

September 18, 2014 Draft REVISED 9.25.14

PUTNAM, CONNECTICUT

BROOKLYN, CONNECTICUT

POMFRET, CONNECTICUT

INTERLOCAL AGREEMENT

FOR

QUINEBAUG REGIONAL TECHNOLOGY PARK DEVELOPMENT

Dated as __, 2014

**WORKING DRAFT STILL SUBJECT TO INTERNAL REVIEW AND
MODIFICATION**

INTERLOCAL AGREEMENT

Agreement is dated as of _____, 2014 (as supplemented or amended, the “Agreement”), and is among PUTNAM, CONNECTICUT and BROOKLYN, CONNECTICUT, and POMFRET, CONNECTICUT all of the foregoing being municipal corporations of the State of Connecticut.

RECITALS:

In an effort to increase the diversification of their respective property tax bases, the parties have engaged in a substantial process of negotiation to work together for the development of the Quinebaug Regional Technology Park (QRTP) within the borders of Putnam for their common benefit.

For and in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follow:

ARTICLE 1

1. The parties will cooperate in the development of Phase I of an industrial park, the tract of land comprising approximately 62 acres and known generally as the “Wheelabrator Property” off Kennedy Drive in Putnam, Connecticut, as more particularly described on Exhibit A (referred to in this Agreement as the “Initial Property”).
2. The parties acknowledge that the State of Connecticut has agreed to provide \$2,970,000 for the construction of a bridge to support this undertaking.
3. The parties acknowledge that the Town of Putnam will donate 15 acres of the parcel to the YMCA of Greater Hartford for the construction of a 48,000 +/- square foot Regional Community Family Center.
4. The parties acknowledge the remaining developable land comprises approximately 25 acres subdivided into four lots of various sizes.
5. The parties acknowledge that the Town of Putnam has obtained or will seek state and federal grants and/or loans, including but not limited to state Manufacturing Assistance Act Program, Small Town Economic Assistance Program (STEAP), USDA Rural Utilities loans and grants, state Recreational Trail grants, to assist in development of the Initial Property.
6. The parties acknowledge that the Town of Putnam has acquired the Initial Property as a donation from Wheelabrator Putnam, Inc.

7. Putnam conducted a Marketing and Feasibility Study (April 2011) that demonstrated the proposed project was “soundly based and had significant potential.” Additionally, the report stated: “The project needs to be approached regionally to gain state support as well as recognize the market potential. Several competing projects will not succeed as well.”
8. Putnam has received a Record of Decision issued pursuant to the requirements of the Connecticut Environmental Policy Act requiring the development of an Environmental Impact Evaluation. The Decision points out the negative and positive impacts to the natural and physical environment and the positive impacts to the socioeconomic environment. The EIE addresses the efforts to minimize the impacts from site development.
9. Putnam will proceed with due diligence to develop Phase I of the Park in an expeditious fashion. Putnam will work in good faith to develop the Park in accordance with this Agreement, in accordance with the Feasibility and Marketing Study, the zoning regulations creating the Quinebaug Regional Technology Park Overlay District (TPOD), the QRTP Phase I Conceptual Site Plans dated March 26, 2014 (Exhibit B), and the Environmental Impact Evaluation.
10. Putnam has received or is working to receive all of the necessary local, state and federal permits to allow the development to go forward.

The parties will work together in good faith and with due diligence to enforce the restrictive covenants outlined in the TPOD. If the parties are unable to agree on the terms of such covenants, then Putnam, as the owner of the Property, may at any time impose any set of commercially reasonable and appropriate covenants that it may determine. Investing towns will not be required to pay any costs associated with enforcing the restrictive covenants.

Nothing in this agreement, however, shall be interpreted in any way to limit Putnam’s authority to apply its own land use, appearance, covenants and other development regulations to the development of the Park.

