

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MIDDLETOWN:
That Section 272-17 of Chapter 272, Article I of the Middletown Code of Ordinances be added as follows:

CHAPTER 272. TAXATION

Article I. Tax Abatements, Exemptions, Deferral and Incentive Programs

§ 272-17 Historical Structure Rehabilitation Tax Abatement

A. INTRODUCTION. The City of Middletown wishes to preserve our historical and culturally significant buildings within the City’s boundaries. In order to help facilitate the rehabilitation of our historic and culturally significant structures, the City may abate taxes on property deemed to be a “Historic Property,” as defined herein, that incentivizes property owners and developers to reinvest in the historic fabric of our community.

B. DEFINITIONS. As used in this section, the following terms shall have the meaning indicated:

OWNER

Any person or entity owning or proposing to acquire an interest in real property in the City of Middletown, which property is classified as a Historic Property, as such term is defined herein.

PROJECT

The proposed rehabilitation of Historic Property, as such term is defined herein.

HISTORIC PROPERTY

Any real estate situated in a Historical District designated pursuant to C.G.S. § 7-147b as a contributing property to the Historical District or real estate listed on the National Register of Historic Places, State Register of Historic Places, or designated as a property of local significance by the City and in consultation with the Greater Middletown Preservation Trust and the Middlesex County Historical Society as needed. The City shall work with the Greater Middletown Preservation Trust and the Middlesex County Historical Society to maintain a list of Historic Structures and Sites within the City.

C. ADOPTION OF STATUTE. The City of Middletown adopts this section pursuant to the provisions contained in C.G.S. § 12-127a, as amended.

D. APPLICABILITY. Any Project for which an abatement of real property taxes on a Historic Property is sought pursuant to this section must meet the following requirements:

- (1) The property must be a Historic Property.

(2) The Owner must demonstrate to the satisfaction of the City, in its sole and absolute discretion, that the taxes imposed on such Historic Property are a material factor threatening the continued existence of the Historic Property, necessitating either its demolition or remodeling in a manner which destroys its historical or architectural value if an abatement is not given.

(3) A minimum of \$15,000 in qualified rehabilitation expenditures must be incurred to qualify. Qualified rehabilitation expenditures are hard costs associated with the structural rehabilitation of the Historic Property itself; site improvements and non-construction costs are excluded.

(4) The majority of the structural rehabilitation project must include work that preserves the historic building fabric and/or character-defining features of the Historic Property.

(5) Property owner shall demonstrate compliance with the United States Secretary of Interior's Standards for Rehabilitation when developing a rehabilitation plan for a Historic Property.

(6) The Owner, or any members, associates, or individuals that are a member or officer of the entity with which the Owner is associated, and any other entity with which the Owner may be associated shall not be delinquent in the payment of any taxes, charges, or assessments to the City of Middletown.

E. ABATEMENT PROGRAM. Real Estate taxes on a Historic Property may be abated, in whole or in part, for a period of up to ten (10) years. Any tax abatement agreement entered into pursuant to this section will run with the land on the Historic Property, and can be assigned, with the written consent of the City of Middletown, to a subsequent Owner of the same Historic Property.

F. TAX ABATEMENT AGREEMENTS.

(1) Approval Process

(a) To apply for an abatement of taxes in accordance with this section, the Owner shall submit an application, on a form prescribed by the City of Middletown, to the Mayor's Office and the Development Office concurrently.

(b) Once the application has been deemed satisfactorily completed by the Development Office and the Mayor's Office, such application shall then be referred to the Design Review Preservation Board (DRPB) for its review of the proposed rehabilitation of the Historic Property. Upon favorable review by the DRPB, the application shall then be forwarded to the Economic Development Committee.

(c) The Economic Development Committee shall review the application to determine whether such application conforms to and complies with the provisions of this section and all other applicable statutes and regulations. Each application shall be reviewed on a case-by-case basis. If the application receives a favorable recommendation from the Economic Development Committee, the Economic Development Committee shall report

its favorable recommendation to the Common Council, who shall then act upon the application.

(d) All applications for the abatement of taxes pursuant to this section that receive a favorable recommendation from the Economic Development Committee shall go to the Common Council for its review. The Common Council shall only act upon the application by ordinance; said ordinance shall include the fixed period of time, and percentage of abatement of taxes for each year. If the Common Council approves the application, the Mayor shall execute a tax abatement agreement with the Owner, pursuant to the details as outlined in the ordinance approved by the Common Council.

(2) Required provisions. All agreements for the abatement of taxes entered into pursuant to this section shall contain the following provisions:

(a) If the structure on the Historic Property is demolished or remodeled in a way which destroys its architectural or historical value, as determined by the City in its sole and absolute discretion, the City may terminate the tax abatement agreement immediately, and all taxes that would have been owed to the City during the pendency of the tax abatement agreement, including accrued interest, otherwise due to the City of Middletown, shall become immediately due and payable.

(b) In the event the Owner, or any members, associates, or individuals that are a member or officer of the entity with which the Owner is associated, and any other entity with which the Owner may be associated is delinquent in any and all taxes, charges, or assessments due to the City of Middletown at any point during the duration of the tax abatement agreement, the City may terminate the tax abatement agreement immediately, and all taxes that would have been owed to the City during the pendency of the tax abatement agreement, including accrued interest otherwise due to the City of Middletown, shall become immediately due and payable.

(c) If the tax abatement is assigned in accordance with this ordinance and by consent of the City of Middletown, failure or inability of a new owner to comply with any of the conditions of this section, shall result in immediate termination of the tax abatement agreement and all taxes that would have been owed to the City during the pendency of the tax abatement agreement, including accrued interest, otherwise due to the City of Middletown, shall become immediately due and payable.

(d) In the event that construction is not commenced or completed, as the case may be, within the time period prescribed in the agreement, including any extensions provided for in the agreement, then any agreement entered into pursuant to this section may be immediately terminated and all taxes that would have been owed to the City during the pendency of the tax abatement agreement, including accrued interest, otherwise due to the City of Middletown, shall become immediately due and payable.

Submitted by: Councilman Vincent Loffredo, Councilman Ed McKeon,
Councilwoman Jeanette Blackwell, Councilman Phil Pessina,
Councilman Tony Gennaro, Councilwoman Meghan Carta, Councilman Ed
Ford, Councilman Gene Nocera, Councilwoman Linda Salafia,

Approved by: Economic Development Committee at its meeting held on February 29,
2021
General Counsel Commission at its meeting held on March 11, 2021.

Status:
by Common Council, City of Middletown
at its meeting held on: