

THIS IS TO CERTIFY that the following is a true and attested copy of a resolution adopted by the Council of the City of Norwich at a meeting held on April 16, 2012, and that the same has not been amended or rescinded:

RESOLVED, that the Tax Collector of the City of Norwich is directed to sell and may sell at public auction the following properties hitherto acquired by the City of Norwich provided no property shall be sold below a minimum price established by the tax collector, below which no bid will be received:

351 Canterbury Turnpike  
27 West Thames Street  
279 North Main Street  
97 School Street  
21 West Thames Street  
10 John Street  
60 Roath Street  
Seventh Street – Map 86, Block 3, Lot 19  
30 Laurel Circle  
28 Ridgewood Drive  
32 Laurel Circle  
47, 49, 51 & 53 Washington Street  
33 West Thames Street  
11 Mechanic Street

Dated at Norwich, Connecticut this 17th day of April 2012.

ATTEST:   
Betsy M. Barrett  
City Clerk

THIS IS TO CERTIFY that the following is a true and attested copy of a resolution adopted by the Council of the City of Norwich at a meeting held on April 16, 2012, and that the same has not been amended or rescinded:

**WHEREAS**, as a result of the major flooding and wind damage which occurred in March of 2010, the Federal Emergency Management Agency (FEMA) indicated it might make available grant funding to qualified municipalities within the State of Connecticut for post-disaster hazard mitigation through its Hazard Mitigation Grant Program; and

**WHEREAS**, such a grant given to the state and used to support local grants to communities would carry a local cost share of 25% of the total sum sought, the balance to be grant monies; and

**WHEREAS**, the Council determined that the property located 31 New London Turnpike owned by the Bugbee and Gawendo Real Estate Partnership might qualify under this program for acquisition by the City of Norwich to mitigate the risk of future damage and flooding; and

**WHEREAS**, the Council of the City of Norwich, by resolutions adopted November 1, 2010 authorized City Manager Alan H. Bergren to attempt to negotiate an agreement between the Bugbee and Gawnedo Real Estate partnership and/or the Nutmeg Companies, Inc. whereby the City of Norwich, if awarded a grant under the Hazard Management Grant Program, would acquire said property, demolition all buildings on the site and maintain the property as open space in perpetuity; and

**WHEREAS**, the City of Norwich has made an application to FEMA seeking a grant under the program contemplating total costs in an amount of \$760,100 of which the city's required 25% match will be \$190,025; and

**WHEREAS**, the city's grant application is among those presently being considered by FEMA; and

**WHEREAS**, the City of Norwich will be required to provide a cost share commitment letter to FEMA in support of its grant application

**NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NORWICH**, that City Manager Alan H. Bergren be and hereby is authorized and directed to prepare, execute and deliver to FEMA on behalf of the City of Norwich a cost share commitment letter committing, under the terms and conditions of the letter, to provide matching funding in the amount of \$190,025, said letter to be substantially similar in form to that attached to this resolution as Exhibit A.

Dated at Norwich, Connecticut this 17th day of April 2012.

ATTEST:   
Betsy M. Barrett  
City Clerk

THIS IS TO CERTIFY that the following is a true and attested copy of a resolution adopted by the Council of the City of Norwich at a meeting held on April 16, 2012, and that the same has not been amended or rescinded:

**WHEREAS**, the State Board of Education has noted that educational outcomes across Connecticut exhibit a significant achievement gap, and has determined that the State's elementary and secondary schools are in need of significant reform to address this and other critical educational issues; and

**WHEREAS**, Governor Dannel P. Malloy recognizes that education is a key component to economic development and growth in Connecticut and a necessary foundation upon which to create a skilled workforce and attract new businesses; and

**WHEREAS**, education reform must be initiated now so the children of this generation and future generations will develop the knowledge and skills to succeed, and the desire to stay in and contribute to the growth of Connecticut and our State; and

**WHEREAS**, as originally presented, Senate Bill 24 contained many proposals and potential solutions addressing Norwich's educational challenges; would be immediate and progressive in implementing them; and would position our City to achieve and provide a high performing public education; and

**WHEREAS**, Senate Bill 24 has been modified in a manner that threatens the needed immediate education reforms for the children of our city, and which will have a negative impact on education, growth, and the development of our great State;

**NOW THEREFORE, BE IT RESOLVED** by the Council of the City of Norwich that it urges local and state lawmakers to restore Senate Bill 24 to its original language and intent, providing solutions that are immediate and progressive, so that Norwich can achieve educational excellence and consequently promote growth and development in our city.

Dated at Norwich, Connecticut this 17th day of April 2012.