11. Putnam will have on-going responsibility for the management and development of the Park and will proceed as to all development matters related to this Agreement in an expeditious manner and in accordance with the Conceptual Site Plans, TPOD and the EIE. Putnam will in good faith consult with, and seek input from, the Advisory Board in collaboration with the management and development of the Park on a continuing basis.

Putnam will have on-going responsibility for the marketing of the Park. The costs of this marketing will be provided for in the ordinary course of Putnam’s budget process and the parties acknowledge that there will not be a separate budget to market the Park.

12. The parties will cooperate in evaluating opportunities to develop property as part of any additional phases of the QRTP.
13. The parties agree to jointly cooperate in supporting future funding opportunities, such as state and federal grants, deemed to be appropriate to finance park development and maintenance costs involving Phase I. Nothing herein shall mandate any additional payments by any of the participating towns.
14. The parties acknowledge that Putnam has an existing agreement with Wheelabrator Putnam, Inc., to share 20% of the sale from lots in Phase I with WPI.
15. The parties acknowledge that while the purpose of the Agreement is to enhance regional cooperation and economic development, the ownership of the real estate and the liability therefore shall rest solely with the Town of Putnam. Nothing contained herein shall be construed to create a partnership or joint venture in terms of the overall project.

ARTICLE II

DEVELOPMENT EXPENSES

Estimates for infrastructure development of Phase I of the QRTP, including but not limited to construction of bridge, roadway system, sewer and water utilities, gas utilities, electricity, information technology, recreational trail system, and contract administration and inspection, total \$7.6 million.

The estimated net cost of the development after factoring in state and federal grants and loans to the Towns is estimated to be \$800,000 (with one partner town).

The Towns have the following options to pay for their investment in accordance with the *Agreed Percentages* (Article IX. 3.):

1. Payment in full within 90 days of approval by Town's legislative body and this agreement being accepted and approved by the State of Connecticut Department of Economic and Community Development and the issuance of a state funding commitment for the project. Payment of any Town's share constitutes their full payment and they assume no further financial liability.
2. Payment of principal and interest in accordance with a financing mechanism agreed to in consultation between the parties.

ARTICLE III

SHARING OF REVENUE AND EXPENSES

1. Distribution of Revenues:

- a. Proceeds of land sales – The net proceeds of any sale of land in the Park will be distributed in accordance with the share investment of the towns. Net proceeds are calculated after proceeds totaling 20% of land sales are paid to Wheelabrator Putnam, Inc., and minus any real estate agent commissions, if an agent is used for land sale transactions.
- b. Park Tax Revenues – Putnam will distribute, within 30 days of receipt, all Park Tax Revenues in accordance with the share investment of the towns.

For the purposes of the Agreement, “Park Tax Revenues” means tax revenues attributable to the application of Putnam’s then-current tax rate to any taxable value of real and personal property listed for taxes with respect to Phase I of the Property.

Putnam shall maintain a separate list describing such properties within Phase I of the QRTP.

The parties intend that this agreement to share QRTP tax revenues will continue for the maximum period allowed by law.

2. While the Town of Putnam does not currently own any adjoining land suitable for extension or expansion of the Park, if additional land is added to the proposed Park by Putnam, Putnam will consult with the existing partners as to their interest in participating in the Park expansion. Nothing contained herein shall require any party to agree to participate in future expansion.
3. Investing Town will be required to pay a maintenance fee annually that will be calculated at 15% of proportional share of the revenue distributed to the investing Town annually. The maintenance fee will assist the Host Town (Putnam) in routine maintenance, including but not limited to snow plowing, catch basin cleaning etc., of the QRTP. Collection of the maintenance fee will not start until sale of first lot in QRTP. The maintenance fee will be deducted from the revenue distributions. The maintenance fee shall be applied to tax revenue and not to lot sales. While the Town of Putnam reserves the right to allocate a portion of the maintenance fee to park replacement or improvements, nothing herein contained shall authorize or allow additional capital charges to participating towns without their expressed agreement.

