



JOSEPH P. GANIM
Mayor

City of Bridgeport
OFFICE OF PLANNING & ECONOMIC DEVELOPMENT

Margaret E. Morton Government Center
999 Broad Street, Bridgeport, Connecticut 06604

THOMAS F. GILL
Director

WILLIAM J. COLEMAN
Deputy Director

November 30, 2021

City Clerk
45 Lyon Terrace
Bridgeport CT 06604

Re: Resolution Authorizing a Tax Incentive Development Agreement
New Residential Development – Steelpointe - East Main Street south of Stratford Avenue
Request for a Public Hearing before the City Council on December 20, 2021
Referral to the Joint ECDE & Contracts Committee
Request for Joint Committee meeting prior to December 20th

Dear City Clerk and Honorable Members of the City Council:

For your consideration, the attached resolution would authorize a Tax Incentive Development Agreement for a new residential development at Steelpointe to be located along East Main Street south of Stratford Avenue.

This item will require a public hearing, which we request be ordered for the full City Council meeting of December 20, 2021.

This item is for referral to the Joint ECDE and Contracts Committee, which we request be convened prior to the full Council meeting of the 20th.

Truly yours,

Bill Coleman

Bill Coleman
Deputy Director

C: Thomas Gill, Director
Ron Pacacha, Esq., of Counsel to the City Attorney's Office
Thomas Gaudett

**Resolution Authorizing a Tax Incentive Development Agreement
for a new**

Residential Development at Steelpointe along East Main Street south of Stratford Avenue

WHEREAS, *SP Residential 1, LLC* (the “**Developer**”) wishes to develop certain real property of approximately 283,140 square feet (approximately 6.5 acres) located on a portion of an existing parcel of approximately 15.43 acres known as 137 East Main Street, located south of Stratford Avenue on the westerly side of East Main Street north of Bridgeport Harbor within the Steelpointe Development Area in Bridgeport, Connecticut (the “**Property**”), and intends to invest approximately \$100 Million (\$100,000,000) Dollars in private capital (the “**Project Investment**”) in the development of the Property in order to create approximately 400 units of housing, structured parking, complementary retail space, and related project amenities (the “**Project**”) on the Property;

WHEREAS, the Developer has secured general land use approval for the Project from the Bridgeport Planning and Zoning Commission pursuant to its May 19th, 2010 approval of the *Planned Development District #1 Regulations (General Development Plan)*;

WHEREAS, the Developer has made application to the City’s Office of Planning and Economic Development (“**OPED**”) for a Tax Incentive Development Agreement (the “**Agreement**” attached hereto as **Attachment A**) which would establish a phased-in, increasing tax payment schedule for the Project for a ten (10) year operating period following a two (2) year construction period as more particularly described in the “**OPED Tax Payment Schedule**” attached hereto as **Exhibit A**;

WHEREAS, via separate resolution pursuant to the requirements of the *Connecticut City and Town Development Act* (Chapter 114 of the *Connecticut General Statutes*, herein referred to as the “*Act*”), and as a precursor to its consideration of this Agreement, the City Council has made certain findings (as are more particularly detailed within the *Act*, in Section 7-485 of the *Connecticut General Statutes*);

WHEREAS, **OPED** has analyzed this request, subjecting it to an economic pro forma analysis against industry and market standards for this type of Project, considering such factors as Developer equity and return, costs of construction, and the leveraging of private financing, all as per the requirements of the *City’s Tax Incentive Development Program, Ch 3.20 of the Municipal Code*;

WHEREAS, based on the proportionally derived assessed value of the Property of approximately \$549,981, and the current mill rate of 43.45, the current annual tax revenue attributable to the Property as vacant land amounts to \$23,897;

WHEREAS, under the Agreement, the annual tax revenue produced by the Project on the Property would amount to approximately \$1,260,000 (one million two hundred sixty thousand dollars) during the first full year of occupancy, and would escalate annually by 2% during the length of the Agreement to produce \$1,476,291 (one-million four-hundred seventy-six, two-

hundred ninety-one dollars) in annual tax revenue during the tenth year of operation, and a total of over \$8.1 million in tax revenue over the first ten years of operation;

WHEREAS, based on the approximate Project cost of \$100 million, the Project would also produce approximately \$2.1 million dollars in building permit fee revenue for the City at the commencement of construction;

WHEREAS, the Project is subject under the Agreement to the provisions of *City Ordinance Ch. 3.29 – Employment Opportunities with Developers Fostering Economic Development*, which requires that, during the development of this Project, the first consideration of any additional employment of tradesmen/tradeswomen and/or any apprentices to be working on this Project will be given to qualified applicants who are residents of the City and/or who are ex-felons to the greatest extent possible toward meeting the requirements of twenty (20%) percent local resident hires and five (5%) percent ex-felon hires;

WHEREAS, the Agreement requires that the Developer also comply with the *City's Minority Business Enterprise Program Ordinance, Chapter 3.12.130 of the Code of Ordinances*, which establishes a requirement that six percent (6.0%) of the value of the construction contracts awarded for the Project be awarded to African-American-Owned Minority Business Enterprises, and establishes an overall attainable goal that fifteen percent (15%) of the value of the Project's construction contracts be awarded to Minority-Owned Business Enterprises and fifteen percent (15%) to Women-Owned Business Enterprises after applying the credit for awards made to African-American-Owned Minority Business Enterprises;

WHEREAS, this Project meets the eligibility criteria of the City's Tax Incentive Development Program in that OPED finds that it:

- (1) represents at least \$3 million in investment;
- (2) is compatible with the Master Plan;
- (3) has received OPED's economic pro-forma analysis;
- (4) creates public benefits in neighborhood improvement;
- (5) shall not generate any less in taxes than in the year prior;
- (6) shall begin construction within two years;
- (7) has earned OPED's favorable report on economic impact;

WHEREAS, this matter requires the publication of newspaper notice, or other suitable public notice, and the scheduling of a public hearing prior to approval;

NOW THEREFORE, BE IT RESOLVED that the above recitals are hereby incorporated into the body of this resolution, that the Agreement is hereby approved in substantially the form attached hereto, and that the Mayor or the OPED Director is authorized to execute the attached Agreement, and is authorized to take such other necessary actions in furtherance of the Agreement consistent with this resolution in the best interests of the City.

TAX INCENTIVE DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF BRIDGEPORT (“CITY”)

AND

SP Residential 1, LLC

(“DEVELOPER”)

RE: STEEL POINT RESIDENTIAL DEVELOPMENT

East Main Street South of Stratford Avenue

WHEREAS, the Developer owns certain real property on the Steel Point Peninsula consisting of an approximately 6.5 acre portion of a larger, approximately 15.43 acre, parcel having an address of 137 East Main Street in Bridgeport, Connecticut, as more particularly described in **Schedule A** attached hereto and made a part hereof (the **“Property”**) and intends to invest approximately \$100,000,000.00 in the redevelopment of the Property in order to create an approximately 400 units of housing, structured parking, complementary retail space, and related project amenities (collectively, the **“Project”**) as permitted in that certain Amended and Restated Land Disposition Agreement between the parties dated November 30, 2009 (the **“LDA”**), which LDA is incorporated by reference as if fully set forth herein; and

WHEREAS, the Property consists of underutilized, unimproved property that produces tax revenue as vacant land only; and

WHEREAS, the Developer’s development of the Project on the Property will be beneficial to the City because it will provide for the creation of needed housing, parking, supportive retail and other amenities in the East Side area of the City; and

WHEREAS, the Developer has agreed and committed to develop the Project on the Property in accordance with the LDA at an approximate total Project cost of One Hundred Million (\$100,000,000.00) Dollars inclusive of all hard and soft costs; and

WHEREAS, the Developer will construct the Project, which would ordinarily be subject to full real property taxation ("**Taxes**"); and

WHEREAS, the Developer has applied to the City for a tax incentive development agreement (the "**Tax Incentive Agreement**") pursuant to the provisions of the City's Tax Incentive Development Ordinance, Chapter 3.20 of the Bridgeport Municipal Code of Ordinances, as amended on November 4, 2013, October 16, 2017, and April 20, 2020 (the "**Tax Incentive Ordinance**"), which ordinance is in conformity with Connecticut General Statutes; and

