

TOWN OF WINDSOR, CONNECTICUT

Special Meeting Notice



AGENCY: Finance Committee

DATE: August 15, 2016

TIME: 7:00 PM

PLACE: Town Hall – Ludlow Room

AGENDA

1. Call to Order
2. Public Comment
3. *Discussion of Fabcon Precast Fixed Assessment Agreement
4. Staff Reports
5. Approval of Minutes
 - a) *June 15, 2016
6. Adjournment

*Backup materials

Public Act 75-312 requires notice of Special Meetings to be posted in the Town Clerk's Office not less than 24 hours prior to the time of such meeting. No other business shall be considered at this meeting than that listed on this Agenda.

Agenda Item Summary

Date: August 15, 2016

To: Members of the Finance Committee

Prepared By: James Burke, Economic Development Director

Reviewed By: Peter Souza, Town Manager 

Subject: Application for Fixed Assessment
Fabcon Precast, LLC

Background

Fabcon Precast, LLC, is a Minnesota-based privately held company that designs, manufactures, and installs precast concrete wall panels for commercial and industrial buildings. The company's business plan calls for further expansion into the Northeast to serve the construction market. To meet this goal, the company will work with a third party developer to construct a build-to-suit manufacturing facility. It has investigated potential sites in three states. Windsor is one of two Connecticut sites now under review.

The project includes construction of an 82,000 square foot manufacturing plant at a cost of approximately \$12 million. This facility will incorporate manufacturing equipment at a cost of more than \$11.3 million which is not assessable for property tax purposes and \$300,000 in taxable office equipment and vehicles.

The company plans to create 70 new jobs within the first five years. These positions include entry level, semi-skilled and skilled production workers as well as technical, management and other personnel. The projected annual payroll is \$2.9 million. In addition to wages, the company provides a benefits package including health, dental, disability and life insurance, 401(k) match, profit sharing and tuition reimbursement.

Discussion/Analysis

The Fabcon project qualifies under the town's economic incentive policies as a manufacturing firm. The taxable real property improvements proposed by the company total \$12 million. Per the assessment abatement policy, this level of investment by a new business would permit the Town Council to approve a schedule with an abatement of 40% over four years, subject to upward adjustment of the abatement by an additional ten percent if certain criteria are met. These criteria include wages that exceed the median wages for similar positions in Hartford County, inclusion on the town's targeted industries list, and use of high quality building materials and/or sustainable technologies in building design.

The company has requested a four-year, 50% abatement. It cites higher wages and use of sustainable technologies as the basis for the ten percent adjustment. For the wages, they have provided the attached revised spreadsheet comparing the company's wage schedule with median wages for similar positions in the Hartford Labor Market Area for the first quarter of 2016 (at the time of their application only the 1st Qtr 2015 data was available). The revised spreadsheet shows

that starting wages for all of the Fabcon positions exceeding the Hartford entry level wages by varying degrees. Starting wages for the largest group of Fabcon workers (61 out of 70) are 145% higher.

For sustainable technologies, the company states that the facility is likely to incorporate use of cogeneration power. This would entail using equipment required to create steam for the manufacturing process to also generate electricity for the plant and for use by others.

Attached to this memorandum is a draft Fixed Assessment Agreement with Fabcon Precast, LLC. Briefly, the key points of consideration of the proposed fixed assessment agreement include:

Fixed Assessment. Town will fix the assessment for real property for a full four (4) year period beginning at the time a certificate of occupancy is issued and all conditions are met for the project. The fixed assessment will equal sixty percent of the assessed value (40% abatement), provided that the fixed assessment may be decreased to fifty percent (50% abatement) if the Company a) installs a cogeneration system in the facility and b) provides wages that are at least 105% of the median wages for similar positions in the Hartford Labor Market Area. The fixed assessment would be fifty-five percent (45% abatement), if just one of these additional criteria is met.

Investment and Schedule. Company will invest at least \$12 million in real estate improvements and \$300,000 in taxable personal property no later than twenty-four months following approval of a site plan by the Town Planning and Zoning Commission. This schedule may be extended for up to six months with Town Council approval. In the event that Company does not comply with the investment and schedule requirements, the Town may terminate the agreement and recover any tax benefits provided to Company.

Recruitment of Town Residents and Wages. Company will exercise good faith efforts to recruit qualified Town residents for the jobs to be created. Those efforts include a requirement for two local job fairs and providing notice of job postings to town staff. Company will be required to pay employees wages that are at or above the median wage for similar positions in Hartford County. If Company is approved to receive a five percent additional abatement based on wages, then it is required to certify annually that its wages exceed by 105% the wages for similar occupations in the Hartford Labor Market Area. Company will not receive the five percent additional abatement for any year that it does not exceed 105%. In recognition of the time it will take to hire employees and stabilize operations the proposed fixed assessment agreement calls for wage levels in years one and two to be compared to the median entry level wage for each designated position in the Hartford area labor market.

Operation. During the fixed assessment period and for three years following, Company will operate the Project in its ordinary course of business. In the event that Company permanently ceases operations in excess of the cumulative over one (1) year time period, Town may: (i) terminate the Fixed Assessment, and (ii) recover tax benefits provided to Company during the Fixed Assessment period.

Financial Impact

Attached to this memorandum is a summary of revenues over the four-year fixed assessment period based on a 31.52 mill rate and 40% and 50% abatement of new real property assessment. This analysis shows that over the fixed assessment period the company will receive a total tax savings benefit of \$476,582 at a 40% abatement or \$595,728 at a 50% abatement. Over this same

period, the Town will receive \$1,039,947 in net new real property tax and building permit fee revenues at a 40% abatement of \$920,801 at 50% abatement.

The property at 775 Marshall Phelps Road is classified as farmland under PA 490 and has a current assessed value of \$31,800.

Other Board Action

The Economic Development Commission reviewed the Fabcon application at a regular meeting held on July 20. The Commission found that the project is eligible under the town's economic incentive policies and voted unanimously to recommend to the Town Council favorable consideration approval of the proposed assessment abatement.

Recommendation

If the Finance Committee is in agreement, the following motion is recommended:

“MOVE that the Fabcon Precast, LLC, fixed assessment agreement be recommended for approval by the Town Council.”

Attachments

Proposed Fixed Assessment Agreement – August 15, 2016

Revised Fabcon Wage Comparison Spreadsheet

Project Incentive Spreadsheets

August 1, 2016 Agenda Item Summary material

Draft
Assessment
Agreement
8-15-16

D-R-A-F-T**FIXED ASSESSMENT AGREEMENT**

THIS AGREEMENT made effective as of _____, 2016, by and between Town of Windsor, Connecticut, a governmental body organized under the laws of the State of Connecticut (“Town”), and Fabcon Precast, LLC., a Minnesota Limited Liability Company (“Company”).

RECITALS

- A. Company has under consideration the lease of an approximately 82,000 square foot manufacturing plant proposed to be developed and constructed at 775 Marshall Phelps Road, Windsor, Connecticut, from a third party landlord (“Landlord”).
- B. Town has adopted an Assessment Abatement Policy in accordance with Section 12-65b of the Connecticut General Statutes, as amended, (the “Policy”), which provides for the abatement or reduction of certain ad valorem real estate tax.
- C. Town has determined that said development qualifies as a manufacturing firm under the Policy and desires to offer the abatement of certain ad valorem real estate taxes hereafter to be assessed on said development as an inducement for Company and/or Landlord to develop and construct a manufacturing plant within Town.
- D. Company has provided Town information verifying that the tax benefits created by said abatement shall accrue to Company and that Company’s lease for the property shall be at least for the term of the abatement period as required by Policy.
- E. Town Council has adopted a resolution authorizing Town to enter into this Agreement.
- F. Town and Company now desire to enter into this Agreement to effect a Fixed Assessment of certain ad valorem real estate taxes which may be levied on said development.

NOW, THEREFORE, in consideration of the mutual promises contained herein, Town and Company hereby agree as follows:

ARTICLE I – DEFINITIONS

Capitalized terms used and not defined herein shall have the definitions ascribed to them as set forth below:

Section 1.1 – Commencement Date. The term “Commencement Date” shall mean the date the Grand List is executed and confirmed by Town Assessor immediately following the date of

the final certificate of occupancy for the Facility and completion of the conditions included in Sections 3.1 and 3.2 of this Agreement.

Section 1.2 – Facility. The term “Facility” shall mean all taxable improvements on or about the Land including all buildings, structures, foundations, curbing, light standards, walkways, access drives, parking areas but otherwise exclusive of Personal Property and Land.

Section 1.3 – Investment In The Facility. The term “Investment In The Facility” shall mean all hard costs capitalized as part of the Facility incurred by Company in expansion of the Facility, including the cost of materials, labor, fixtures, leasing of equipment, and all other hard costs capitalized as part of the Facility excluding land cost.

Section 1.4 – Investment In Personal Property. The term “Investment in Personal Property” shall mean all hard costs incurred or invested by Company in the fabrication, purchase, transportation and installation of all Personal Property located on or about the Land, including all manufacturing and vendor costs, sales taxes, and all other hard costs capitalized as part of the Personal Property at the Facility.

Section 1.5 – Personal Property. The term “Personal Property” shall mean all personal property of Company located on or about the Land or used as a part of the Project, including all equipment, furnishings, and computers.

Section 1.6 – Project. The term “Project” shall mean collectively the Facility, Personal Property and the Land.

Section 1.7 – Land. The term “Land” shall mean the premises generally known as 545 Marshall Phelps Road, Windsor, Connecticut.

Section 1.8 - Fixed Assessment - The term "Fixed Assessment" shall refer to Town's conferral, under Connecticut General Statutes 12-65 b, of a fixed assessment on the Facility and Land which is equal to the portion of the assessed value, for a given year of the Fixed Assessment Period, as set forth in Section 2.1.

Section 1.9- Fixed Assessment Period - The term "Fixed Assessment Period" shall refer to a full four (4) assessment year period which shall begin upon the occurrence of the Commencement Date and continue until the full four (4) years of assessment periods has been completed. Upon the passage of said four (4) year period, the fixed assessment period automatically shall expire subject to the provisions of Section 2.1.