ATTEST:



Betsy M. Barrett  
City Clerk

THIS IS TO CERTIFY that the following is a true and attested copy of a resolution adopted by the Council of the City of Norwich at a meeting held on April 16, 2012, and that the same has not been amended or rescinded:

**WHEREAS**, the City of Norwich and Becker and Becker Associates, Inc. entered into the “First Amended and Restated Development Agreement for the Wauregan Hotel and Surrounding Properties” dated August 19, 2003 for the purpose of consolidating the previous versions of the document in anticipation of the Developer’s finance closing; and

**WHEREAS**, the Development Agreement had attached as an Exhibit a proposed “Tax Abatement Agreement” which provided for an abatement of real estate taxes for the Development in return for the providing of below market price residential units; and

**WHEREAS**, the abatement provided for in the form Tax Abatement Agreement took the form of a full abatement of real estate taxes to be replaced by an obligation to make payments in lieu of taxes at a rate of up to a maximum of 15% of the Net Operating Income of the project to be phased in over a period of eight years from the date the city issued the Certificates of Occupancy covering the majority of the residential units; and

**WHEREAS**, the form Tax Abatement Agreement further provided that the full abatement of taxes would continue after the eight year phase in period until such time, if ever, as the Development was no longer used for affordable housing, but at a rate equal to 20% of Net Operating Income; and

**WHEREAS**, the City of Norwich and Becker and Becker Associates, Inc. executed the form Tax Abatement Agreement as amended to allow for offsets in the event of certain environmental expenses identified as the “Environmental Liability and Tax Abatement Agreement” dated as of September 1, 2004, the effective date of Developer’s finance closing; and

**WHEREAS**, the September 2004 Agreement incorporated the payment in lieu of taxes structure of the form Tax Abatement Agreement and expressly provided that the parties understood and stipulated that the Development would provide residential rental properties at a rent that is less than full market value which would limit the properties’ ability to generate income and affect its fair market and assessed values; and

**WHEREAS**, the September 2004 Agreement defined Net Operating Income for purposes of calculating the payment in lieu of taxes as gross rental income less all ordinary expenses associated with the ownership, management and maintenance and including amounts designated as Replacement Reserve Funds to the extent that such Reserve Funds do not exceed amounts considered as customary building expenses, all calculations of Net Operating Income of the Development to be in accordance with GAAP; and

**WHEREAS**, the September 2004 Agreement obligates the owner of the premises to provide a Profit and Loss Statement to the City of Norwich by September 1 of each year so that the basis for determination of the Net Operating Income could be verified for the fiscal year ending August 1 and thereby the payment in lieu of taxes for that tax year could be determined.

**WHEREAS**, as of September 1, 2004 and in connection with the finance closing, Becker and Becker Associates, Inc. assigned its rights under the September 2004 Agreement to Wauregan Development, LLC, a Connecticut limited liability company, and;

**WHEREAS**, Wauregan Development LLC through inadvertence, failed to file timely a Profit and Loss Statement on or before September 1, 2008, filing the same in October of 2008 after the Grand List of October 1, 2008 had been prepared; and

**WHEREAS**, as a result of said delay said properties were assessed on the October 1, 2008 Grand List as having a value of \$2,487,000 against which taxes were levied in the original amount of 67,422.58 to be paid in two installments with the sum of \$33,711.29 due on July 1, 2009 and the sum of \$33,711.29 due on January 1, 2010; and

**WHEREAS**, the late filed Profit and Loss Statement indicated there was no Net Operating Income generated for the fiscal year ending August 1, 2008 and therefore no taxes would have been due on the Grand List of October 1, 2008 had such profit and loss statement been timely filed; and

**WHEREAS**, Wauregan Development LLC has not paid the tax obligation so levied on the Grand List of October 1, 2008 and is in technical default of certain loan covenants running in favor of the State of Connecticut and other financing parties; and

**WHEREAS**, Wauregan Development LLC and the office of the City Comptroller have agreed that the “Replacement Reserve Funds” reference in the definition of Net Operating Income is insufficiently clear and may allow for disagreement between the parties as to what is customary, the reference to GAAP notwithstanding and seek to have the same better defined through amendment; and

**NOW THEREFORE, BE IT RESOLVED**, that the City of Norwich shall abate and declare no longer due and payable the tax obligation levied on the October 1, 2008 Grand List against the project properties as described above together with interest and penalties accrued, which total sum is in the approximate amount of \$100,777.70 as of the date hereof, effective on such date, as the City of Norwich and Wauregan Development LLC execute and deliver a First Amendment to the Environmental Liability and Tax Abatement Agreement in form and content as attached hereto as Exhibit A and bearing the effective date of September 1, 2011 the date and time of execution notwithstanding; and

**BE IT FURTHER RESOLVED**, that the obligations of the City under this Resolution shall become null and void if said First Amendment is not so executed and delivered on or before July 1, 2012 with time being of the essence; and

**BE IT FURTHER RESOLVED**, that on such date as the City Corporation Counsel may deliver a copy of a fully signed First Amendment to which is attached a true copy of this Resolution, the City Tax Collector and the City Assessor shall amend their records accordingly in the manner permitted by law.

# First Amendment to Environmental Liability and Tax Abatement Agreement

This First Amendment is by and between the CITY OF NORWICH, a Connecticut Municipality with offices at 100 Broadway, Norwich, Connecticut (the "City") and WAUREGAN DEVELOPMENT, LLC, a Connecticut limited liability company and its successors and assigns with offices at \_\_\_\_\_ ("Wauregan") acting in its capacity as successor in interest to Becker and Becker Associates Inc.

WHEREAS the City and said Becker and Becker Associates, Inc. did enter into that certain "Environment Liability and Tax Abatement Agreement" dated as of September 1, 2004 (the "Tax Agreement"); and

WHEREAS, all rights and obligations of said Becker and Becker Associates Inc. arising under the Agreement and in and to the Properties, as that term is defined in the Agreement, were assigned to and assumed by Wauregan; and

WHEREAS, the City and Wauregan desire to revise and amend certain terms of the Agreement to better reflect current circumstances and conditions.

NOW THEREFORE, for good and valuable consideration received by both the City and Wauregan, the sufficiency of which is hereby acknowledged the parties agree as follows:

1. Defined Terms. All Capitalized terms used herein, unless otherwise herein expressly defined, shall have the meaning set forth in the Agreement. All references to "Developer" or "the Developer" shall be deemed references to "Wauregan".
2. Definition of Net Operating Agreement. Section 4 of the Agreement is hereby deleted and the following inserted in its place:

Definition of Net Operating Income. For purposes of this Agreement, "Net Operating Income" shall mean Gross Rental Income LESS all ordinary expenses associated with the ownership, management and maintenance of the Development Property, which ordinary expenses shall not exceed amounts that are customary and ordinary as determined in accordance with GAAP but shall also include amounts designated as Replacement Reserve Fund Contributions in such amounts as are the minimum amount mandated by the Connecticut Housing Finance Agency or any refinance institutional lender holding a mortgage interest in the properties with the same priority as such Agency now holds.

3. Calculation of Net Operating Income: Reporting Obligations.

Section 1 of the Agreement is hereby amended by restating the fourth paragraph as follows:

Wauregan further acknowledges and agrees that as the basis for determining the PILOT Payments is within the control of Wauregan, Wauregan bears a heavy obligation to the City relative to accounting for income and expenses and the basis for the calculation of Net Operating Income of the Development. Accordingly, on or before September 1 of each year during the term of this Agreement, Wauregan shall provide to the City profit and loss statement prepared in accordance with GAAP by Wauregan's accountant staff for the twelve month period ending August 1 of each year in a form substantially as set forth in Exhibit 1 attached to this First Amendment, together with a calculation of the resulting PILOT Payment to be carried by the City's Tax Assessor for the October 1 Grand List to be adopted by the City immediately following the date each such profit and loss statement is due. Each statement shall be delivered to the City's Comptroller in hand or by Commercial overnight carrier by the close of business on the date above specified with time being of the essence to delivery. Upon timely receipt of such documentation by said Comptroller the City Tax Assessor and the City Tax Collector shall annotate to assessment records and issue to Wauregan bills for the PILOT Payments in the ordinary course.

Further, Wauregan shall deliver to the City's Comptroller in the same manner as specified above an accountant prepared copy of Wauregan's Federal Tax Return prepared in accordance with GAAP for each tax year just ended on or before the thirtieth (30<sup>th</sup>) day following the date of filing of such return with the Internal Revenue Service. Wauregan and the City acknowledges it is currently operating on a calendar tax year and acknowledges that the copy of the filed tax return described herein is required by the City to allow it an opportunity to review it against the August 1 profit & loss statement described in the first paragraph of this Section 1.

4. Ratification. All terms of the Agreement not amended by this First Amendment are hereby ratified and affirmed.

Dated as of the \_\_\_\_\_ day of \_\_\_\_\_

City of Norwich

\_\_\_\_\_  
Wauregan Development, LLC

Dated at Norwich, Connecticut this 17th day of April 2012.

ATTEST: *Betsy M. Barrett*  
Betsy M. Barrett  
City Clerk

THIS IS TO CERTIFY that the following is a true and attested copy of a resolution adopted by the Council of the City of Norwich at a meeting held on April 16, 2012, and that the same has not been amended or rescinded:

**WHEREAS**, the City of Norwich has a significant natural resource in the presence of the Shetucket River; and

**WHEREAS**, the designation of the river corridor as a greenway is consistent with the City of Norwich's Plan of Conservation and Development, as indicated in its goals and objectives for open space preservation and natural resource protection; and

**WHEREAS**, the Greenway will provide citizens with access to the rich historical, cultural and natural resources of the Shetucket River; and

**WHEREAS**, the Greenway will enhance the local economy by attracting visitors and encourage use of this resource for recreational activities; and

WHEREAS, the Greenway will provide access to the outdoors, preserve scenic landscapes and may be used as a water-trail better to connect Norwich to the Quinebaug-Shetucket Heritage Corridor.

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the City of Norwich, Connecticut that City manager, Alan H. Bergren be and hereby is authorized and directed to prepare and deliver to the Connecticut Greenways Council c/o the Department of Energy and Environmental Protection of the State of Connecticut, 79 Elm Street, Hartford, Connecticut 06103 a letter endorsing the nomination of the Shetucket River Greenway as a designated state greenway and expressing the support of the Council of the City of Norwich for the same.

Dated at Norwich, Connecticut this 17th day of April 2012.

ATTEST:   
Betsy M. Barrett  
City Clerk