WHEREAS, the Office of Planning and Economic Development ("**OPED**") has determined, pursuant to the requirements of the Tax Incentive Ordinance, that the projected level of future Taxes on the Property and the Project under normal assessment and levy practices would make the proposed Project economically unfeasible; and

WHEREAS, the Developer has emphasized its willingness and has proven its capability to undertake the Project, conditioned upon the execution of an appropriately structured Tax Incentive Agreement with the City; and

WHEREAS, OPED has reviewed the Developer's application for a Tax Incentive Agreement pursuant to the Tax Incentive Ordinance and has determined that the Project meets all of the requirements and economic tests of the Tax Incentive Ordinance; and

WHEREAS, the parties agree that the Property and the Project meet the definition of "development property" as defined in Section 7-482 Connecticut General Statutes and the parties intend for the Property to be exempt, in whole or in part as described herein, from Taxes pursuant to Connecticut General Statutes Section 7-498 in order to ensure that the Project is economically feasible; and

WHEREAS, the Developer and the City have negotiated and wish to enter into this Agreement, which provides for the payment of Taxes only on the assessed land value of the Property through the tax payment due January 1, 2025, to allow a two-year period to construct the Project and an additional one-year period to identify tenants and lease-up units in the Project (collectively, the "**Construction/Lease-Up Period**"), and thereafter,

based upon the issuance of a certificate of occupancy for the Project prior to the expiration of the Construction/Lease-Up Period, to allow Taxes at their then-current level to be partially abated in accordance with this Tax Incentive Agreement and then to be annually increased during the period starting from the expiration of the Construction/Lease-Up Period and continuing in accordance with the Tax Schedule (defined below) for a total period of nine (9) years after the Construction/Lease-Up Period (the "Term"); and

WHEREAS, the scheduled Tax Incentive Payments (defined below) shall at all times during and following each successive Grand List Year during the Term constitute a valid and legally binding lien on the Project, with full priority in accordance with applicable Connecticut law as set forth in Connecticut General Statutes Section 12-172; and

WHEREAS, the schedule of Taxes set forth in the Tax Schedule (defined below) applicable to the Property shall be imposed irrespective of future assessments, Grand Lists, mill rates, tax billing procedures, and the like otherwise applicable to the real property taxation of other property in the City of Bridgeport during the Term; and

WHEREAS, this Tax Incentive Agreement shall have no effect upon the imposition of personal property taxes applicable to the Project, which shall be imposed in the ordinary course of business completely separate and apart from this Tax Incentive Agreement.

[NOTE: Capitalized terms not otherwise defined herein, shall have the meanings ascribed to them in the Tax Incentive Ordinance or in the Connecticut General Statutes cited herein.]

NOW, THEREFORE, the City and the Developer agree as follows:

The above recitals are incorporated by reference into the body of this Agreement with full legal effect as if fully set forth herein.

1. **Tax Incentive Payments; Commencement Dates; Installments.** The Developer and the City hereby enter into this Tax Incentive Agreement for the Property permitting the establishment of Taxes during the Term, as follows:

(a) Taxes During the Construction/Lease-Up Period. Annual taxes (of \$23,900) shall be due as per the current deduced assessed land value of the Property and as per the current mill rate during the Construction/Lease-Up Period.

(b) Taxes During the Balance of the Term. If the Developer has met its obligations under subparagraph (a) above, Taxes due on the Property during the balance of the Term following the expiration of the Construction/Lease-Up Period shall be due and payable in semi-annual installments in accordance with the semi-annual payment schedule set forth in **Exhibit A** attached hereto and made a part hereof (the ‘**Tax Schedule**’) and described generally as follows:

(i) Year 4 (payments due July 1, 2025 and January 1, 2026): Taxes due on the Property are stabilized at the rate of \$1,260,000.00 per year;

(ii) Years 5 through 10 (payments due beginning July 1, 2026 and ending January 1, 2034) with an annual increase of 2.0% compounded annually through the end of the Term as set forth in the Tax Schedule which would yield \$1,476,291 per annum in Year 10.

The Taxes due pursuant to paragraphs (a) and (b) above shall collectively be referred to as “**Tax Incentive Payments**” and each a “**Tax Incentive Payment**” during the Term, such Tax Incentive Payments being in lieu of all otherwise applicable real estate taxes on the Project.

2. **Priority of Tax Incentive Payment Obligations.** The Tax Incentive Payments shall be applicable only as defined herein, shall be due and payable in installments described on Exhibit A (each an “**Installment**”), and shall be subject to the City’s right to enjoy and exercise all of the rights and privileges relating to such Installments including lien priority as are set forth in Connecticut General Statutes, Section 12-172. It is a condition of this Tax Incentive Agreement that the Developer shall pay in a timely manner all Installments that become due on the Property hereunder.

3. **Late Payment of Installments; Interest.** Upon commencement of the first Installment due, if any Installment is paid more than thirty (30) days after it became due such event shall be deemed a payment delinquency (each occurrence, a “**Delinquency**”), said Installment Delinquency shall bear interest at the statutory rate then in effect, currently 18% per annum, until paid without any notice or demand being required.

4. **Defaults; Remedies.** A default (“**Default**”) shall exist hereunder if any of the following occur (each an “**Event of Default**”): If the Developer shall have: (a)

committed a Delinquency in connection with three (3) Installments, regardless of whether the Developer subsequently pays such Installment with interest; (b) allowed a Delinquency to exist in excess of 90 days, regardless of whether the Developer subsequently paid such Installment with interest; (c) violated any other material obligations on its part to be performed hereunder; or (d) failed to obtain a certificate of occupancy for the Project as required by the LDA prior to the expiration of the Construction Period, and such Event of Default shall have continued beyond any applicable cure period provided herein. Upon the occurrence of an Event of Default under subsection (c) or subsection (d) of this paragraph, the City shall give the Developer thirty (30) days' notice to cure such Event of Default. There shall be no cure period for an Event of Default due to non-payment or late payment of Taxes under subsection (a) or subsection (b) above. Upon the occurrence of an Event of Default that is not cured after the passage of any cure period granted hereunder, the City shall have the right (i) to terminate this Tax Incentive Agreement upon the giving of thirty (30) days' written notice, (ii) to record a notice in the Bridgeport land records terminating this Tax Incentive Agreement as of the date that termination takes effect, (iii) to collect all unpaid Installments together with default interest due up to the date of termination, and (iv) to reinstate the Taxes that would otherwise be due on the Property and the Project in the absence of this Tax Incentive Agreement, including the right to charge the costs and expenses of collection and reasonable attorneys' fees against the Developer whether or not litigation is commenced. Termination of this Tax Incentive Agreement shall not invalidate, increase, or otherwise impact the effect of previous payment of Installments made timely in accordance with the Tax Schedule. The Property and Project shall be listed as Development Property as defined in Section 7-482 Connecticut General Statutes on the City of Bridgeport Tax Assessor's records, and shall be subject to the provisions of Chapter 205 Municipal Tax Liens, of the Sections 12-171 to 12-195g Connecticut General Statutes.

5. **No Waiver.** Any forbearance or delay by the City in enforcing this Tax Incentive Agreement or in exercising any right or remedy hereunder at law or in equity shall not constitute a waiver of, nor shall it preclude the City from exercising, any such right or the pursuit of any of its remedies in the future.

6. **WPCA Fees.** This Tax Incentive Agreement and the Taxes to be paid pursuant to Exhibit A are separate and distinct from any Water Pollution Control Authority charges that the Developer may be obligated to pay with respect to the Property and the Project.

7. **Commencement of Construction; Developer Investment.** The Developer agrees to commence construction of the Project and agrees to invest approximately One Hundred Million (\$100,000,000.00) Dollars in construction costs including all hard and soft costs related to the Project.

8. **Completion of the Project.** As a condition to this Tax Incentive Agreement, the Developer agrees to expeditiously commence and complete using best efforts with due diligence all work necessary to complete the Project as required by the LDA, such completion being evidenced by the issuance of a certificate of occupancy prior to the expiration of the Construction/Lease-Up Period, and by observing all the terms and conditions of this Tax Incentive Agreement and all applicable federal, state and local laws and regulations throughout the Term.