ARTICLE II-TAX MATTERS

Section 2.1 – Fixed Assessment. Town and Company agree that the Fixed Assessment for the Facility and the Land shall be fully effective during the Fixed Assessment Period. Furthermore, in the event that Town cannot confer the Fixed Assessment at any time during the Fixed Assessment Period pursuant to a court order or change in law applicable to fixed assessment agreements entered into and effective prior to the date of such change in law, then the term of the Fixed Assessment Period shall automatically be extended by such time period in order to provide a full four (4) year period in which the Fixed Assessment is effective to the extent

permitted by applicable local and State law, and Town shall undertake all reasonable efforts to effect said extension.

During the Fixed Assessment Period, Town shall establish the assessment of the Land and the Facility at the Fixed Assessment amount equal to sixty (60%) per cent of the assessed value of Land and Facility, provided that the Fixed Assessment amount shall be decreased 1) by an additional five (5%) ~~equal to fifty(50%) per cent of the assessed value of Land and Facility~~ in the event that prior to the Commencement Date: ~~1) the Company has established a cogeneration system for electricity and process heat at the Facility, and/or -2) by a further five (5%) per cent in the event that~~ Company has demonstrated to Town satisfaction as more fully-described in Section 4.2 that the median wages to be paid to ~~operations~~-employees is not less than 105% of the median wages for similar occupation classes in the Hartford Area Labor Market based on the then most recent published data from the Connecticut Department of Labor.

Section 2.2– Minimum Real Estate Tax Payment. During the Fixed Assessment Period, Company agrees to pay (or cause Landlord to pay) for each tax year a minimum ad valorem real estate tax payment for the Facility and the Land equal to the Fixed Assessment for each such year as set forth in Section 2.1 at the then-existing mill rate adopted by Town, subject to the provisions of this Agreement. Company (or Landlord) shall make such payment no later than the applicable due dates of the tax billing or otherwise shall be subject to penalty interest for late payment. Effective upon the expiration or termination of the Fixed Assessment Period, Company shall have no further obligations under this Section 2.2.

Section 2.3– Personal Property Tax Payment. Company agrees to pay all taxes levied on the Personal Property by Town during the Fixed Assessment Period. Company shall make such payment no later than the applicable due dates of the tax billing or otherwise shall be subject to penalty interest for late payment.

Section 2.4 - Assessment and Revaluation. The Company shall have the right to appeal any increase in assessment due to a town-wide property revaluation pursuant to Connecticut General Statutes, sections 12-117A and 12-119, as amended. The assessment of the Land and Facility for the period prior to the Commencement Date shall be determined in the normal course pursuant to state and local laws.

ARTICLE III– MINIMUM INVESTMENTS

Section 3.1 – Minimum Investment In The Facility. Company shall commence or cause Landlord commence construction of Facility within six months after approval of a site plan by the Town Planning and Zoning Commission. Company agrees to expend or cause Landlord to expend Investment In The Facility in accordance with the approved site plan of not less than twelve (\$12,000,000) million dollars no later than twenty-four months after approval of the site plan, which deadline may be extended by the Town Council for up to one (1) six (6) month period provided that Town finds Company and/or Landlord is diligently and continuously pursuing the completion of the Project.

Section 3.2 – Investment In Personal Property. Company agrees that the taxable portion of Investment In Personal Property shall be not less than \$300,000 which taxable portion shall be

located on Land no later than twenty-four months after approval of the site plan, which deadline may be extended by the Town Council for up to one (1) six (6) month period provided that Town finds Company is diligently and continuously pursuing the completion of the Project.

Section 3.3 – Schedule. No later than twenty-four months following approval of the site plan or at the end of any approved extension period as provided in Section 3.1 and Section 3.2, Company shall furnish Town with a certificate confirming Company’s satisfaction of the obligations contained in Sections 3.1 and 3.2 hereof. Company, at the request of Town, further shall furnish Town with general information substantiating the expenditure of such investment. Town acknowledges that any certification from a third party architect, managing contractor, engineer, general contractor, vendor or manufacturer, which certifies such investment will satisfy any request by Town for additional evidence verifying the expenditure of such investment.

Section 3.4 – Failure to Comply. In the event the Company has not expended Investment in the Facility of not less than \$12,000,000 ~~and/or~~ located on the Land the \$300,000 taxable portion of Investment in Personal Property within twenty-four months of site plan approval or at the end of any approved extension periods as provided in Section 3.1 and Section 3.2, Town shall be entitled to terminate this Agreement. In the event of such termination by Town, then Town and Company shall not have any further obligation under this Agreement.

ARTICLE IV– EMPLOYMENT MATTERS

Section 4.1 – Town Residents. During the Fixed Assessment Period, Company shall exercise good faith efforts to recruit qualified residents of Town to fill part and full-time positions used for the Project; provided, however, that Company is under no legal obligation to hire any resident of Town for such purposes, it being understood that Company, in its sole discretion, will make the ultimate determination on whether or not a resident is qualified to fill a position or to hire such person. The Company’s good faith efforts shall include at a minimum conducting two local job fairs, and may include, by way of example, providing notice of job openings to a designated representative of the Town for dissemination, organizing recruiting events, advertising and coordinating hiring efforts with the Town and local workforce organizations.

Section 4.2 – Wages. During the Fixed Assessment Period, Company shall exercise good faith efforts to pay its employees wages that are at or above the median wage for similar positions in Hartford County, provided that if the Company has received an increased percentage abatement per Section 2.1 ~~then Company must maintain the median wages to be paid to operations employees at not less than 105% of the median wages for similar occupation classes in the Hartford Area Labor Market based on the then most recent published data then Company must certify each year as follows:~~

1. Initial Wage Report due no later than January 2 following the Commencement Date

Company to certify that the starting wages paid to employees in each occupation are not less than 105% of the entry wage for each designated occupation in the Hartford LMA per the then most recent Occupational Employment and Wages (OES) Data published by the Connecticut Department of Labor.

2. Second Wage Report due no later than January 2 following the Initial Wage Report

Company to certify that the starting wages paid to employees in each occupation are not less than 105% of the entry wage for each designated occupation in the Hartford LMA per the then most recent Occupational Employment and Wages (OES) Data published by the Connecticut Department of Labor.

3. Third Wage Report due not later than January 2 following the Second Wage Report

Company to certify that the median wages paid to employees in each occupation are not less than 105% of the median wage for each designated occupation in the Hartford LMA per the then most recent Occupational Employment and Wages (OES) Data published by the Connecticut Department of Labor.

4. Fourth Wage Report due no later than January 2 following the Third Wage Report

Company to certify that the median wages paid to employees in each occupation are not less than 105% of the median wage for each designated occupation in the Hartford LMA per the then most recent Occupational Employment and Wages (OES) Data published by the Connecticut Department of Labor.

The additional 5% assessment abatement shall not be provided for any year for which Town has not received a wage report or for which Company can not certify wages as above-described..

Section 4.3 – Annual Report. During the Fixed Assessment Period, Company shall provide to Town a report annually regarding Company efforts to recruit qualified residents of Town to fill positions as provided in Section 4.1 and Company wages as provided in Section 4.2. Said report shall be in writing upon the forms attached hereto as Exhibit A – Annual Report.

ARTICLE V – – OPERATION OF PROJECT

Section 5.1 – Operation. During the Fixed Assessment Period and for a period of three (3) consecutive years thereafter, the Company agrees that it shall not:

5.1.1 Relocate the operations of Company associated with Facility outside of the Town of Windsor:

5.1.2 Permanently cease operations in the Town of Windsor for a cumulative period greater than one (1) year;

5.1.3 Fail to pay the taxes contemplated under this Agreement (subject to exercising Company's rights under applicable law); or

5.1.4 Declare bankruptcy.

Section 5.2– Remedies. In the event that Company is in Material Default (as defined in Article VII) under Sections 5.1.1 through 5.1.4 and such Material Default continues following notice by the Town as provided under Article VII, Town shall have the right to, as the sole and exclusive remedies for a Material Default, (i) terminate the Fixed Assessment for the balance of

the Fixed Assessment Period, and (ii) recover all tax benefits provided to Company during the Fixed Assessment Period (i.e. the taxes that would have been payable by Company that were not paid as a result of the Fixed Assessment). In the event that Company has instituted appropriate administrative or legal proceedings challenging the amount of the statutory assessment of the Facility and Property, payment of any and all taxes shall be in accordance with Connecticut General Statute section 12-117 and other applicable law.

ARTICLE VI- REPRESENTATIONS AND WARRANTIES

Section 6.1 – Town Representations and Warranties. Town hereby represents and warrants to Company as follows:

- 6.1.1 This Agreement is in material compliance with Town Charter and ordinances and with the Connecticut General Statutes, et seq. and all other applicable local and State law.
- 6.1.2 Town is a municipality duly organized and operating under the laws of the State.
- 6.1.3 Town has the power to enter into this Agreement and to carry out its obligations hereunder.
- 6.1.4 The execution and delivery of this Agreement, the conferral of the Fixed Assessment to Company, the performance of its other obligations contained in this Agreement, the consummation of the other transactions contemplated hereby, and the fulfillment of the compliance with the terms and conditions of this Agreement, by Town are not prevented by or result in a breach of, the terms, conditions or provisions of Town Charter, any statute, law, ordinance or regulation by which Town is bound, or any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Town is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.
- 6.1.5 This Agreement has been duly authorized by Town Council, and is a valid and binding obligation of Town, and is enforceable in accordance with its terms against Town.
- 6.1.6 The representative of Town executing this Agreement is in good standing with Town, and is authorized to execute and deliver this Agreement, in such capacity.
- 6.1.7 There is no claim or litigation, or to the best of Town's knowledge, threat of any claim or litigation, against Town with respect to its execution and delivery of this Agreement or otherwise pertaining to the conferral of the Fixed Assessment or any other matter contained in this Agreement.
- 6.1.8 There are no actions, suits or administrative or legal proceedings pending, to the best of its knowledge, threatened against or affect Town or before

any arbitrator or any governmental body in which there is a reasonable possibility of an adverse decision which could materially affect the financial condition of Town or which in any manner raises any question about the ability of Town to perform its obligations under this Agreement.