ARTICLE IV

INCENTIVES

1. Putnam may determine the sales price, sales terms and purchaser of any property in the Park. Putnam may make these determinations at its discretion, but will in good faith, consult with, and seek recommendations from the Advisory Board prior to any such disposition of property.
2. The only incentives Putnam contemplates to offer during development of the QRTP are those associated with Putnam's location in the Enterprise Corridor Zone established by the State of Connecticut. No tax abatements or deferral of increased assessments will be allowed under this agreement unless the Advisory Board reviews and approves the abatement or deferral after due consideration.

ARTICLE V

ADVISORY BOARD

There shall be an Advisory Board for the purpose of administering this agreement.

The Advisory Board shall consist of the Putnam Mayor, Brooklyn First Selectman, Scotland First Selectman, Pomfret First Selectman, Putnam Town Administrator, and another representative from each town either representing the economic development agencies or with requisite financial experience or qualifications. Each of these individuals may designate in writing a representative to serve in their place on the Advisory Board and may change the designated representative from time to time. Each individual voting shall have a single vote.

The Advisory Board will assist in and facilitate the development of the Park, and will keep each Town governing board informed of current development projects and prospective opportunities for the Park. The Advisory Board will carry out the responsibilities assigned to it in this Agreement, and such other responsibilities as the Towns may from time to time assign it.

The Advisory Board will establish their own rules of governance and determine a meeting schedule, providing that there be at least one annual meeting of the Board.

ARTICLE VI

AUTHORITY FOR THIS AGREEMENT

The parties are entering into this Agreement pursuant to the general authority of Chapter 98, Section 7-148bb, Section 7-148cc, and Chapter 105, Section 7-339a-1.

ARTICLE VII

AMENDMENT, TERMINATION AND WITHDRAWAL

Termination – Should either party determine that this Agreement creates an undue burden on it, it shall give written notice to the Town Clerk of the other Town/s, at least 90 days prior to the convening a meeting of the legislative body to vote on whether or not the Agreement should be terminated. The notice shall be specific as to the reason or reasons for termination to allow the other legislative body input into the advisability of such a termination. If the initiating Town votes to terminate this Agreement, the termination will be effective 60 days after delivery of the notice to the remaining Town/Towns. The 60-day window will give the parties time to consult on any issues arising from the termination. Any issues arising from the termination unresolved at the end of the 60-day period may be subject to binding arbitration at the request of either Town/Towns. However, the decision to terminate shall not be subject to arbitration.

Immediately from the date a Town authorizes withdrawal, that Town ceases to be entitled to any further distributions pursuant to Article II, Section 1, and all of that Town's share of revenues will thereafter be distributed to the sponsoring Town. Any payments previously made to the withdrawing Town, however, are not subject to any recapture or set-off.

Immediately from the date a Town authorizes withdrawal and a successful transfer of its economic interest occurs that Town's representatives will no longer be part of the Advisory Board.

A withdrawing Town may only convey its economic interest to another Connecticut municipality, which municipality would have the right to receive the payment stream of the withdrawing municipality providing however, in order to be entitled to representation on the advisory board, the acquiring municipality must apply and be approved by a majority of the advisory board. No participant may convey less than their full percentage interest in the project. The Town of Putnam as sponsoring entity shall have a right of first refusal to meet any offer to purchase the withdrawing party's share. The terms of the right of first refusal are that when the withdrawing municipality receives an offer from another municipality to purchase its rights which offer is acceptable to the withdrawing municipality it shall convey such offer in writing to the Town of Putnam and the Town of Putnam shall have forty-five (45) days to meet the terms of and conditions of the proposed sale, the withdrawing party may convey its interest to another Connecticut municipality.

Nothing contained herein shall prohibit the sponsoring Town and the withdrawing Town from agreeing to an alternate method of the sponsoring Town reacquiring the withdrawing Town's interest.

Amendment – This Agreement may be amended only by a written document approved the legislative body of each Town and signed by the appropriate municipal officer.

