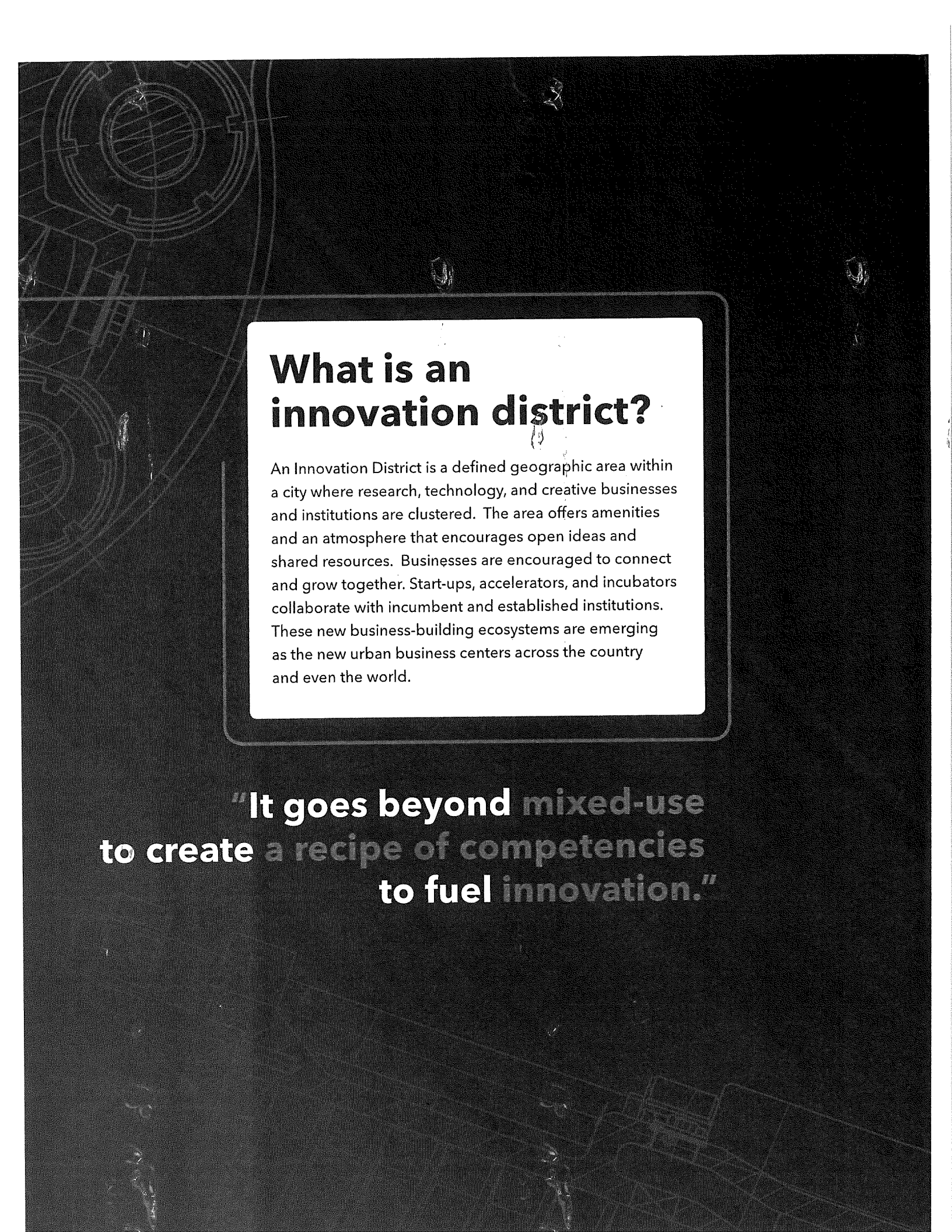
2/27/18
Brochure
Lpc Meeting
3/1/18

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NORWALK

**Proposal and Approach
for a Norwalk Innovation District**

NORWALK  DEVELOPMENT AGENCY

The background of the entire page is a dark, textured surface with faint, light-colored technical drawings or architectural plans. These drawings include circular patterns, lines, and geometric shapes, suggesting a theme of engineering or urban planning. The drawings are most prominent in the upper left and lower right corners.

What is an innovation district?

An Innovation District is a defined geographic area within a city where research, technology, and creative businesses and institutions are clustered. The area offers amenities and an atmosphere that encourages open ideas and shared resources. Businesses are encouraged to connect and grow together. Start-ups, accelerators, and incubators collaborate with incumbent and established institutions. These new business-building ecosystems are emerging as the new urban business centers across the country and even the world.

**"It goes beyond mixed-use
to create a recipe of competencies
to fuel innovation."**