Section 6.2 – Company Representations and Warranties. Company hereby represents and warrants to Town as follows:

- 6.2.1 Company is a corporation organized under the laws of the State of Delaware and is in good standing with the Secretary of State of Delaware and is qualified to transact business in the State of Connecticut.
- 6.2.2 Company has the power to enter into this Agreement to carry out its obligations hereunder.
- 6.2.3 The execution and delivery of this Agreement, the performance of the obligations of Company contained in this Agreement, the consummation of the other transactions contemplated hereby, and the fulfillment of the compliance with the terms and conditions of this Agreement by Company are not prevented by or result in a breach of, the terms, conditions or provisions of any statute, law, ordinance or regulation by which Company is bound, or any contractual restriction, financing, agreement or instrument of whatever nature to which Company is now a party by which it is bound, nor do they constitute default under any of the foregoing.
- 6.2.4 This Agreement has been duly authorized by Company, and is a valid and binding obligation of Company and is enforceable in accordance with its terms against Company.
- 6.2.5 The officer of Company executing this Agreement is in good standing with Company and is authorized to execute and deliver this Agreement, in such capacity.
- 6.2.6 There is no claim or litigation, to the best of Company's knowledge, threat of any claim or litigation, against Company with respect to its execution and delivery of this Agreement, the conferral of the Fixed Assessment or any other matter contained in this Agreement.
- 6.2.7 There are no actions, suits or proceedings pending or, to the best of its knowledge, threat against or effect to Company or before any arbitrator or any governmental body in which there is a reasonable possibility of an adverse decision which could materially affect the ability of Company to perform its obligations under this Agreement.

ARTICLE VII - DEFAULT

Section 7.1 – Town Default. In the event that Town fails to perform a material covenant or agreement, or to observe a material term or condition, contained in this Agreement and Company furnishes notice to that effect to Town, and Town fails substantially to rectify the same within thirty (30) days after receipt of notice, and such an additional reasonable time period as is necessary to rectify the matter if the nature of such non-compliance cannot be reasonably cured within said thirty (30) day period, so long as Town initiates the curing thereof within said thirty (30) day period and thereafter diligently prosecutes such curing, then Town shall be deemed to be in material default of this Agreement (such default after delivery of notice and failure to cure, a “Material Default”). In the event of Town’s Material Default under this Agreement beyond applicable cure periods, Company shall be entitled to all rights and remedies at law or in equity.

Section 7.2 – Company Default. In the event of a Material Default by Company (after Town has provided notice and the opportunity to cure, in the manner described in Section 7.1), then Town, as its sole and exclusive remedy (except for Material Defaults under Sections 5.1.1 through 5.1.4 remedies for which are covered in Section 5.2), shall be entitled to terminate this Agreement, including without limitation, the Fixed Assessment, provided, however, that if a Material Default occurs as a result of Company’s failure to pay ad valorem real estate or personal property taxes assessed by Town with respect to the Project, subject to the limitations and qualifications expressly contained in this Agreement, Town shall be entitled to assess all penalties and to exercise all rights accorded to it as a taxing authority under the Connecticut General Statutes.

ARTICLE VIII– MISCELLANEOUS

Section 8.1 – Notices. All notices and requests required pursuant to this Agreement shall be sent by personal delivery, overnight courier, or certified mail as follows:

To Town:	Town of Windsor Windsor Town Hall 275 Broad Street Windsor, CT 06095 Attention: Town Manager
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To Company:	Fabcon Precast, LLC 6111 W. Hwy. 13 Savage, MN 55378 Attention: President and CEO
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or at such other addresses as the parties may indicate in writing to the other by personal delivery, overnight courier, or certified or registered mail, return receipt requested, with proof of delivery thereof. Notices and requirements shall be deemed delivered to the address set forth above (a) when delivered in person on a business day, (b) on the same business day received if delivered by overnight courier, or (c) on the third business day after being deposited in any main or branch United States Post Office when sent by registered mail, return receipt requested.

Section 8.2– Successors and Assigns; Assignment. Company may not assign its rights and obligations under this Agreement except with permission of the Windsor Town Council which permission shall not be unreasonably denied. Notwithstanding the foregoing, the Town and the Company agree that the Company may assign its rights and interests in this Agreement without the permission of the Windsor Town Council (i) to any parent, grandparent, subsidiary or affiliate of the Company, (ii) to any company into which the Company or its parent or grandparent is merged or which results from the merger of the Company, or its parent, grandparent with any other entity, or (iii) to any purchaser of the Project in connection with a sale/leaseback or other financing arrangement including but not limited to the holder of any mortgage on the Project. All of the terms and provisions of this Agreement shall be binding on and inure to the benefit of all of the successors and assigns of the parties hereto.

Section 8.3– Amendment. This Agreement sets forth all the promises, inducements, agreements, conditions, and understandings between Company and Town relative to the fixing the assessments on the Facility and the Property and there are no promises, agreements, conditions, or understandings, either oral or written, express or implied, between them related thereto, other than as herein set forth. No subsequent alteration, amendment, change, or addition to this Agreement shall be binding on the parties hereto unless authorized in accordance with law and reduced in writing and signed by them.

Section 8.4-Counterparts. This Agreement (or any exhibit or addendum to it) may be executed by facsimile or using an e-signature format such as DocuSign, and in counterparts, each of which (including signature pages) will be deemed an original, but all of which together will constitute one and the same instrument.

Section 8.5- Severability. The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions, which shall remain in full force and effect to govern the parties' relationship.

IN WITNESS WHEREOF, this Agreement has been executed by authorized representatives of the parties hereto and is effective as of the aforesaid date.

TOWN OF WINDSOR

By: _____

Name: _____

Title: _____

FABCON PRECAST, LLC

By: _____

Name: _____

Title: _____

FIXED ASSESSMENT AGREEMENT
EXHIBIT A – ANNUAL WAGE REPORT FORMATS

Town of Windsor, Connecticut
Assessment Abatement Initial and Second Years Annual Report

Company Name: _____

Annual Report for _____

Reported By: _____
Name and Title

Date: _____
(DUE NO LATER THAN JANUARY 2)

A. Local Employment

Statement from Town's policy: *The applicant shall commit to use its best efforts to make new job opportunities created by the project available to Windsor town residents.*

1. Total number of employees at Windsor facility as of this date _____
2. Number of these jobs held by residents of 06095 zip code area _____
3. Number of job openings filled at Windsor facility during year _____
4. Number of these jobs taken by residents of 06095 zip code area _____
5. Describe your company's process to make job opportunities available to Windsor residents.

B. Wages

Statement from Town's policy: *The Town expects projects that pay at or above the median wage for similar positions in Hartford County.*

Certification: I certify that the starting wages paid by Fabcon PreCast, LLC. at this location in Windsor are not less than 105% of the entry wages for each designated occupation in the Hartford LMA per the most recent CT Department of Labor Occupational Employment and Wages (OES) data (— Quarter 20__)
The attached Schedule of Wages shows the updated comparison of Fabcon wages with Hartford LMA wages for occupations.

Name and Title

**SCHEDULE OF WAGES
 FABCON PRECAST, LLC
 DATE:**

SOC	POSITION TITLE	HARTFORD LMA ENTRY LEVEL	105%	FABCON MEDIAN STARTING WAGE	NO. OF EMPLOYEES
11 3051	Industrial Production Mgr				
43 4171	Receptionist, Info Clerk				
17 3026	Industrial Engineering Tech				
49 9071	Maint/Repair Worker, General				
51 9199	Production Worker, All Other				

CT DEPARTMENT OF LABOR EMPLOYMENT AND WAGES (OES) DATA FOR ____ QUARTER 20__

Town of Windsor, Connecticut
Assessment Abatement Third and Fourth Years Annual Report

Company Name: _____

Annual Report for _____)

Reported By: _____
Name and Title

Date: _____
(DUE NO LATER THAN JANUARY 2)

A. Local Employment

Statement from Town's policy: ***The applicant shall commit to use its best efforts to make new job opportunities created by the project available to Windsor town residents.***

1. Total number of employees at Windsor facility as of this date _____
2. Number of these jobs held by residents of 06095 zip code area _____
3. Number of job openings filled at Windsor facility during year _____
4. Number of these jobs taken by residents of 06095 zip code area _____
5. Describe your company's process to make job opportunities available to Windsor residents.

B. Wages

Statement from Town's policy: ***The Town expects projects that pay at or above the median wage for similar positions in Hartford County.***

Certification: I certify that the median wages paid by Fabcon PreCast, LLC. at this location in Windsor are not less than 105% of the median wages for each designated occupation in the Hartford LMA per the most recent CT Department of Labor Occupational Employment and Wages (OES) data (— Quarter 20__)
The attached Schedule of Wages shows the updated comparison of Fabcon wages with Hartford LMA wages for occupations.

Name and Title

**SCHEDULE OF WAGES
FABCON PRECAST, LLC
DATE:**

SOC	POSITION TITLE	HARTFORD LMA MEDIAN WAGE	105%	FABCON MEDIAN WAGE	NO. OF EMPLOYEES
11 3051	Industrial Production Mgr				
43 4171	Receptionist, Info Clerk				
17 3026	Industrial Engineering Tech				
49 9071	Maint/Repair Worker, General				
51 9199	Production Worker, All Other				

CT DEPARTMENT OF LABOR EMPLOYMENT AND WAGES (OES) DATA FOR ____ QUARTER 20__

Revised Wage Comparison Sheet

REVISED

Title	Fabcon Median Starting Wage	Bonus Likely?	Benefits Value	Closest Hartford Comp.	Hartford Median	Hartford Entry Level	Fabcon vs. Hartford Starting Wages
Management	49.76	Yes	+40%	11-3051	49.09	36.79	135%
Other Office Professionals	20.50	No	+40%	43-4171	16.59	12.76	160%
Engineering	38.70	Yes	+40%	17-3026	33.66	25.72	150%
Maintenance / Technical Operations	25.50	No	+40%	49-9071	20.49	13.68	186%
Skilled	18.00	No	+40%	51-9199	16.25	12.41	145%
Semi-Skilled	18.00	No	+40%	51-9199	16.25	12.41	145%
Entry Level / Apprentice	18.00	No	+40%	51-9199	16.25	12.41	145%

The table shows a comparison of expected starting wages to the CT DOL Occupational Employment and Wages data for the Hartford Labor Market Area (Q1 2016).