ARTICLE VIII

OTHER PARTIES

The Towns agree that other local governments may be allowed to join in this effort and become party to the Agreement, when the entry of such other local governments will further the efforts memorialized in this Agreement. ANY LOCAL GOVERNMENT SEEKING TO PARTICIPATE IN THIS EFFORT MAY BE MADE A PARTY TO THIS AGREEMENT ON APPROVAL BY THE TOWN OF PUTNAM AND A MAJORITY OF THE OTHER PARTIES TO THIS AGREEMENT. APPROVAL OF AN ADDITIONAL PARTY TO THIS AGREEMENT SHALL BE DELEGATED TO THE BOARD OF SELECTMEN OR CORRESPONDING AGENCY OF EACH MUNICIPALITY AND UPON THE APPROVAL OF THE TOWN OF PUTNAM AND A MAJORITY OF THE OTHER PARTICIPATING PARTIES, THIS AGREEMENT SHALL BE AUTOMATICALLY DEEMED AMENDED TO INCLUDE THE ADDITIONAL LOCAL GOVERNMENT. PROVIDED THAT NO SUCH ADDITION SHALL DIMINISH THE INCOME RIGHTS OF THE PARTICIPATING PARTIES AND ANY SUBSTANTIVE CHANGE IN THIS AGREEMENT BEYOND THE ADDITION OF AN ADDITIONAL PARTY, SHALL REQUIRE AN AMENDMENT APPROVED BY THE LEGISLATIVE BODY OF EACH PARTICIPATING TOWN. Upon the admission of another local government to this effort, this Agreement shall be amended as necessary to allow for such party to participate.

To insure fairness, future towns will be admitted substantially on the same terms and conditions as the initial parties to the Agreement.

ARTICLE IX

MISCELLANEOUS

1. The parties intend that this Agreement will be governed by Connecticut law.
2. Notices:

If to Putnam:

Mayor
Town of Putnam
126 Church Street
Putnam, CT 06260

If to Brooklyn:

First Selectman
Town of Brooklyn

3. Definitions

“Advisory Board” has the meaning assigned in Article V.

“Agreed Percentages” means the following percentages for each Town:

Putnam	60% (Subject to change pending negotiations With other towns)
Brooklyn	20%
Scotland	10%
Pomfret	10%

“Host Town” and/or “Sponsoring Town” means Putnam in which the Quinebaug Regional Technology Park, Phase I, developed pursuant to this Agreement, or a further supplemental agreement among the parties, is located.

“Site Development Plan” means a written plan for the comprehensive development of Phase I into the Park, including such aspects as planning for infrastructure development and site development improvements, as formulated by a professional engineering team/s.

“Towns” means Putnam, Brooklyn, Pomfret and Scotland.

4. While the Town of Putnam believes this is a feasible project and that all of the appropriate funding sources have been identified, there is no guarantee that the project will be fully tenanted in any particular timeframe nor that all anticipated grants will be in fact be received. It is anticipated that existing members of this Agreement will be consulted on any further expansion of the QRTP, but the terms and conditions of such expansion are not known at this time and would be subject to further negotiation based upon actual cost and nothing contained in this Agreement shall require either a supporting town or the Town of Putnam as a sponsoring town to enter into an agreement as to such future expansion.
5. This agreement is expressly subject to being accepted and approved by the State of Connecticut Department of Economic and Community Development under the Manufacturing Assistance Act program and the issuance of a state commitment for funding the project and for the State of Connecticut to participate in the infrastructure improvements necessary to construct the project at a rate not less than 75% of the agreed infrastructure cost.
6. This agreement already provides pursuant to Paragraph 15, the ownership of the real estate and the liability therefore shall rest solely with the Town of Putnam; and that nothing contained herein shall be construed to create a partnership or joint venture in

terms of the overall project. However, to further assure potential investors, Putnam shall use its commercially reasonable best efforts to have Brooklyn as well as other participants named as additional insured on any and all policies of liability insurance maintained by the Town of Putnam relative to the Quinebaug Regional Technology Park.