Project Incentive Spreadsheets

40% INCENTIVE

FABCON INCENTIVE ANALYSIS											
40%, 4 years											
SEPT	FY	BUILDING ASSESSED VALUE	LAND ASSESSED VALUE	MILL RATE	BEFORE ABATEMENT	AFTER ABATEMENT	ABATEMENT %	ANNUAL TAX BENEFIT TO FIRM	BLDG PERMIT	PERSONAL PROPERTY	ANNUAL REVENUE
	2017								\$302,900		with abate \$302,900
	2019	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$178,718	40	\$119,146		\$6,288	\$185,006
	2020	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$178,718	40	\$119,146		\$5,957	\$184,675
	2021	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$178,718	40	\$119,146		\$5,295	\$184,013
	2022	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$178,718	40	\$119,146		\$4,633	\$183,351
						\$714,874		\$476,582	\$302,900	\$22,173	\$1,039,947
AFTER ABATEMENT ENDS											
	2021	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$297,864		\$0		\$3,972	\$301,836
REVENUE TO TOWN											
Tax revenue \$ 737,047											
Bldg Permit fee \$ 302,900											
Total \$ 1,039,947											
BENEFIT TO COMPANY											
Tax abatement \$ 476,582											
Total \$ 476,582											
BENEFIT TO TOWN											
Tax revenue \$ 737,047											
Bldg Permit fee \$ 302,900											
Total \$ 1,039,947											
NOTES											
1) Assumes \$12M bldg investment FMV & \$300K taxable personal property, Land @\$1.5 M											
2) Fixed assessment on building improvements & land value begins in FY 2019 and runs through FY 2022											
3) Projections do not account for changes in mill rate, property revaluation, or reinvestment in equipment											
4) Building permit fee above is on bldg (assume \$12M value) and machinery/equipment (\$11.3M cost)											
5) Total Town Revenues include revenues from constructing and equipping the project + increased land value.											
6) Proposed site currently in AG tax program with market value of \$31,800 and assessed value of \$22,260											

50% INCENTIVE

FABCON INCENTIVE ANALYSIS											
50% 4 years											
SEPT	FY	BUILDING ASSESSED VALUE	LAND ASSESSED VALUE	MILL RATE	BEFORE ABATEMENT	AFTER ABATEMENT	ABATEMENT %	ANNUAL TAX BENEFIT TO FIRM	BLDG PERMIT	PERSONAL PROPERTY	ANNUAL REVENUE
	2017								\$302,900		with abate \$302,900
	2019	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$148,932	50	\$148,932		\$6,288	\$155,220
	2020	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$148,932	50	\$148,932		\$5,957	\$154,889
	2021	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$148,932	50	\$148,932		\$5,295	\$154,227
	2022	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$148,932	50	\$148,932		\$4,633	\$153,565
						\$595,728		\$595,728	\$302,900	\$22,173	\$920,801
AFTER ABATEMENT ENDS											
	2021	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$297,864		\$0		\$3,972	\$301,836
REVENUE TO TOWN											
Tax revenue \$ 617,901											
Bldg Permit fee \$ 302,900											
REVENUE TO TOWN \$ 920,801											
BENEFIT TO COMPANY											
Tax abatement \$ 595,728											
REVENUE TO TOWN \$ 595,728											
NOTES											
1) Assumes \$12M bldg investment FMV & \$ 300K taxable personal property, Land @\$1.5 M											
2) Fixed assessment on building improvements & land value begins in FY 2019 and runs through FY 2022											
3) Projections do not account for changes in mill rate, property revaluation, or reinvestment in equipment											
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5) Total Town Revenues include revenues from constructing and equipping the project + increased land value.											
6) Proposed site currently in AG tax program with market value of \$31,800 and assessed value of \$22,260											

8/1/16

Agenda Item
Summary

Agenda Item Summary

Date: August 1, 2016

To: Honorable Mayor and Members of the Town Council

Prepared By: James Burke, Economic Development Director

Reviewed By: Peter Souza, Town Manager 

Subject: Application for Fixed Assessment - Fabcon Precast, LLC

Background

Fabcon Precast, LLC, is a privately held company that designs, manufactures, and installs precast concrete wall panels for commercial and industrial buildings. The company is headquartered in Savage, Minnesota and has additional manufacturing facilities in Ohio, Pennsylvania, and Kansas. In 2015, the company provided panels for more than 350 projects in the U.S. and Canada.

Fabcon's business plan calls for further expansion into the Northeast to serve the construction market. To meet this goal, the company will work with a third party developer to construct a build-to-suit manufacturing facility. It has investigated potential sites in a number of communities in Massachusetts, Connecticut and New York. Windsor is one of two Connecticut sites now under review.

The proposed project includes construction of a manufacturing plant containing 82,000 square feet of floor space at a cost of approximately \$12 million. The new facility will incorporate manufacturing equipment at a cost of more than \$11.3 million, which is not assessable for property tax purposes and \$300,000 in taxable office equipment and vehicles.

The company will create 70 new jobs in Windsor within the first five years. These positions include entry level, semi-skilled and skilled production workers as well as technical, management and other personnel. The projected annual payroll for these employees is \$2.9 million. In addition to wages, the company provides a benefits package which includes health, dental, disability and life insurance, 401(k) match, profit sharing and tuition reimbursement. A recap of wages and benefits is provided in the attached Project Info Sheet.

Discussion/Analysis

The Fabcon project qualifies for consideration under the town's economic incentive policies as a Manufacturing Firm under the Manufacturing Assistance Act. The taxable real property improvements proposed by the company total \$12 million. Per the assessment abatement policy, this level of investment by a new business would permit the Town Council to set an abatement schedule with an abatement of 40% over four years, subject to upward adjustment of the abatement by an additional ten percent if certain criteria are met. These criteria include wages that exceed the median wages for similar positions in Hartford County, inclusion on the town's targeted industries list, and use of high quality building materials and/or sustainable technologies in building design.

The company has requested a four-year, 50% abatement. It cites higher wages and use of sustainable technologies as the basis for the ten percent adjustment. For the wages, they have provided the attached spreadsheet comparing the company's wage schedule with median wages for similar positions in the Hartford Labor Market Area for the first quarter of 2015 (most recent available). The spreadsheet shows that wages for all of the Fabcon positions exceed the Hartford median wages by varying degrees. Wages for the largest group of Fabcon workers are 119.6% higher.

For sustainable technologies, the company states the facility is likely to incorporate use of cogeneration power. This would entail using equipment needed to create steam for the manufacturing process to also generate electricity for the plant and for use by others.

Financial Impact

Attached is a summary of revenues over the four-year fixed assessment period based on a 31.52 mill rate and 40% and 50% abatement of new real property assessment. This analysis shows that over the fixed assessment period, the company will receive a total tax savings benefit of \$476,582 at a 40% abatement or \$595,728 at a 50% abatement. Over this same period, the town will receive \$1,039,947 in net new real property tax and building permit fee revenues at a 40% abatement or \$920,801 at 50% abatement.

The property at 775 Marshall Phelps Road is classified as farm land under PA 490 and has a current assessed value of \$31,800.

Other Board Action

The Economic Development Commission reviewed the Fabcon application at a regular meeting held on July 20. The Commission found that the project is eligible under the town's economic incentive policies and voted unanimously to recommend to the Town Council favorable consideration of the proposed assessment abatement.

Recommendation

It is recommended that the Town Council refer the Fabcon Precast fixed assessment application to the Town Finance Committee for review and report in anticipation of action by the Town Council at its meeting of September 6. A draft fixed assessment agreement is presently under review by the applicant and it is expected to be available prior to the meeting.

Attachments

Fabcon Project Info Sheet
Fabcon Wage Comparison Spreadsheet
Fabcon Fixed Assessment Application
Fabcon Project Incentive Spreadsheet 40%
Fabcon Project Incentive Spreadsheet 50%
Fixed Assessment Policy
Draft Fixed Assessment Agreement – to be posted prior to 8-1-16 mtg

FABCON PROJECT INFO SHEET

July 20, 2016

Type of Project

Fabcon provides unmatched design-to-installation services for the world's lightest and strongest precast concrete wall panels. Fabcon's vision: By increasing quality, decreasing costs, expanding our capabilities, and strengthening customer relationships, Fabcon will provide unsurpassed customer value, becoming the only logical choice for precast concrete wall panels. Fabcon takes great pride in knowing that the panels we produce are pushing the technology curve. We deliver a high-performance product that can be adapted to almost any need. We've even created new products based on the unique needs and desires of our clients.

Fabcon prides itself on providing working class employment opportunities, paying significantly above average wages, to the local population.

This project would be a build-to-suit for Fabcon's manufacturing process. There will be significant investment in equipment, facilities, and employees.

Site/Building Info

- Square footage of building: 82,000 +/- sq. ft.
- Land area of site: Approximately 30 acres
- Location: 775 Marshall Phelps Road, Windsor, CT

Planned Investment

Land	\$ 1,500,000
Building	12,000,000
Inventory	700,000
Office Equip. & Vehicles	300,000
Equipment	<u>11,300,000</u>
Total	\$ 25,800,000

Employment Info

Company plans to create at least 70 new full-time jobs within 5 years. *See* following page for additional employment information provided by Fabcon.

Project Timing

- Complete land purchase by: Q3 2016
- Start construction in: Q3 or early Q4 2016
- Certificate of occupancy by: Q3 2017
- Operational by: Q3 2017

Competing Locations

Fabcon went through a comprehensive site selection process, including vetting real estate options and requesting proposals from facilities in: Southington, CT; New Britain, CT;

Killingly, CT; East Longmeadow, MA; Springfield, MA; Westfield, MA; Orange, MA; Wilbraham, MA; and Springfield, MA.

Traffic Info.

- Number of truck trips per day: 50 - 70
- Number of auto trips per day: 60 - 80
- Does the company utilize a flex time or compressed time schedule:
Approximately 90% of the truck traffic will be at off-peak hours (prior to 6AM or between 6-9 PM). Employees will be at the facility from approximately: (a) first shift 5AM – 1PM; and (b) second shift 1PM – 9PM.

State Assistance Requested

Fabcon has requested a direct loan from the State, with an amount to be forgiven upon job creation and capital investment goals.

Local Assistance Requested

Due to the capital and employment commitments of this project, Fabcon respectfully requests a four year, fifty percent tax abatement. Pursuant to the Windsor Assessment Abatement Policy, section IV.C, Fabcon believes there should be a 10% increase in the abatement table guidelines for the following:

- 5% for paying employees “wages that exceed the median wages for similar positions in Hartford County”. Per the Connecticut Department of Economic and Community Development income data (see reference below), the following are the income levels for Hartford County: \$29,430 median household income; \$42,468 mean household income; and \$16,619 per capita income. Fabcon pays its employees (with little to no formal educational background) significantly more than these income levels.
 - (<http://www.ct.gov/ecd/cwp/view.asp?a=1106&q=250652>)
- 5% for “use of high quality materials on the building exterior and/or the use of sustainable technologies”. Fabcon is committed to great energy improvements. The facility will likely use cogeneration power (400 – 500 KW at peak) and incorporate LED lighting in the entire facility. Additionally, the manufacturing process uses significant amounts of recycled product (e.g., expanded polystyrene) and the wall panels (produced by Fabcon and used for this facility) qualify for LEED points on green building construction.

The abatement would allow Fabcon to further invest in the facility and employment in the community. Manufacturing companies have a large economic impact, especially in relation to employment and purchases from suppliers. It is envisioned that all of the employees will be from the surrounding area. Construction of the facility will also likely employ contractors and employees in the surrounding area.

Category	Initial Headcount	Projected Headcount	Projected Average Wages (w/ Bonus)	Avg. Initial W2 Wages per Hr.	Est. Total Annual Payroll
Management	3	3	\$80,500 - \$126,500	\$38.7 - \$60.8	\$310,500
Other Office Professionals	2	2	\$43,056 - \$55,016	\$20.7 - \$26.4	\$98,072
Engineering	1	1	\$63,250 - \$97,750	\$30.4 - \$46.9	\$80,500
Maintenance/Technical	3	3	\$47,840 - \$58,240	\$23 - \$28	\$159,120
Operations					
Skilled	18	19	\$31,200 - \$43,680	\$15 - \$21	\$673,920
Semi-Skilled	25	28	\$31,200 - \$43,680	\$15 - \$21	\$936,000
Entry Level / Apprentice	18	19	\$31,200 - \$43,680	\$15 - \$21	\$673,920
Initial Total	70	75			\$2,932,032

The value of Fabcon's benefits package is approximately 40% of project average wages (health & dental insurance, 401(k) match, profit sharing, disability, life insurance, tuition reimbursement, PTO, etc.).

Fabcon Titles	Fabcon Mean Salary Wages	Bonus Likely?	Benefits Value	Fabcon SOC	SOC Title	Closets Hartford Comp	Hartford SOC Title	Hartford Median	Hartford Mean	Hartford Entry Level	Hartford Wages Range Percentile	Fabcon vs Hartford Mean					
								10th	50th	90th							
Management	49.76	Yes	+40%	11-3051	Industrial Production Manager	11-9021	Construction Managers	97615.00	47.16	98083.00	33.54	69771.00	30.45	63332.00	67.04	139441.00	106.01%
Other Office Prof.	23.58	Yes	+40%	43-6010	Secretaries & Admin. Assistants	43-4171	Receptionists and Information Clerks	33042	15.98	33245	12.04	25035	10.95	22772	21.71	45149	148.46%
Engineering	38.70	Yes	+40%	17-2131	Materials Engineers	17-3026	Industrial Engineering Technicians	68483	31.92	66385	24.27	50496	21.97	45700	39.25	81645	117.58%
Maintenance / Technical	25.50	No	+40%	49-9071	Maintenance & Repair Workers, General	49-9071	Maintenance and Repair Workers, General	40422	20.42	42491	13.59	28273	12.33	25657	29.76	61911	131.24%
Operations - Skilled	18.00	No	+40%	51-9199	Production Workers, All Other	51-9199	Production Workers, All Other	31319	17.95	37344	11.16	23206	10.46	21761	33.62	69925	119.60%
Operations - SemiSkilled	18.00	No	+40%	51-9199	Production Workers, All Other	51-9199	Production Workers, All Other	31319	17.95	37344	11.16	23206	10.46	21761	33.62	69925	119.60%
Operations - Entry Level	18.00	No	+40%	51-9199	Production Workers, All Other	51-9199	Production Workers, All Other	31319	17.95	37344	11.16	23206	10.46	21761	33.62	69925	119.60%

Town of Windsor, Connecticut

Fixed Assessment Application

The purpose of this application is to present the Town of Windsor a reasonably comprehensive outline of the project for which an economic development incentive is sought. The applicant shall provide all required information in sufficient detail to allow the Town to determine costs and benefits associated with the implementation of a requested tax incentive. The Town may require additional information as it reviews the application.

Each application shall be accompanied by a filing fee of five hundred (\$500.00) dollars.

SECTION A. COMPANY NAME AND CONTACT INFORMATION

1. Official Name and Address of Company: Fabcon Precast, LLC
6111 W. Hwy. 13
Savage, MN 55378

2. Name of Contact Person: Ryan Ksiazek, Corporate Project Manager

Phone: 952-882-4793

Email: Ryan.Ksiazek@fabcon-use.com

3. Nature of Business: Manufacturer

SIC Code: 3272 (concrete product, except block & brick)

Type of Product or Service: Fabcon provides unmatched design-to-installation services for the world's lightest and strongest precast concrete wall panels.

4. Federal Employer ID: 45-5442888

5. Officers/Owners Name	Title	% Ownership
Fabcon Companies, LLC		100%
Mike Le Jeune	President & CEO	
Mark Pederson	CFO	
Richard Wesen	SVP	
Mark Hansen	VP, Preconstruction Services	
Jim Houtman	VP, Sales & Marketing	
Tom Kuckhahn	VP, Mfg. & Engineering	
Jeffrey Prewitt	VP, Project Mgmt. & Field Ops.	

6. Is the company current with all taxes or charges due to the Town of Windsor? Yes

SECTION B. PROJECT INFORMATION

1. Project Location: 775 Marshall Phelps Road, Windsor, CT

2. Provide an approximate number of FULL-TIME permanent jobs to be created in the next five years: 70 – 75 positions

Attach a table showing the five year hiring projections with annual average wage and salary estimates by position category.

Position Category	Year 1	Year 2	Annual Average Wage and Salary
Management	3	3	\$90,000-\$110,000
Other Office Professionals	2	2	\$30,000-\$50,000
Engineering	1	1	\$50,000-\$75,000
Maintenance/Technical	3	3	\$40,000-\$60,000
Operations			
Skilled	18	19	\$20-\$25 per hour
Semi-Skilled	25	28	\$15-\$20 per hour
Lower Skilled/Apprentice	18	19	\$14-\$15 per hour
Initial Total	70 +/-	75 +/-	

Opportunities for future growth:

3. Estimate of the costs of the proposed improvements.

Real property improvements (exclude land cost and soft costs)

- Land (\$1,500,000)
- Construction (\$12,000,000)

Personal property:

- Machinery & Equipment (\$11,300,000 - \$12,300,000)
 - Approximately 40% for purchase, 60% for installation
- Inventory (\$700,000)

4. Project schedule.

- Decision on Site: Q2 2016
- Construction Start: Sept. / Oct. 2016
- Occupancy: June 2017

4. Please provide a statement of the benefits to the Town for granting the requested tax assessment abatement including an estimate of local taxes to be paid and purchases from local vendors and a description of any planned corporate community involvement.
 - The abatement would allow Fabcon to further invest in the facility and employment in the community. Manufacturing companies have a large economic impact, especially in relation to employment and purchases from suppliers. It is envisioned that all of the employees will be from the surrounding area. Construction of the facility will also likely employ contractors and employees in the greater area. Additionally, Fabcon is committed to green energy improvements. The facility will likely use cogeneration power (400 – 500 kw at peak). The manufacturing process uses significant amounts of recycled product and the wall panels qualify for LEED points on green building construction.

APPLICATION SUBMISSION

The completed fixed assessment application and filing fee should be submitted to:

Economic Development Director
Town of Windsor
275 Broad Street
Windsor, CT 06095
860-285-1877
burke@townofwindsorct.com

40% INCENTIVE

FABCON INCENTIVE ANALYSIS											
40%, 4 years											
SEPT	FY	BUILDING ASSESSED VALUE	LAND ASSESSED VALUE	MILL RATE	BEFORE ABATEMENT	AFTER ABATEMENT	ABATEMENT %	ANNUAL TAX BENEFIT TO FIRM	BLDG PERMIT	PERSONAL PROPERTY	ANNUAL REVENUE
	2017								\$302,900		with abate \$302,900
	2019	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$178,718	40	\$119,146		\$6,288	\$185,006
	2020	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$178,718	40	\$119,146		\$5,957	\$184,675
	2021	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$178,718	40	\$119,146		\$5,295	\$184,013
	2022	\$8,400,000	\$1,050,000	0.03152	\$297,864	\$178,718	40	\$119,146		\$4,633	\$183,351
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REVENUE TO TOWN											
					Tax revenue	\$ 737,047					
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5) Total Town Revenues include revenues from constructing and equipping the project + increased land value.											
6) Proposed site currently in AG tax program with market value of \$31,800 and assessed value of \$22,260											

Town of Windsor, Connecticut Assessment Abatement Policy

I. Objectives

1. Fiscal impact – to increase the non-residential tax base to preserve and enhance the town’s capacity to provide necessary infrastructure and services and to maintain the commercial and industrial development at not less than 30% of the town’s grand list.
2. Quality employment opportunities – to provide employment opportunities with good wages and benefits for town residents.
3. Stable and growing economy – to support existing business retention and expansion and attraction of new businesses in particular from targeted business clusters so as to strengthen the local economy.
4. Sustainable and quality development – to encourage the use of quality materials and design and incorporation of green technology.

To achieve these objectives, the Town may provide a temporary abatement of increased assessed value for the real property portion of a project if the project meets the criteria listed below. Economic development projects shall not have a negative financial impact on the Town at the conclusion of the abatement term. The Town reserves the right to approve the cost-benefit analysis model used to determine the financial impact.

Any and all decisions to grant and to establish terms of an incentive pursuant to this policy shall be within the sole and absolute discretion of the Windsor Town Council.

II. Precedents to Granting Incentive

The Town Council shall consider the following conditions as precedents to granting property tax incentives:

A. Existence of economic benefit. The project must add to the Windsor economy. Evaluation criteria to be used in determining benefit to the community shall include but not be limited to: the amount of capital investment, whether the project produces value-added products and services, and whether the project provides a positive fiscal impact and economic impact.

B. Types of business. The project shall be of a nature that has been identified by the Town Council as desirable to stimulate the local economy and improve the quality of life for its citizens. To meet this objective, the project must involve one of the following:

1. Manufacturing firms, as per the Manufacturing Assistance Act,
2. Class “A” office space,
3. Offices for advanced medical procedures,

4. Significant Fiscal Impact Project. A Significant Fiscal Impact Project shall mean any eligible use, as per Connecticut General Statutes Section 12-65b (b), which makes a capital investment in taxable personal property and improvements to real property equal to or greater than \$60 million dollars, and

5. Permanent multi-family residential projects located in Windsor Center Design Development Area (section II B 5 sunsets January 31, 2017, therefore applications for this eligible use must be approved prior to said sunset date).

C. Maintain existing tax base. Assistance will be given to businesses that invest in new buildings or building expansions. Property taxes on the existing land and facilities shall not be reduced for new development projects.

D. Definition of businesses. The following definitions will be used in determining the term of abatement and the level of capital investment required.

1. Existing business is a business that shall have had facilities and operations in the Town for a period of not less than one year.

2. New business is a business that is new to Town or has not had facilities and operations in Town for a period of at least one year.

E. General requirements. Applications for assessment abatement must conform to the following requirements:

1. Applicant must not be delinquent in any taxes or charges due to the Town of Windsor.
2. If the end user of the proposed facility is a lessee, then the tax benefits created by this abatement must be clearly reflected in the lease as accruing to the Applicant Company and the lease must be at least for the term of the abatement period.
3. An agreement entered into pursuant to this policy shall not be subject to assignment, transfer, or sale without the written consent of the Windsor Town Council.
4. After approval of an application by the Town Council and approval of a site plan by the Town Planning and Zoning Commission, construction shall commence within six months and shall be completed within twenty-four months. The Town Council must approve any extension of these deadlines.
5. In the event that the applicant, during the period of its participation in this program:
 - a. relocates its business from Windsor,
 - b. becomes delinquent in taxes or fees,
 - c. closes its operation, or
 - d. declares bankruptcy, then any tax incentive benefit enjoyed by the applicant under this program shall be forfeited and the applicant shall be required to pay back all taxes that would have been assessed had the applicant not participated. The period of participation shall extend for three years beyond the term of the abatement.

III. Abatement Criteria and Adjustments

All projects receiving an abatement shall meet the criteria detailed below.

A. Local Employment. The applicant shall commit to use its best efforts to make new job opportunities created by the project available to Windsor town residents.

B. Wages. The Town expects projects that pay at or above the median wage for similar positions in Hartford County.

C. Building Design. Projects must be in compliance with the Town of Windsor Plan of Conservation and Development and must utilize construction materials that meet or exceed the town's requirements.

IV. Abatement Schedule

A. For New Business, in setting an abatement schedule as part of a Fixed Assessment Agreement, the Town Council will use the following table as a guide. The minimum required investment shall be based upon the actual capital investment in taxable real property improvements, excluding land cost and personal property. The percentage abatement may vary from year to year provided that the average percentage abatement shall not exceed the maximum average percentage over the entire term.

<u>Minimum Taxable Real Property Improvement (Market Value)</u>	<u>Maximum Average % Abated Over Term</u>	<u>Maximum Term</u>
<u>\$500 K -10M</u>	<u>30%</u>	<u>3 years</u>
<u>\$11-20M</u>	<u>40%</u>	<u>4 years</u>
<u>\$21-30M</u>	<u>50%</u>	<u>5 years</u>
<u>\$31-50M</u>	<u>60%</u>	<u>5 years</u>
<u>\$51-80M</u>	<u>70%</u>	<u>5 years</u>
<u>Over \$80M</u>	<u>100%</u>	<u>7 years</u>

B. For Existing Business, in setting an abatement schedule as part of a Fixed Assessment Agreement, the Town Council will use the following table as a guide. The minimum required investment shall be based upon the actual capital investment in taxable real property improvements, excluding land cost and personal property. The percentage abatement may vary from year to year provided that the average percentage abatement shall not exceed the maximum average percentage over the entire term.

<u>Minimum Taxable Real Property Improvement (Market Value)</u>	<u>Maximum Average % Abated Over Term</u>	<u>Maximum Term</u>
<u>\$350 K -3M</u>	<u>40%</u>	<u>3 years</u>
<u>\$4M- 10M</u>	<u>40%</u>	<u>4 years</u>
<u>\$11-20M</u>	<u>40%</u>	<u>4 years</u>
<u>\$21-30M</u>	<u>50%</u>	<u>5 years</u>
<u>\$31-50M</u>	<u>60%</u>	<u>5 years</u>
<u>\$51-80M</u>	<u>70%</u>	<u>5 years</u>
<u>Over \$80M</u>	<u>100%</u>	<u>7 years</u>

C. Adjustment to Abatement Schedule. The Town Council may adjust the abatement schedule as set forth in Section IV, A. by increasing the average percentage abatement by not more than 10% based on the following criteria:

1. Wages. An increase in the average percentage abatement of up to 5 % may be considered when the project includes wages that exceed the median wages for similar positions in Hartford County.
2. Targeted Industries. An increase in the average percentage abatement of up to 5% may be considered for projects that are targeted industries per the town's target industry list.
3. Building Design. An increase in the average percentage abatement of up to 5% may be considered for use of high quality materials on the building exterior and/or the use of sustainable technologies including photovoltaic power sources.

V. Application Procedure

- A. Any eligible owner and/or lessee may apply under this Policy to the Town of Windsor on application forms provided by the Economic Development Director. The applicant shall provide all required information in sufficient detail to allow the Town to determine costs and benefits associated with the implementation of a requested tax incentive. This information should include when appropriate the following:
 1. Description of the project including an estimate of the number of jobs to be created and their wages.
 2. Description of the applicant and its products or services and including a listing of its officers.
 3. An estimate of the costs of the proposed improvements.
 4. A construction schedule.
 5. Identification of the assessment abatement schedule requested and specific justification for any adjustments per Section IV, C.
 6. Identification of any other public incentives, financial or otherwise which are included in the project financing.
 7. A calculation of the taxes foregone.
 8. A statement of the benefits to the Town for granting a tax assessment abatement including an estimate of local taxes to be paid and purchases from local vendors and a description of planned corporate community involvement.
 9. Other information as requested by the Town.
- B. Each application shall be accompanied by a filing fee of five hundred (\$500.00) dollars.
- C. Upon receipt of the completed application and fee, the Economic Development Director shall refer the application to the Town Manager and Economic Development Commission for review and recommendation. Each application shall be reviewed on a case-by-case basis. The Town Manager and Economic Development Commission shall each forward recommendations in writing to the Town Council.

- D. The Town Council, in its sole discretion, shall approve, approve with modifications and conditions or deny the application.

VI. Agreement

- A. Pursuant to the Town Council decision, the applicant shall enter into a written agreement with the Town fixing the assessment of the real property in accordance with the assessment abatement schedule that was approved.
- B. Said agreement shall incorporate appropriate provisions of the Policy, in particular, the following:
1. Applicant must not be delinquent in any taxes or charges due to the Town.
 2. If the end user of the proposed facility is a lessee, then the tax benefits created by this abatement must be clearly reflected in the lease as accruing to the Applicant Company and the lease must be at least for the term of the abatement period.
 3. An agreement entered into pursuant to this policy shall not be subject to assignment, transfer, or sale without the written consent of the Windsor Town Council.
 4. After approval of an application by the Town Council and approval of a site plan by the Town Planning and Zoning Commission, construction shall commence within six months and shall be completed within twenty-four months. The Town Council must approve any extension of these deadlines.
 5. In the event that the applicant during the period of its participation in this program:
 - a. Relocates its business from Windsor,
 - b. Becomes delinquent in any taxes or fees,
 - c. Closes its operation in Windsor, or
 - d. Declares bankruptcy,then any tax incentive benefit enjoyed by the applicant under this program shall be forfeited and the applicant shall be required to pay back all taxes that would have been assessed had the applicant not participated. The period of participation shall extend for three years beyond the term of the abatement.
 6. Applicant shall provide a report annually regarding its compliance with the employment and wage provisions of this Policy. Said report shall be in writing upon such forms as are provided for this purpose by the Town.
 7. Failure to comply with any of the conditions associated with a fixed assessment project including but not limited to provisions of the fixed assessment agreement and any requirements specified by any of Windsor's land use commissions may result in the Town Council's review of, and possible modification to, said fixed assessment agreement.

**Town of Windsor, Connecticut
Assessment Abatement Policy**

**Targeted Business List
February, 2004**

The following businesses qualify as a targeted business under the Town of Windsor Assessment Abatement Policy. The ultimate determination as to whether a specific applicant is a targeted business shall be with the Town Council.

1. Class A office space - Class "A" office space must include the following features:
 - a. Two or more stories
 - b. Minimum of 50,000 SF of floor area
 - c. Incorporates broadband communications technology throughout
 - d. High-speed elevators
 - e. Life-safety and security programs
 - f. On-site management
 - g. Energy management system

2. Biotechnology firms – these include bioscience, biotechnology and bio-medical research companies as defined by the Connecticut Bioscience Cluster and including companies that manufacture related scientific and laboratory equipment or products.

D-R-A-F-T

FIXED ASSESSMENT AGREEMENT

THIS AGREEMENT made effective as of _____, 2016, by and between Town of Windsor, Connecticut, a governmental body organized under the laws of the State of Connecticut (“Town”), and Fabcon Precast, LLC., a Minnesota Limited Liability Company (“Company”).

RECITALS

- A. Company has under consideration the lease of an approximately 82,000 square foot manufacturing plant proposed to be developed and constructed at 775 Marshall Phelps Road, Windsor, Connecticut, from a third party landlord (“Landlord”).
- B. Town has adopted an Assessment Abatement Policy in accordance with Section 12-65b of the Connecticut General Statutes, as amended, (the “Policy”), which provides for the abatement or reduction of certain ad valorem real estate tax.
- C. Town has determined that said development qualifies as a manufacturing firm under the Policy and desires to offer the abatement of certain ad valorem real estate taxes hereafter to be assessed on said development as an inducement for Company and/or Landlord to develop and construct a manufacturing plant within Town.
- D. Company has provided Town information verifying that the tax benefits created by said abatement shall accrue to Company and that Company’s lease for the property shall be at least for the term of the abatement period as required by Policy.
- E. Town Council has adopted a resolution authorizing Town to enter into this Agreement.
- F. Town and Company now desire to enter into this Agreement to effect a Fixed Assessment of certain ad valorem real estate taxes which may be levied on said development.

NOW, THEREFORE, in consideration of the mutual promises contained herein, Town and Company hereby agree as follows:

ARTICLE I – DEFINITIONS

Capitalized terms used and not defined herein shall have the definitions ascribed to them as set forth below:

Section 1.1 – Commencement Date. The term “Commencement Date” shall mean the date the Grand List is executed and confirmed by Town Assessor immediately following the date of

the final certificate of occupancy for the Facility and completion of the conditions included in Sections 3.1 and 3.2 of this Agreement.

Section 1.2 – Facility. The term “Facility” shall mean all taxable improvements on or about the Land including all buildings, structures, foundations, curbing, light standards, walkways, access drives, parking areas but otherwise exclusive of Personal Property and Land.

Section 1.3 – Investment In The Facility. The term “Investment In The Facility” shall mean all hard costs capitalized as part of the Facility incurred by Company in expansion of the Facility, including the cost of materials, labor, fixtures, leasing of equipment, and all other hard costs capitalized as part of the Facility excluding land cost.

Section 1.4 – Investment In Personal Property. The term “Investment in Personal Property” shall mean all hard costs incurred or invested by Company in the fabrication, purchase, transportation and installation of all Personal Property located on or about the Land, including all manufacturing and vendor costs, sales taxes, and all other hard costs capitalized as part of the Personal Property at the Facility.

Section 1.5 – Personal Property. The term “Personal Property” shall mean all personal property of Company located on or about the Land or used as a part of the Project, including all equipment, furnishings, and computers.

Section 1.6 – Project. The term “Project” shall mean collectively the Facility, Personal Property and the Land.

Section 1.7 – Land. The term “Land” shall mean the premises generally known as 545 Marshall Phelps Road, Windsor, Connecticut.

Section 1.8 - Fixed Assessment - The term "Fixed Assessment" shall refer to Town's conferral, under Connecticut General Statutes 12-65 b, of a fixed assessment on the Facility and Land which is equal to the portion of the assessed value, for a given year of the Fixed Assessment Period, as set forth in Section 2.1.

Section 1.9- Fixed Assessment Period - The term "Fixed Assessment Period" shall refer to a full four (4) assessment year period which shall begin upon the occurrence of the Commencement Date and continue until the full four (4) years of assessment periods has been completed. Upon the passage of said four (4) year period, the fixed assessment period automatically shall expire subject to the provisions of Section 2.1.

ARTICLE II-TAX MATTERS

Section 2.1 – Fixed Assessment. Town and Company agree that the Fixed Assessment for the Facility and the Land shall be fully effective during the Fixed Assessment Period. Furthermore, in the event that Town cannot confer the Fixed Assessment at any time during the Fixed Assessment Period pursuant to a court order or change in law applicable to fixed assessment agreements entered into and effective prior to the date of such change in law, then the term of the Fixed Assessment Period shall automatically be extended by such time period in order to provide a full four (4) year period in which the Fixed Assessment is effective to the extent

permitted by applicable local and State law, and Town shall undertake all reasonable efforts to effect said extension.

During the Fixed Assessment Period, Town shall establish the assessment of the Land and the Facility at the Fixed Assessment amount equal to sixty (60%) per cent of the assessed value of Land and Facility, provided that the Fixed Assessment amount shall be equal to fifty(50%) per cent of the assessed value of Land and Facility in the event that prior to the Commencement Date: 1) the Company has established a cogeneration system for electricity and process heat at the Facility, and 2) Company has demonstrated to Town satisfaction that the median wages to be paid to operations employees is not less than 105% of the median wages for similar occupation classes in the Hartford Area Labor Market based on the then most recent published data.

Section 2.2– Minimum Real Estate Tax Payment. During the Fixed Assessment Period, Company agrees to pay (or cause Landlord to pay) for each tax year a minimum ad valorem real estate tax payment for the Facility and the Land equal to the Fixed Assessment for each such year as set forth in Section 2.1 at the then-existing mill rate adopted by Town, subject to the provisions of this Agreement. Company (or Landlord) shall make such payment no later than the applicable due dates of the tax billing or otherwise shall be subject to penalty interest for late payment. Effective upon the expiration or termination of the Fixed Assessment Period, Company shall have no further obligations under this Section 2.2.

Section 2.3– Personal Property Tax Payment. Company agrees to pay all taxes levied on the Personal Property by Town during the Fixed Assessment Period. Company shall make such payment no later than the applicable due dates of the tax billing or otherwise shall be subject to penalty interest for late payment.

Section 2.4 - Assessment and Revaluation. The Company shall have the right to appeal any increase in assessment due to a town-wide property revaluation pursuant to Connecticut General Statutes, sections 12-117A and 12-119, as amended. The assessment of the Land and Facility for the period prior to the Commencement Date shall be determined in the normal course pursuant to state and local laws.

ARTICLE III– MINIMUM INVESTMENTS

Section 3.1 – Minimum Investment In The Facility. Company shall commence or cause Landlord commence construction of Facility within six months after approval of a site plan by the Town Planning and Zoning Commission. Company agrees to expend or cause Landlord to expend Investment In The Facility in accordance with the approved site plan of not less than twelve (\$12,000,000) million dollars no later than twenty-four months after approval of the site plan, which deadline may be extended by the Town Council for up to one (1) six (6) month period provided that Town finds Company and/or Landlord is diligently and continuously pursuing the completion of the Project.

Section 3.2 – Investment In Personal Property. Company agrees that the taxable portion of Investment In Personal Property shall be not less than \$300,000 which taxable portion shall be located on Land no later than twenty-four months after approval of the site plan, which deadline

may be extended by the Town Council for up to one (1) six (6) month period provided that Town finds Company is diligently and continuously pursuing the completion of the Project.

Section 3.3 – Schedule. No later than twenty-four months following approval of the site plan or at the end of any approved extension period as provided in Section 3.1 and Section 3.2, Company shall furnish Town with a certificate confirming Company’s satisfaction of the obligations contained in Sections 3.1 and 3.2 hereof. Company, at the request of Town, further shall furnish Town with general information substantiating the expenditure of such investment. Town acknowledges that any certification from a third party architect, managing contractor, engineer, general contractor, vendor or manufacturer, which certifies such investment will satisfy any request by Town for additional evidence verifying the expenditure of such investment.

Section 3.4 – Failure to Comply. In the event the Company has not expended Investment in the Facility of not less than \$12,000,000 or located on the Land the \$300,000 taxable portion of Investment in Personal Property within twenty-four months of site plan approval or at the end of any approved extension periods as provided in Section 3.1 and Section 3.2, Town shall be entitled to terminate this Agreement. In the event of such termination by Town, then Town and Company shall not have any further obligation under this Agreement.

ARTICLE IV– EMPLOYMENT MATTERS

Section 4.1 – Town Residents. During the Fixed Assessment Period, Company shall exercise good faith efforts to recruit qualified residents of Town to fill part and full-time positions used for the Project; provided, however, that Company is under no legal obligation to hire any resident of Town for such purposes, it being understood that Company, in its sole discretion, will make the ultimate determination on whether or not a resident is qualified to fill a position or to hire such person. The Company’s good faith efforts shall include at a minimum conducting two local job fairs, and may include, by way of example, providing notice of job openings to a designated representative of the Town for dissemination, organizing recruiting events, advertising and coordinating hiring efforts with the Town and local workforce organizations.

Section 4.2 – Wages. During the Fixed Assessment Period, Company shall exercise good faith efforts to pay its employees wages that are at or above the median wage for similar positions in Hartford County, provided that if the Company has received an increased percentage abatement per Section 2.1 then Company must maintain the median wages to be paid to operations employees at not less than 105% of the median wages for similar occupation classes in the Hartford Area Labor Market based on the then most recent published data.

Section 4.3 – Annual Report. During the Fixed Assessment Period, Company shall provide to Town a report annually regarding Company efforts to recruit qualified residents of Town to fill positions as provided in Section 4.1 and Company wages as provided in Section 4.2. Said report shall be in writing upon the form attached hereto as Exhibit A – Annual Report.

ARTICLE V – OPERATION OF PROJECT

Section 5.1 – Operation. During the Fixed Assessment Period and for a period of three (3) consecutive years thereafter, the Company agrees that it shall not:

5.1.1 Relocate the operations of Company associated with Facility outside of the Town of Windsor:

5.1.2 Permanently cease operations in the Town of Windsor for a cumulative period greater than one (1) year;

5.1.3 Fail to pay the taxes contemplated under this Agreement (subject to exercising Company's rights under applicable law); or

5.1.4 Declare bankruptcy.

Section 5.2– Remedies. In the event that Company is in Material Default (as defined in Article VII) under Sections 5.1.1 through 5.1.4 and such Material Default continues following notice by the Town as provided under Article VII, Town shall have the right to, as the sole and exclusive remedies for a Material Default, (i) terminate the Fixed Assessment for the balance of the Fixed Assessment Period, and (ii) recover all tax benefits provided to Company during the Fixed Assessment Period (i.e. the taxes that would have been payable by Company that were not paid as a result of the Fixed Assessment). In the event that Company has instituted appropriate administrative or legal proceedings challenging the amount of the statutory assessment of the Facility and Property, payment of any and all taxes shall be in accordance with Connecticut General Statute section 12-117 and other applicable law.

ARTICLE VI– REPRESENTATIONS AND WARRANTIES

Section 6.1 – Town Representations and Warranties. Town hereby represents and warrants to Company as follows:

- 6.1.1 This Agreement is in material compliance with Town Charter and ordinances and with the Connecticut General Statutes, et seq. and all other applicable local and State law.
- 6.1.2 Town is a municipality duly organized and operating under the laws of the State.
- 6.1.3 Town has the power to enter into this Agreement and to carry out its obligations hereunder.
- 6.1.4 The execution and delivery of this Agreement, the conferral of the Fixed Assessment to Company, the performance of its other obligations contained in this Agreement, the consummation of the other transactions contemplated hereby, and the fulfillment of the compliance with the terms and conditions of this Agreement, by Town are not prevented by or result in a breach of, the terms, conditions or provisions of Town Charter, any statute, law, ordinance or regulation by which Town is bound, or any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Town is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.

- 6.1.5 This Agreement has been duly authorized by Town Council, and is a valid and binding obligation of Town, and is enforceable in accordance with its terms against Town.
- 6.1.6 The representative of Town executing this Agreement is in good standing with Town, and is authorized to execute and deliver this Agreement, in such capacity.
- 6.1.7 There is no claim or litigation, or to the best of Town's knowledge, threat of any claim or litigation, against Town with respect to its execution and delivery of this Agreement or otherwise pertaining to the conferral of the Fixed Assessment or any other matter contained in this Agreement.
- 6.1.8 There are no actions, suits or administrative or legal proceedings pending, to the best of its knowledge, threatened against or affect Town or before any arbitrator or any governmental body in which there is a reasonable possibility of an adverse decision which could materially affect the financial condition of Town or which in any manner raises any question about the ability of Town to perform its obligations under this Agreement.

Section 6.2 – Company Representations and Warranties. Company hereby represents and warrants to Town as follows:

- 6.2.1 Company is a corporation organized under the laws of the State of Delaware and is in good standing with the Secretary of State of Delaware and is qualified to transact business in the State of Connecticut.
- 6.2.2 Company has the power to enter into this Agreement to carry out its obligations hereunder.
- 6.2.3 The execution and delivery of this Agreement, the performance of the obligations of Company contained in this Agreement, the consummation of the other transactions contemplated hereby, and the fulfillment of the compliance with the terms and conditions of this Agreement by Company are not prevented by or result in a breach of, the terms, conditions or provisions of any statute, law, ordinance or regulation by which Company is bound, or any contractual restriction, financing, agreement or instrument of whatever nature to which Company is now a party by which it is bound, nor do they constitute default under any of the foregoing.
- 6.2.4 This Agreement has been duly authorized by Company, and is a valid and binding obligation of Company and is enforceable in accordance with its terms against Company.
- 6.2.5 The officer of Company executing this Agreement is in good standing with Company and is authorized to execute and deliver this Agreement, in such capacity.

- 6.2.6 There is no claim or litigation, to the best of Company's knowledge, threat of any claim or litigation, against Company with respect to its execution and delivery of this Agreement, the conferral of the Fixed Assessment or any other matter contained in this Agreement.
- 6.2.7 There are no actions, suits or proceedings pending or, to the best of its knowledge, threat against or effect to Company or before any arbitrator or any governmental body in which there is a reasonable possibility of an adverse decision which could materially affect the ability of Company to perform its obligations under this Agreement.

ARTICLE VII - DEFAULT

Section 7.1 – Town Default. In the event that Town fails to perform a material covenant or agreement, or to observe a material term or condition, contained in this Agreement and Company furnishes notice to that effect to Town, and Town fails substantially to rectify the same within thirty (30) days after receipt of notice, and such an additional reasonable time period as is necessary to rectify the matter if the nature of such non-compliance cannot be reasonably cured within said thirty (30) day period, so long as Town initiates the curing thereof within said thirty (30) day period and thereafter diligently prosecutes such curing, then Town shall be deemed to be in material default of this Agreement (such default after delivery of notice and failure to cure, a "Material Default"). In the event of Town's Material Default under this Agreement beyond applicable cure periods, Company shall be entitled to all rights and remedies at law or in equity.

Section 7.2 – Company Default. In the event of a Material Default by Company (after Town has provided notice and the opportunity to cure, in the manner described in Section 7.1), then Town, as its sole and exclusive remedy (except for Material Defaults under Sections 5.1.1 through 5.1.4 remedies for which are covered in Section 5.2), shall be entitled to terminate this Agreement, including without limitation, the Fixed Assessment, provided, however, that if a Material Default occurs as a result of Company's failure to pay ad valorem real estate or personal property taxes assessed by Town with respect to the Project, subject to the limitations and qualifications expressly contained in this Agreement, Town shall be entitled to assess all penalties and to exercise all rights accorded to it as a taxing authority under the Connecticut General Statutes.

ARTICLE VIII– MISCELLANEOUS

Section 8.1 – Notices. All notices and requests required pursuant to this Agreement shall be sent by personal delivery, overnight courier, or certified mail as follows:

To Town:	Town of Windsor Windsor Town Hall 275 Broad Street Windsor, CT 06095 Attention: Town Manager
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To Company:

Fabcon Precast, LLC
6111 W. Hwy. 13
Savage, MN 55378
Attention: President and CEO

or at such other addresses as the parties may indicate in writing to the other by personal delivery, overnight courier, or certified or registered mail, return receipt requested, with proof of delivery thereof. Notices and requirements shall be deemed delivered to the address set forth above (a) when delivered in person on a business day, (b) on the same business day received if delivered by overnight courier, or (c) on the third business day after being deposited in any main or branch United States Post Office when sent by registered mail, return receipt requested.

Section 8.2- Successors and Assigns; Assignment. Company may not assign its rights and obligations under this Agreement except with permission of the Windsor Town Council which permission shall not be unreasonably denied. Notwithstanding the foregoing, the Town and the Company agree that the Company may assign its rights and interests in this Agreement without the permission of the Windsor Town Council (i) to any parent, grandparent, subsidiary or affiliate of the Company, (ii) to any company into which the Company or its parent or grandparent is merged or which results from the merger of the Company, or its parent, grandparent with any other entity, or (iii) to any purchaser of the Project in connection with a sale/leaseback or other financing arrangement including but not limited to the holder of any mortgage on the Project. All of the terms and provisions of this Agreement shall be binding on and inure to the benefit of all of the successors and assigns of the parties hereto.

Section 8.3- Amendment. This Agreement sets forth all the promises, inducements, agreements, conditions, and understandings between Company and Town relative to the fixing the assessments on the Facility and the Property and there are no promises, agreements, conditions, or understandings, either oral or written, express or implied, between them related thereto, other than as herein set forth. No subsequent alteration, amendment, change, or addition to this Agreement shall be binding on the parties hereto unless authorized in accordance with law and reduced in writing and signed by them.

Section 8.4-Counterparts. This Agreement (or any exhibit or addendum to it) may be executed by facsimile or using an e-signature format such as DocuSign, and in counterparts, each of which (including signature pages) will be deemed an original, but all of which together will constitute one and the same instrument.

Section 8.5- Severability. The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions, which shall remain in full force and effect to govern the parties' relationship.

IN WITNESS WHEREOF, this Agreement has been executed by authorized representatives of the parties hereto and is effective as of the aforesaid date.

TOWN OF WINDSOR

By: _____

Name: _____

Title: _____

FABCON PRECAST, LLC

By: _____

Name: _____

Title: _____

**TOWN OF WINDSOR
FINANCE COMMITTEE
SPECIAL MEETING
JUNE 15, 2016
TOWN HALL – LUDLOW ROOM**

UNAPPROVED MINUTES

1. CALL TO ORDER

Deputy Mayor Jody Terranova, Chair of the Finance Committee, called the meeting to order at 6:30 p.m. Also present were Councilors Randy McKenney and Donald Jepsen. Town Manager Peter Souza was also present.

2. PUBLIC COMMENT

None

3. REVIEW OF YEAR END PURCHASE ORDERS

Town Manager Souza asked Assistant Finance Director Jim Bourke to provide an overview of the year-end purchase orders. Mr. Bourke discussed the purchase orders.

Councilor McKenney MOVED and Councilor Jepsen seconded that the Finance Committee recommend that the FY16 General Fund open purchase orders as of June 15, 2016 be submitted and approved by the Town Council until October 17, 2016.

Motion Passed 3-0-0

4. REVIEW OF YEAR END TRANSFERS

Town Manager Peter Souza asked Assistant Finance Director Jim Bourke to provide an overview of the proposed year-end transfers. Mr. Bourke discussed the financial projections for FY16 and also provided an overview of the proposed year-end transfers.

Councilor McKenney MOVED that the Finance Committee recommend to the Town Council that the Director of Finance be granted approval of transfer authority to make year-end transfers in the General Fund of not more than \$5,000 per account, and MOVED that the Finance Committee recommend to the Town Council the approval of a transfer of \$34,550 from Public Works to General Government to cover the year-end projected deficit, and MOVED to recommend to the Town Council approval of a transfer of \$7,840 from Public Works to Recreation and Leisure Services to cover the year-end projected deficit.

Motion Passed 3-0-0

5. STAFF REPORTS

Town Manager Souza provided an update on the recent bond sale and the mailing of tax bills. He mentioned that the second phase of the Stone Road project would be going before the Town Council. He said that at this point staff does not know how the recently announced reductions in state aid will impact the town.

6. APPROVAL OF MINUTES

a) March 14, 2016

Councilor Jepsen MOVED and Councilor McKenney seconded to approve the unapproved minutes of March 14, 2016. The motion passed 3:0.

7. ADJOURMENT

Councilor McKenney MOVED and Councilor Jepsen seconded to adjourn the meeting at 6:42 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Jonathan Luiz
Assistant Town Manager