9. **Binding Effect; Actions of Developer and City.** This Tax Incentive Agreement shall be binding upon the City and the Developer, and their respective successors and permitted assigns. The Developer shall record an executed copy of this Tax Incentive Agreement in the Bridgeport Land Records in order to be effective and shall promptly provide evidence of its recording to the City. The City and the Developer shall be responsible for communicating with the Tax Assessor and the Tax Collector to ensure that the Tax Assessor and the Tax Collector aware of the terms of this Tax Incentive Agreement.

10. **Amendments.** This Tax Incentive Agreement may only be modified or amended by a written agreement duly-executed by all the parties hereto and recorded in the Bridgeport Town Clerk's Office.

11. **Notices.** All notices required or desired hereunder shall be in writing and shall be delivered by certified mail, return receipt requested, postage prepaid, deposited in a repository of the United States Postal Service or by a recognized overnight courier service addressed to the receiving party at its address specified below:

All notices to the City: Director
 Office of Planning and Economic Development
 Margaret E. Morton Government Center
 999 Broad Street, 2nd Floor
 Bridgeport, CT 06604

with a copy to: City Attorney
Office of the City Attorney
Margaret E. Morton Government Center
999 Broad Street, 2nd Floor
Bridgeport, CT 06604

All notices to Developer: SP Residential 1, LLC
c/o Bridgeport Landing Development
10 East Main Street, Suite 201
Bridgeport, CT 06608

with a copy to: Suzanne Amaducci-Adams, Esq., Partner
Bilzin Sumberg Baena Price & Axelrod LLP
1450 Brickell Avenue, 23rd Floor
Miami, Florida 33131

12. **Payment Procedure.** The Developer shall make all Installments payable to the Tax Collector, Bridgeport City Hall, 45 Lyon Terrace, Bridgeport, CT 06604, and shall submit each Installment with a notation to the Tax Collector that said payment is being made in accordance with the “**Steel Point Residential Tax Incentive Agreement**”. The Developer will receive tax bills on a regular basis based upon the Property’s assessed value, however, in order to take advantage of the rights and privileges offered by this Tax Incentive Agreement, the Developer must strictly comply with the payment procedure described above.

13. **Applicable Law; Resolution of Disputes.** This Tax Incentive Agreement shall be governed by and construed according to the laws of the State of Connecticut without reference to the principles thereof respecting conflicts of laws. The parties agree to the exclusive jurisdiction of the courts located in Fairfield County, Connecticut for the resolution of all disputes that may arise hereunder.

14. **Entire Agreement.** This Tax Incentive Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof, and any prior or contemporaneous oral or written agreements are hereby merged herein.

15. **Transfers.** This Tax Incentive Agreement is transferable upon the sale of the Property or the sale or transfer of a controlling interest in the Developer (collectively, "**Transfer of Control**") under certain conditions set forth in the Tax Incentive Ordinance, as follows:

(a) Prior to a Transfer of Control, the then-current owner of the Property, including those who acquire a controlling interest in the then-current owner of the Property (each, a "**Transferee**"), shall be required to give written notice to the City of the intent to make a Transfer of Control including a transfer of all of the original applicant's obligations under the Tax Incentive Development Agreement ("**Obligations**");

(b) Each Transferee shall demonstrate its ability to carry out the Obligations; and

(c) Each Transferee shall execute an assignment and assumption agreement of the Obligations with OPED, which document the Transferee shall record on the Bridgeport Land Records in order for such Transfer of Control to be effective as to this Tax Incentive Agreement.

Except as otherwise specifically provided herein, a Transfer of Control without the City's prior written consent shall constitute an Event of Default under this Tax Incentive Agreement on and as of the date of such transfer and shall constitute a termination of the Tax Incentive Agreement. Notwithstanding anything to the contrary stated herein, a Transfer of Control to an affiliate of the applicant, meaning an entity that controls or is controlled by the Developer (each, an "**Affiliate**"), for the Tax Incentive Agreement or an Affiliate of any subsequent Transferee approved by the City shall not constitute a Default under this Agreement. Further, any grant of a security interest in the Property or the Developer's rights and/or this Agreement to an affiliate or an institutional lender shall not constitute a "Transfer of Control" for purposes of this Agreement and no such grant shall require the City's consent, or constitute a Default under this Agreement.

16. **No Discrimination.** Neither the Developer nor its successors and permitted assigns shall discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religion, creed, age, marital status, national origin, sex, sexual orientation, veteran's status, mental retardation or physical disability, in the sale, lease, rental, use or occupancy of the Property or any improvements to be erected thereon, or in its employment or contracting practices, shall not effect or execute any agreement, lease, conveyance, or other instrument having a discriminatory intention or effect, and shall comply with all federal, state and local laws prohibiting discrimination.

17. **MBE Compliance.** The Tax Incentive Ordinance establishes requirements for the Developer's employment of minority contractors in connection with the Project. The City has established a Minority Business Enterprise Program Ordinance, Chapter 3.12.130 of the Code of Ordinances, attached hereto and made a part hereof as **Exhibit B** (the "**MBE Ordinance**"). The Developer's compliance with the MBE Ordinance shall be deemed to be compliance with the MBE hiring requirements of the Tax Incentive Ordinance. The City's Office of Small & Minority Business Enterprise will administer the Developer's compliance with the MBE Ordinance. The City shall apply and the Developer shall observe the MBE Ordinance in the following manner for construction contracts for the Project:

(a) All capitalized terms not otherwise defined in this paragraph 17 shall have the meanings ascribed to them in the MBE Ordinance.

(b) The City's mandatory requirement for construction contracts is established at six percent (6.0%) of the value of each construction contract ("**Mandatory Requirement**") for African-American subcontractors.

(c) The City's attainable goal for all construction contracts is established at an additional nine percent (9.0%) for MBE subcontractors (15% total when combined with the Mandatory Requirement) (collectively, the "**Attainable MBE Goal**").

(d) The City's attainable goal for the Project is established at fifteen percent (15.0%) for WBE subcontractors ("**Attainable WBE Goal**"). The Developer will publish all bids on the City's electronic bidding website, www.bidsync.com.

(e) The Developer will place an advertisement in the Connecticut Post newspaper seeking an “open house” for MBE contractors.

(f) The Developer will cooperate and communicate with the City’s MBE Administrator (defined below) so that minority trade organizations and media outlets are aware of the subcontracting opportunities available to MBE subcontractors.

(g) The Developer will coordinate its bidding activities with Mr. Fred Gee, Senior Program Administrator, in the City’s Office of Small & Minority Business Enterprise, 999 Broad Street, 2nd Floor (“**MBE Administrator**”).

(h) The Developer shall require every prime contractor to name its MBE subcontractors and the value of the contract to be awarded to each at the time that the prime contractor submits its bid. No substitutions of an MBE subcontractor shall thereafter be made without notice to the City, a demonstration of good cause shown, and receipt of the City’s written consent.

(i) The MBE Administrator will make all clarifications and determinations concerning compliance with the MBE Ordinance, and the Developer may appeal such clarifications and determinations to the City’s Chief Administrative Officer.

(j) In all other respects, the Developer shall adhere to the principles and practices of the MBE Ordinance and the Official Policies adopted by the City with respect to the administration thereof.

18. **Local Resident Hiring Efforts.** The Bridgeport City Council adopted City Ordinance Ch. 3.29 – Employment Opportunities with Developers Fostering Economic Development (Item 136-17) on September 18, 2018, a copy of which is attached hereto and made a part hereof as **Exhibit C**, which requires that the Developer agrees to pursue the following goals for the employment of Bridgeport residents in connection with the construction of the Project, as follows:

(a) The Developer agrees and warrants that during the development of this Project pursuant to the terms of this Agreement, that first consideration of any additional employment of tradesmen/tradeswomen and/or any apprentices to be working on this Project will be given to qualified applicants who are residents of

the City and/or who are ex-felons of any category to the maximum greatest extent that any increase in workforce or apprenticeships as a result of this Project meets the minimum requirements of twenty (20%) percent local resident hires and five (5%) percent ex-felon hires. The hiring or apprenticeship of an individual who is both a local resident and an ex-felon shall only count as either of one such hire. The Developer warrants and represents that it will not replace any of its current workforce as a result of this requirement.

(b) The Developer shall include the language set forth above in section (a) in every trades subcontract to the Project. The Developer shall post in conspicuous places, available to employees and applicants for employment, notices encouraging local residents and ex-felons to apply. The Developer will send to each labor union or other representative with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the labor union or workers' representative of the Developer's commitments under this section and shall post copies of such notice in conspicuous places available to employees and applicants for employment.

(c) The Developer will provide the City's Office of Contract Compliance established under Municipal Code Sec. 3.12.130 with such information requested by said office concerning the employment pattern, practices and procedures of the Developer as they relate to the provisions of subsections (a) and (b) of this section and any rules and regulations and/or orders issued pursuant thereto.

(d) Prior to seeking a building permit for the Project, Developer shall meet with the City's Office of Contract Compliance with paperwork sufficient to establish Developer's satisfaction of this requirement or documentation sufficient to the said office for said office to issue a waiver of this requirement for good cause shown.

19. **Excusable Delay.** The parties hereto, respectively, shall not be in default of their respective obligations under this Tax Incentive Agreement if either is unable to fulfill, or is delayed in fulfilling, any of its obligations hereunder, or is prevented or delayed from fulfilling its obligations, in spite of its employment of best efforts and due diligence, as a result of natural disasters, catastrophic events, casualties to persons or properties, war, governmental preemption in a national emergency, enactment of a law, rule or regulation or a change in existing laws, rules or regulations that prevents any party's

ability to perform its respective obligations hereunder, or actions by other persons beyond the exclusive control of the party claiming hindrance or delay. If a party believes that a hindrance or delay has occurred, it shall give prompt written notice to the other party of the nature of such hindrance or delay, its effect upon such party's performance under this Tax Incentive Agreement, the action needed to avoid the continuation of such hindrance or delay, and the adverse effects that such hindrance or delay then has or may have in the future on such party's performance. Notwithstanding notification of a claim of hindrance or delay by one party, such request shall not affect, impair or excuse the other party hereto from the performance of its obligations hereunder unless its performance is impossible, impractical or unduly burdensome or expensive, or cannot effectively be accomplished without the cooperation of the party claiming delay or hindrance. The occurrence of such a hindrance or delay may constitute a change in the obligations of the parties and may result in the need to modify the agreement accordingly.

20. **Cessation of Operations.** Upon the Developer's ceasing construction of the Project for a period of six (6) months or longer or commercial operation of any Project component for six (6) months or longer, the City shall give notice to the Developer and if the Developer does not sufficiently explain and verify, with applicable documentation within thirty (30) days after delivery of such notice, why it has stopped development of the Project or why it has ceased commercial operation as determined by the City in the exercise of its commercial business judgment, this Tax Incentive Agreement shall come to an end at the end of such 30-day period ("**Termination Date**"), whereupon the parties shall have no further obligations to one another except for those obligations specifically stated to survive early termination.

NEXT PAGE IS THE SIGNATURE PAGE

IN WITNESS THEREOF, the parties have executed this agreement this _____ day of _____, 202__.

In the presence of:

CITY OF BRIDGEPORT

By: _____
Thomas F. Gill, Director, OPED
duly-authorized

STATE OF CONNECTICUT)

) ss. Bridgeport _____, 202__

COUNTY OF FAIRFIELD)

Before me personally appeared Thomas F. Gill, the Director, Office of Planning and Economic Development of The City of Bridgeport, signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed in such capacity and the free act and deed of the City of Bridgeport before me.

Commissioner of the Superior Court
Notary Public
My Commission Expires:

In presence of:

_____ **LLC**

By: _____

Name:

Its Member, duly-authorized

SCHEDULE A

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Tax Schedule

EXHIBIT A

Tax Payment Schedule

Installments

| <u>Construction Period Tax Abatement</u> | <u>Amount</u> | <u>Payment Date</u> |
|------------------------------------------|---------------|---------------------|
| First Installment (land only) | \$11,950 | July 1, 2022 |
| Second Installment (land only) | \$11,950 | Jan 1, 2023 |
| Third Installment (land only) | \$11,950 | July 1, 2023 |
| Fourth Installment (land only) | \$11,950 | Jan1, 2024 |
| <u>Lease-Up Period Tax Abatement</u> | | |
| First Installment (land only) | \$11,950 | July 1, 2024 |
| Second Installment (land only) | \$11,950 | Jan 1, 2025 |
| <u>Operating Period Tax Abatement</u> | | |
| First Installment | \$630,000.00 | July 1, 2025 |
| Second Installment | \$630,000.00 | Jan 1, 2026 |
| Third Installment | \$642,600.00 | July 1, 2026 |
| Fourth Installment | \$642,600.00 | Jan 1, 2027 |
| Fifth Installment | \$655,452.00 | July 1, 2027 |
| Sixth Installment | \$655,452.00 | Jan 1, 2028 |
| Seventh Installment | \$668,561.04 | July 1, 2028 |
| Eighth Installment | \$668,561.04 | Jan 1, 2029 |
| Ninth Installment | \$681,932.26 | July 1, 2029 |
| Tenth Installment | \$681,932.26 | Jan 1, 2030 |

| | | |
|-------------------------|--------------|--------------|
| Eleventh Installment | \$695,570.91 | July 1, 2030 |
| Twelfth Installment | \$695,570.91 | Jan 1, 2031 |
| Thirteenth Installment | \$709,482.32 | July 1, 2031 |
| Fourteenth Installment | \$709,482.32 | Jan 1, 2032 |
| Fifteenth Installment | \$723,671.97 | July 1, 2032 |
| Sixteenth Installment | \$723,671.97 | Jan 1, 2033 |
| Seventeenth Installment | \$738,145.41 | July 1, 2033 |
| Eighteenth Installment | \$738,145.41 | Jan 1, 2034 |

Exhibit B

3.12.130 - Minority business enterprise program.

A.

Purpose. The purpose of this chapter is to:

1.

Recognize the findings of the Disparity Study conducted at the city's request and implementation investigations and failures of prior remedies;

2.

Implement a race and gender-conscious program to correct historic discrimination in contracting for those groups identified in the Disparity Study;

3.

Create a program to benefit minority and City-based businesses; and

4.

Take steps to reduce or eliminate aspects of the city's bidding and contracting processes that pose the greatest difficulties for minority businesses and City-based businesses and hinder their participation, prosperity and growth, and competition for city work.

B.

Definitions. All capitalized terms not defined in this chapter shall have the meanings assigned to them in [Section 3.08.070](#), Purchasing procedure, unless the context otherwise requires.

"African American" means a Black American, including all persons having origins in any of the Black African racial groups not of Hispanic origin.

"American Indian" means a person having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

"Asian American" means an Asian American, including all persons having origins in any of the countries of the Asian continent, Southeast Asia, an Asian Pacific American and a Pacific islander.

"Business" means a business defined under "company."

"Certified" means an MBE, or WBE contractor whose status as a member of a particular minority group classification has been established, certified or accepted for participation as a minority by: (a) any state of Connecticut agency or quasi-governmental agency, (b) any other state governmental or quasi-governmental agency in another state, and (c) any governmental or quasi-governmental agency of any city, town, county or municipality in Connecticut or any other state (for Minority status) and by (d) the city's Small and Minority Resource Center (for City-based business status), and which certified contractor otherwise possesses the experience, skills and resources to satisfy a city contract and/or contract category.

"City-based business" means a responsive and responsible vendor with its Principal Place of Business located within the municipal boundaries of the City of Bridgeport.

"City contract" for purposes of this chapter means any contract, purchase order, bid, quote or selection process involving work in the nature of construction (including new construction, rehabilitation, demolition and sitework), architecture and engineering, professional services, nonprofessional services, or goods.

"Company" means a business enterprise, including a corporation, partnership, joint venture, limited liability company, limited liability partnership or sole proprietorship.

"Compliance committee" means a committee established by the administrator to oversee the implementation of this chapter, compliance with its provisions, investigations relating to this chapter interpretations of its meaning and application, hearing and resolution of protests and complaints, and implementation of remedies and penalties, consisting of the named or his/her designee: The Mayor, the Chief Administrative Officer ("administrator"), the City Attorney, the Director of Purchasing, the Director of the Small and Minority Resource Center, the Contract Compliance Officer, President of the Board of Directors of the Hispanic Chamber of Commerce of Greater Bridgeport, Inc., the head of the Southern Connecticut Black Chamber of Commerce, Inc., and a Community Representative appointed by the Mayor.

"Compliance reports" means those reports identified in this chapter prepared by the person or department designated or otherwise prepared at the request of the administrator or his designee, including any city consultant engaged for such purpose, to track all phases of the program established by this chapter, including utilization of minority contractors and Bridgeport businesses, compliance by bidders and various participants in the implementation of or compliance with the program, outreach efforts, protests and complaints received and determined, enforcement actions taken, liquidated damages assessed, debarments and disciplinary actions recommended, and such other reports as the administrator may deem necessary or desirable.

"Contracting category" means contracts for construction, contracts for architecture and engineering, contracts for professional and nonprofessional services, and goods.

"Due diligence criteria" for purposes of this chapter, means a fair and unbiased method by which a contracting officer obtains informal quotes when permitted by [Section 3.08.070](#) from companies, including MBEs, WBEs and City based businesses, such that bias, prejudice and discretionary practices by a contracting officer are minimized and city contracts are awarded in compliance with the requirements of this chapter.

"Evaluation credits" means, in a qualifications-based selection process, the assignment of ten additional points to applicable target groups when evaluating their qualifications and/or their proposals, based upon a uniform one hundred (100) point scoring system described in this chapter in order to arrive at a short-list of proposers so that target groups are not placed at a competitive disadvantage when competing with non-target groups.

"Formal" contracts means those city contracts that exceed twenty-five thousand dollars (\$25,000.00) and are required to be publicly advertised under [Section 3.08.070](#).

"Good faith efforts" means a prime contractor's obligations to reach out through various means and methods described in this chapter to minority contractors to participate as subcontractors in connection with the prime contractor's intention to bid for a city contract, as more particularly described in subsection (G)(5) of this section.

"Hispanic American" means a Hispanic American, including all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

"Informal" contracts means those city contracts equal to or less than twenty-five thousand dollars (\$25,000.00) that are not required to be publicly advertised under [Section 3.08.070](#) of this title.

"Jobs funnel" means a community effort to provide opportunities for Bridgeport residents to receive life-skills training, job training, and job placement with building trades and companies doing business with the city or in the city of Bridgeport.

"Liquidated damages" means monetary penalties that can be assessed against a prime contractor for violation of the requirements of this chapter, as more particularly described in subsection (H)(3) of this section.

"Minority business enterprise," "minority contractor" or "MBE" has the same meaning as set forth in C.G.S. Sec. 4a-60(g)(a)(4), as may be amended from time to time, excluding therefrom the disabled and any requirement that such be a small contractor as defined therein.

"Outreach and marketing program" means a city program operated by the administrator, or his designee, including any city consultant engaged for that purpose, to attract and promote the inclusion of new and existing minority and City-based businesses into the city bidding and contracting process, including soliciting businesses to bid for city contracts and become city

contractors, advertising contracting opportunities especially in media outlets sensitive to minority interests, hosting open houses, registration and networking events, arranging training opportunities, facilitating partnering with companies, and identifying agencies and for-profit and not-for-profit organizations interested in fostering the capacity and effectiveness of minority businesses, and the like.

"Prime contractor" means a responsive and responsible nonminority contractor that seeks or obtains a city contract.

"Principal Place of Business" means the location where the thought processes of the business, the books and records of the business, and where top management of the business preside as their prime office location.

"Program administrator" or "administrator" means the city's chief administrative officer or his/her designee.

"Prompt payment directive" means the city's commitment to a prompt payment process developed by the administrator, director of finance and the director of information technology for: (a) all prime contractors employing minority contractors as subcontractors, and (b) all minority contractors to ensure that the city pays complete invoices in a maximum of thirty (30) days if to a prime contractor and a maximum of fifteen (15) days if to a minority contractor, except for any portions of such invoices about which there exists a legitimate dispute.

"Self-perform" means that with regard to a Minority contractor that it is a contractor, whether a prime contractor or a subcontractor, that performs at least forty (40%) percent of the value of its work (exclusive of materials and equipment) using its own forces and resources as determined by monthly payrolls; "self-perform" means that with regard to a Majority contractor that it is not a certified MBE, WBE or city based business contractor, whether a prime contractor or a subcontractor, which performs in excess of ninety (90%) percent of the value of its work (exclusive of materials and equipment) using its own forces and resources as determined by monthly payrolls

"Subcontractor substitution" means a prime contractor's request to substitute or replace a minority contractor listed or identified prior to the time of award and upon which the award was made, which can only be accomplished with the administrator's, or his designee's, including a city consultant engaged for that purpose, or the Compliance committee's prior written consent after written notice from the prime contractor to the administrator, with a copy to the subcontractor, both the prime contractor and the subcontractor having a right to be heard, and such a substitution must be based on good cause shown in accordance with a process established by the administrator or the Compliance committee.

"Target groups" means those racial or gender groups identified in the Disparity Study that experienced historic discrimination in city contracting to such a degree that this chapter provides

race and gender-conscious remedies such as set-asides, percentage attainable goals, evaluation credits or other preferences.

"Voluntary programs" means those program activities described in this chapter and other activities implemented in the future by the administrator or his designee, including any city consultant engaged for that purpose, that are designed to encourage and develop minority contractors and City-based businesses, provided that such activities are legally permissible without the need to establish historic discrimination and are essentially neutral as to all types of small business enterprises, including but not limited to the adoption of project labor agreements, the creation of a jobs funnel, etc.

"Waiver" means the request for relief from a requirement of this chapter, satisfactory to the program administrator or the Compliance committee, that the prime contractor's good faith efforts to identify a minority contractor or a target group, as required by this chapter, did not result in meeting at least fifty (50) percent of the requirements or goals of this chapter in spite of the prime contractor's good faith efforts to achieve compliance.

"Women business enterprise" or "WBE" means a responsive and responsible women-owned business enterprise contractor who is not a member of a racial minority group.

C.

Guiding Principles.

1.

It is important to implement the principles and goals of this chapter in a way that encourages the participation of MBE, WBE and City based business contractors in the city contracting process while at the same time being fair and avoiding unreasonable burdens on other contractors that are not members of such groups.

2.

It is important to implementation and compliance that participants in the city contracting process, whether prime contractors, subcontractors, MBEs, WBEs, or City based businesses, and city officials, employees and agents, be discouraged in various ways and penalized for noncompliance, efforts to avoid or subvert, or assist others in such efforts, or to appear to be in compliance with the important principles and goals of this chapter by the use of strategies, devices, ploys and other improper means.

3.

It is important in the implementation and compliance process to understand that this chapter serves as an important tool in the revitalization of the city's economy, including the encouragement, development and success of Bridgeport companies and the employment of Bridgeport residents.

4.

A prime contractor who is a certified MBE, MWBE, or WBE and meets the other requirements of this chapter, such as the obligation to Minority self-perform, is, by definition, in compliance with the principles and goals of this chapter.

D.

Establishment of Race, Local, and Gender-Conscious Remedies.

1.

Formal Prime Contract Remedies.

a.

Competitive Bids. An attainable goal of thirty (30) percent of the aggregate dollar value of each formal city contract (goal of fifteen (15) percent of the contract value to MBEs and goal of fifteen (15) percent to WBEs).

b.

Qualifications-Based Selections. An attainable goal of thirty (30) percent of the aggregate dollar value of a city contract is established for prime contractor utilization of certain target groups during QBS processes. For purposes of this subsection, the target groups that should receive evaluation credits are:

i.

City contracts for construction professionals: African Americans, Hispanic Americans, minority female, and Caucasian female business enterprises.

ii.

City contracts for architecture and engineering professionals: Asian Americans, Hispanic Americans, and Caucasian females.

iii.

City contracts for other professional services: Asian Americans, Hispanic Americans, minority female, and Caucasian female business enterprises.

iv.

City contracts for goods and nonprofessional services: African Americans, minority female, and Caucasian female business enterprises.

2.

Informal Prime Contract Remedies.

a.

An attainable goal of thirty (30) percent of the aggregate dollar value of each informal city contract (goal of fifteen (15) percent of the contract value to MBEs and goal of fifteen (15) percent to WBEs).

b.

Since informal city contracts awarded to prime contractors are not usually publicly advertised and tend to be awarded by individual contracting officers after informal quotes are obtained, some businesses do not participate sufficiently in city contracts to the extent that they can build experience, become better equipped to provide goods and services to the city, and circulate procurement dollars within the city's tax base. The administrator and the director of purchasing shall implement due diligence criteria for contracting officers and standardize the process for identifying, documenting and selecting target groups for the award of informal city contracts to minimize discretionary or prohibited practices. At least one informal quote must be from a firm listed as a City-based business in the City's Minority and Small Resource Center, or in the alternative, a waiver is obtained from the City's Minority and Small Resource Center.

For purposes of this subsection, the target groups are:

i.

City contracts for construction: African Americans, and Hispanic Americans.

ii.

City contracts for architecture and engineering services: Hispanic Americans, minority female, and Caucasian female business enterprises.

iii.

City contracts for professional services: African Americans, Asian Americans, Hispanic Americans, minority female, and Caucasian female business enterprises.

iv.

City contracts for goods and nonprofessional services: African Americans, minority female, and Caucasian female business enterprises.

3.

Disparity in Construction Subcontracting Remedy.

a.

In addition to the attainable goal of thirty (30) percent of the aggregate dollar value for formal city contracts and the attainable goal of thirty (30) percent for informal city contracts, a mandatory requirement of six (6) percent of the aggregate dollar value of formal and informal construction

subcontracts is established for prime contractor utilization of certified African American businesses who will Minority self-perform under the resulting contract and meet the other requirements of the bid. African-American businesses constitute the target group for purposes of this subsection.

b.

The administrator or his designee, including any city consultant engaged for this purpose, and the director of purchasing will create a registration system that will collect business information, construction trade classification, size, capacity and other characteristics for African American contractors. City contracts for construction subcontracting reserved for African American contractors shall be based on such registry and shall be revised on an annual basis to accommodate the registration of new African American contractors in the construction trades.

c.

The inability of a prime contractor to meet the mandatory six (6%) percent African American requirement of this subsection may be permitted only upon the administrator's grant of a waiver for good cause shown in accordance with this chapter or because it has established that it is a Majority self-performing contractor to the satisfaction of the Director of the Minority and Small Resource Center. If a waiver is not granted or the contractor will not Majority self-perform, all or portions of the work shall be re-bid if feasible and practical or the administrator shall assign work in a fair and unbiased manner to contractors previously identified and participating in the program created by this chapter who are certified, Minority self-performs and meet the other requirements of the bid.

E.

Local and Minority Preference for Competitive Bids

1.

When Businesses That Are Both Minority And City-Based Fall Within the Allotted Percentages. For businesses that are both a Certified minority and a Certified City-based business, provided that the response to a competitive bid contains, at the time of submission, supporting documentation satisfactory to the purchasing agent, the following shall apply:

(a)

For purchases in which the lowest bid amount is one hundred thousand dollars (\$100,000.00) or less, the lowest responsive, responsible minority, City-based business that submitted a bid within ten percent (10.0%) of the lowest responsive, responsible bid shall be offered the award to the contract, provided such business agrees to accept the contract at the lowest bid amount.

(b)

For purchases in which the lowest bid amount is more than one hundred thousand dollars (\$100,000.00) but does not exceed two hundred and fifty thousand dollars (\$250,000.00), the lowest

responsive, responsible minority, City-based business that submitted a bid within seven and one-half percent (7.5%) of the lowest responsive, responsible bid shall be offered to award to the contract, provided such business agrees to accept the contract at the lowest bid amount.

(c)

For purchases in which the lowest bid amount is more than two hundred and fifty thousand dollars (\$250,000.00) but does not exceed five hundred thousand dollars (\$500,000.00), the lowest responsive, responsible minority, City-based business that submitted a bid within five (5.0%) of the lowest responsive, responsible bid shall be offered to award to the contract, provided such business agrees to accept the contract at lowest bid amount.

(d)

In the event that more than one business meets the criteria of both a minority and City-based business and their bids falls within the allotted percentage, first preference will be given to such business whose bid price was closest to the lowest bid price. If the first of such qualifying businesses chooses not to accept the award of the bid at the lowest bid amount, then the option shall go to the qualifying business within the applicable percentages with the next closest bid to the lowest bid price.

2.

When No Bidders That Fall Within The Allotted Percentages Are Both Minority and City-Based Businesses, But Are One Or The Other. If no businesses meet the criteria for both a Certified minority and a Certified City-based business, or such a qualifying business chooses not to accept the award of the bid at the lowest bid amount, the following shall apply to businesses that are either a Certified minority or a Certified City-based business provided that the response to the competitive bid contains, at the time of submission, supporting documentation satisfactory to the purchasing agent set forth in the definition for a minority or a city based business:

(a)

For purchases in which the lowest bid amount is one hundred thousand dollars (\$100,000.00) or less, the lowest responsive, responsible minority or city based business that submitted a bid within ten percent (10.0%) of the lowest responsive, responsible bid shall be offered the award to the contract, provided such business agrees to accept the contract at the lowest bid amount.

(b)

For purchases in which the lowest bid amount is more than one hundred thousand dollars (\$100,000.00) but does not exceed two hundred and fifty thousand dollars (\$250,000.00), the lowest responsive, responsible minority or city based business that submitted a bid within seven and one-half percent (7.5%) of the lowest responsive, responsible bid shall be offered the award to the contract, provided such business agrees to accept the contract at the lowest bid amount.

(c)

For purchases in which the lowest bid amount is more than two hundred and fifty thousand dollars (\$250,000.00) but does not exceed five hundred thousand dollars (\$500,000.00), the lowest responsive, responsible minority or city based business that submitted a bid within five percent (5.0%) of the lowest responsive, responsible bid shall be offered the award to the contract, provided such business agrees to accept the contract at lowest bid amount.

(d)

In the event that more than one business meets the criteria of either a minority or a based business, first preference will be given to such business whose bid price was closest to the lowest bid price. If the first of such qualifying businesses chooses not to accept the award of the bid at the lowest bid amount, then the option shall go to the qualifying business within the applicable percentages with the next closest bid to the lowest bid price.

3.

When No Bidders That Fall Within The Allotted Percentages are either Minority or City Based. If no businesses meet the criteria for either a Certified minority or a Certified City-based business, or such a business chooses not to accept the award of the bid at the lowest bid amount, the award shall go to the lowest responsive, responsible bidder.

4.

Uniform Scoring System for QBS Processes. In the event an interview of a short list is involved in a QBS procurement, then the contracting officer shall develop a uniform one hundred (100) point system for use in qualifications-based selection processes. Target groups determined in accordance with this chapter for the contracting category involved will be entitled to an additional ten points above the score that they receive as a result of the one hundred (100) point system in determining whether they are part of the short list of contractors arrived at for purposes of making a final selection. The final selection shall then be made in the ordinary course of making a qualifications-based selection.

5.

Informal Bids: For purchases by informal bid or informal proposal, at least one quote must be obtained from a City-based business on the list maintained by the City's Small & Minority Resource Center, or Purchasing shall require an explanation from the Director of the Small & Minority Resource Center as to why such a quote should not be required for the specified procurement.

F.

Establishment of Best Practices In Subcontracting. For purposes of implementing the city's program, the administrator will ensure that best management practices are employed to improve MBE, WBE and City-based business access to and participation in city contracts. The following

practices focus on pre-award and post-award efforts and are intended to benefit all minority contractors interested in contracting with the city. Best practices include, but are not limited to, the following:

1.

Identification of Specific Subcontractors is Required and Substitutions May Not be Made Without Good Cause Shown. Prime contractors must either identify subcontractors at the time of bid submission or indicate that they intend to meet the goals established for such contract. Following receipt of a notice of intent to award, a prime contractor must identify such subcontractors, the dollar value of each subcontractor's work, and those subcontractors may not be substituted without good cause being shown in accordance with this chapter. The administrator will determine whether good cause has been shown for the substitution of the subcontractor and shall be guided by the principles and goals of this chapter and any applicable industry standards in the contract category involved.

2.

Creation of a Uniform System for Posting Procurement Notices. The administrator or his designee, including any city consultant engaged for such purpose, the director of purchasing and the director of information technology shall establish a uniform system for posting notices of city contracts that includes posting minority contracting opportunities in the purchasing department, providing computer stations available to the public in the purchasing department for contracting opportunities, registration, placing bids, etc., placing newspaper notices, website posting, fax notification, email notification and/or any combination thereof with other methods. Sufficient time should be permitted between bid posting and bid opening so that prime contractors are able to make good faith efforts to recruit minority contractor participation.

3.

Unbundling of City Contract Opportunities into Smaller Contracts Where Feasible. Where practical and feasible, contracting officers seeking to bid city contracts should make every effort to unbundle contracts into separate parts of the work (including labor, materials, equipment, etc.) in a way that is practical, manageable, efficient and cost-effective, in a way that balances such concerns with the goal of maximizing the ability of MBEs to participate as subcontractors or as prime contractors themselves.

4.

Revising Bonding Requirements. The administrator and the city attorney shall develop a policy to reduce or eliminate to the extent practical and feasible the bonding requirements from MBEs, and WBEs for city contracts, including for example the establishment of a contingency in the budget for the work to cover the costs and consequences of a minority contractor's failure to complete, that balances the city's concerns about job completion, risks and potential liabilities, and other legal concerns with this chapter's desire to ensure that bonding requirements do not constitute an unreasonable obstacle to participation, including the creation of a contingency fund in the budget

for particular city contracts to cover the cost of complete and consequences resulting from a minority contractor's failure to perform.

5.

Phased Release of Bonding and Retainage. The administrator and the city attorney shall develop a policy and procedure, when practical and feasible, to work with prime contractors to permit periodic releases of an MBE's, or WBE's performance bond, where subcontractor bonds are required by the prime contractor, and to release retainage upon satisfactory completion of portions of such subcontractor's work so long as the prime contractor is satisfied with the quality and completion of such work. Prime contractors may not create retainage greater than five percent of the value of a minority contractor's portion of the work, but may create retainage up to ten percent in other cases according to industry standards and practices not in violation of law. Such policy and procedure shall not include the periodic release of payment bonds, since such bonds are created to protect the interests of other subcontractors or sub-subcontractors.

6.

Adopt a Prompt Payment Procedure to Assist MBEs—Prohibition of "Pay When Paid" Clauses in Certain Contracts. The administrator and the director of finance shall develop a prompt payment procedure that prioritizes payments to minority contractors and the prime contractors for whom they may be working. Such procedure shall provide for the payment of complete invoices to a prime contractor that utilizes minority contractors in a maximum of thirty (30) days after receipt, elimination of any "pay when paid" clause in the prime contractor's contracts with minority contractors, and a requirement that prime contractors shall pay minority contractors within fifteen (15) days of the receipt of complete invoices. In all cases, payments in accordance with this paragraph are not required within such timeframes for invoices or portions thereof about which there exists a legitimate dispute until such dispute is resolved.

7.

Adoption of Protest Procedures. The administrator and the city attorney shall develop protest procedures when contractors, whether prime contractors or minority contractors, or other persons wish to challenge a bid, contract award, grant or denial of a waiver, release of retainage, and to handle other complaints that may arise in the interpretation, implementation, monitoring and compliance activities of this chapter, and such procedures may be similar to the bid protest procedures adopted by the board of public purchases pursuant to [Section 3.08.070](#) of this title. Such protests shall be heard and determined by the Compliance committee.

8.

Collection of Monthly Records—Preparation of Compliance Reports on a Regular Basis. In order to determine the program's level of success and to address any problems that may result in the implementation of the program described in this chapter, monthly records will be available for review in the department of purchasing, and the administrator or his designee, including any city

consultant engaged for such purpose, shall prepare quarterly utilization reports at the end of the months of October, January, April and July in each fiscal year for submission to the mayor and the city clerk of the city council. Such compliance reports shall include reports on minority contractor availability and utilization, employment of minority contractors, creation of apprenticeships and employment opportunities for Bridgeport residents on projects covered by project labor agreements, nature and results of bid protects, instances of noncompliance by prime contractors, minority contractors, city employees and others involved in the program.

9.

Establishment of Outreach and Marketing Program. The administrator or his designee, including any city consultant engaged for such purpose, shall develop an outreach and marketing program that includes developing a tag line and print materials for an outreach campaign, creating procedures for distributing forecasts of contracting opportunities, developing arrangements with public and private agencies and organizations to disseminate information about the program described in this chapter, and conducting periodic program monitoring and evaluation as required by this chapter. This program will create a resource listing of existing and new City-based and minority contractors that contains the contracting category, minority group affiliation, target group membership, experience, resources, size, equipment and other relevant information for each. Such program will also include a notification process to ensure that minority contractors and target group members obtain a timely notification designed to reach them, and sufficient time and opportunity to submit bids, quotes, qualifications or proposals to prime contractors who plan to bid for city contracts.

G.

Priority of Federal and State Minority Business Award Criteria. Often, with regard to federal and state funding of loans and grants, such governments require their own criteria and goals for awarding contracts to MBEs, WBEs and, in cases, refusals to award based upon any local preference when federal or state dollars, respectively, are used to procure the goods or services desired. Recipients of federal and state funds are often required to implement measures to ensure equitable minority contracting whether a disparity was found or not. Therefore, notwithstanding anything contained in this chapter to the contrary, any requirements of federal or state governments relating to the award of contracts to SBEs, MBEs, WBEs, MWBEs or City-based businesses shall govern over any inconsistent provision of this chapter.

H.

Compliance—Good Faith Efforts—Penalties—Miscellaneous.

1.

Compliance with and good faith adherence to the requirements of this chapter by prime contractors, minority contractors, city officials and employees, and others involved in the city contracting process is mandatory, except where otherwise provided or permitted by this chapter.

2.

No scheme, strategy, ruse, artifice, collaboration, pass through or other device to make it appear that compliance with this chapter has been achieved or to avoid compliance with this chapter is permitted. The Compliance committee, of its own accord or upon complaint by a third party, shall have investigatory authority over such complaint, may issue determinations of compliance or noncompliance, and may impose remedies as provided for herein.

3.

Any prime contractor, minority contractor or other company involved in city contracting that violates this chapter, avoids, or attempts to avoid the implementation of this chapter or any of its requirements, goals, principles or practices, including implementation plans that may be adopted, shall be subject to debarment under the provisions of [Section 3.08.090](#) of this title. The administrator or his designee, including any city consultant engaged for such purpose, or the compliance committee, with the advice of the city attorney, may direct that payment to prime contractors or minority businesses involved in a city contract be withheld until any violation of this chapter has been corrected, or may deduct any monetary penalty from any monies that the city owes to such contractor, without the city incurring any additional cost, charge, interest or other fee from the company committing the violation. The city may also impose and collect liquidated damages in the amount of two hundred dollars (\$200.00)/day for each day that a violation has been committed and continues ("liquidated damages"), unless the company proves and the administrator finds that mitigating or extenuating circumstances to exist, in which case such liquidated damages may be reduced in the administrator's discretion. Such liquidated damages may be imposed because of the difficulty and expense of attempting to quantify the value and assess the damage done to the program adopted under this chapter, and all companies submitted bids or proposals for city contracts shall be deemed to understand and accept the imposition of liquidated damages for violations of this chapter. The administrator shall use liquidated damages that are collected to fund outreach and educational efforts under this chapter.

4.

Any city employee deemed by the administrator or his designee, including any city consultant engaged for such purpose, or the compliance committee, with the advice of the city attorney, to have violated this chapter in an intentional or grossly negligent manner or who has avoided or attempted to avoid, or to have assisted or encouraged a company to avoid or attempt to avoid, the implementation of this chapter or any of its requirements, goals, principles or practices, including implementation plans adopted, shall be recommended for progressive disciplinary action within such employee's department and if necessary with the involvement of the city department of labor relations, subject to the terms of any collective bargaining agreement that applies.

5.

Mandatory Good Faith Efforts—Waivers—Exceptions. A prime contractor has the burden to demonstrate at the time of receipt of a notice of intent to award a city contract, and before the

contract is awarded, that it is committed to and will be able to achieve the subcontracting goals and requirements of this chapter. If, however, the prime contractor believes that it cannot achieve the subcontracting goals and requirements of this chapter and has not established itself to be a Majority Self Performer by the Director of the Minority and Small Resource Center, it must demonstrate that it has (a) completed good faith effort No. 1 below and has met at least two of good faith efforts Nos. 2 through 7 identified below (collectively, "good faith efforts") to the reasonable satisfaction of the administrator or his designee, including any city consultant engaged for such purpose, or the Compliance committee in order to justify a waiver of the requirements of this chapter involved in the particular situation. Good faith efforts are:

No. 1—City Website and Newspaper Notice. Publish a notice seeking subcontractors on the city's purchasing website and an advertisement (one column inch minimum) in the Saturday edition of the Connecticut Post, in the public notices section, entitled "Bridgeport Minority Contracting Opportunity" in bold lettering describing the type or types of work, services, equipment, goods or supplies being sought, and the name, address and telephone number of the prime contractor's contact person having knowledge of the subcontracting work being sought within a reasonable time prior to the time of submission of each bid, quotation or proposal.

No. 2—Written Notices to Business Associations or Agencies. The prime contractor shall send written notices to at least two business associations or development agencies, profit or nonprofit, that represent or are associated with the interests of minority contractors and who disseminate bid opportunities and other information to minority contractors, so long as such notices are sent within a reasonable time prior to the deadline for the submission of each bid, quotation or proposal. Such notices shall describe the types of work, services, equipment, goods or supplies being sought, and the name, address and telephone number of the prime contractor's contact person having knowledge of the subcontracting work being sought. The prime contractor shall make every reasonable effort to respond to the inquiries and information requests of minority contractors within a reasonable time prior to the time of submission of each bid, quotation or proposal.

No. 3—Searching Available Databases and Lists of Minority Contractors. The prime contractor shall take steps to identify minority contractors in the contracting category doing the type of work sought in connection with the city contract from lists available from the purchasing department, on the city's purchasing website or other internet websites, or at other locations.

No. 4—Obtaining Quotes from Available Minority Contractors. The prime contractor shall obtain written quotes from minority contractors that we rejected

for good cause because of cost, quality, experience, availability, responsibility, resources, equipment, lack or inadequacy of bonding or insurance, and the like.

No. 5—Attempts to Enter Into Joint Ventures or Other Arrangements with Minority Contractors. The prime contractor shall demonstrate its attempts to enter into joint ventures or other business arrangements with minority contractors not in violation of this chapter to perform portions of the work, to supply materials, and the like, and shall document all actions taken in that regard, including, where appropriate, the reasons for the failure or rejection of such efforts.

No. 6—Placing Advertisements in Minority Business Media Outlets. The prime contractor shall advertise in media outlets associated with or likely to reach minority contractors at least two times within a reasonable time prior to the date for submission of the bid, quotation or proposal for the city contract involved that includes a reasonable time for minority contractors to provide quotes.

No. 7—Other Efforts Particular to the Bid. The administrator may approve other good faith efforts that can be made in connection with a particular bid.

6.

Exemptions—Waivers.

a.

The following procurements are exempt from the application of this chapter:

i.

Qualified purchases, emergency purchases, or purchases from federal, state, regional or other cooperative bidding arrangements.

ii.

Bids that are otherwise exempted from competitive bidding or procurement requirements under the city's purchasing ordinance or city charter, for example, the selection of bond underwriters for the sale of city general obligation bonds.

b.

Other work for which the administrator determines that there are no minority contractors registered, available or qualified to bid on such work.

c.

Any waiver request and all supporting documentation and must be submitted to and accepted by the administrator prior to the contract being awarded.

7.

Prohibition Against Double-Counting. Minority contractor participation in a city contract may not be double-counted in calculating whether the percentage goal has been met. If, for example, a minority contractor is also a minority female contractor, in calculating the prime contractor's compliance with the attainable goal, the minority contractor's portion of the contract may be calculated only in terms of the aggregate value of its portion of the contract work as a percentage of the total contract work.

Exhibit C

Local Hiring Ordinance

- **Chapter 3.29 - EMPLOYMENT OPPORTUNITIES WITH DEVELOPERS FOSTERING ECONOMIC DEVELOPMENT**

- **3.29.010. - [Definition.]**

For purposes of this [Title 3](#), "Developers Fostering Economic Development" means those developers engaging in projects within the municipal boundaries of the city for which said developer has (1)(a) obtained any city incentive or inducement for said development under Chapters [3.20](#), [3.24](#), and/or [3.28](#) of this Code, and/or (1)(b) has or will acquire city owned real property as part of the project for less than fifty (50) percent of its fair market value as listed in the city's tax assessor's office at the time of acquisition, and (2) for which project developer has indicated that said project will result in an increase in jobs, either as to the developer's own work force, or those of the second tier on the project.

(Ord. dated [9-17-2018](#).)

- **3.29.020 - Contract provisions.**

A.

All municipal contracting agencies shall include in every agreement hereafter entered into with a Developer Fostering Economic Development, except for those exempted in accordance with the provisions of [Section 3.12.060](#), the following provisions:

"The developer agrees and warrants that during the development of this project pursuant to the terms of this agreement, that first consideration of any additional employment of tradesmen/tradeswomen and/or any apprentices to be working on this project will be given to qualified applicants who are residents of the city and/or who are ex-felons of any category to the maximum greatest extent that any increase in workforce or apprenticeships as a result of this project

meets the minimum requirements of twenty (20) percent local resident hires and five percent ex-felon hires. The hiring or apprenticeship of an individual who is both a local resident and an ex-felon shall only count as either of one such hire. The developer warrants and represents that it will not replace any of its current workforce as a result of this requirement."

B.

The developer shall include the language set forth above in section A, in every trades subcontract to the project. The developer shall post in conspicuous places, available to employees and applicants for employment, notices encouraging local residents and ex-felons to apply. The developer will send to each labor union or other representative with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the labor union or workers' representative of the developer's commitments under this division, and shall post copies of such notice in conspicuous places available to employees and applicants for employment.

C.

The developer will provide the office of contract compliance established under Municipal Code [Sec. 3.12.130](#) with such information requested by said office concerning the employment pattern, practices and procedures of the developer as relate to the provisions of subsections A and B of this section and any rules and regulations and/or orders issued pursuant thereto.

D.

Prior to seeking a building permit for the project, developer shall meet with the office of contract compliance with paperwork sufficient to establish developer's satisfaction of this requirement, or documentation sufficient to the office of contract compliance for said office to issue a waiver of this requirement for good cause shown.

EXHIBIT A

Tax Payment Schedule

Installments

| <u>Construction Period Tax Abatement</u> | <u>Amount</u> | <u>Payment Date</u> |
|------------------------------------------|---------------|---------------------|
| First Installment (land only) | \$11,950 | July 1, 2022 |
| Second Installment (land only) | \$11,950 | Jan 1, 2023 |
| Third Installment (land only) | \$11,950 | July 1, 2023 |
| Fourth Installment (land only) | \$11,950 | Jan1, 2024 |
| <u>Lease-Up Period Tax Abatement</u> | | |
| First Installment (land only) | \$11,950 | July 1, 2024 |
| Second Installment (land only) | \$11,950 | Jan 1, 2025 |
| <u>Operating Period Tax Abatement</u> | | |
| First Installment | \$630,000.00 | July 1, 2025 |
| Second Installment | \$630,000.00 | Jan 1, 2026 |
| Third Installment | \$642,600.00 | July 1, 2026 |
| Fourth Installment | \$642,600.00 | Jan 1, 2027 |
| Fifth Installment | \$655,452.00 | July 1, 2027 |
| Sixth Installment | \$655,452.00 | Jan 1, 2028 |
| Seventh Installment | \$668,561.04 | July 1, 2028 |
| Eighth Installment | \$668,561.04 | Jan 1, 2029 |
| Ninth Installment | \$681,932.26 | July 1, 2029 |
| Tenth Installment | \$681,932.26 | Jan 1, 2030 |

| | | |
|-------------------------|--------------|--------------|
| Eleventh Installment | \$695,570.91 | July 1, 2030 |
| Twelfth Installment | \$695,570.91 | Jan 1, 2031 |
| Thirteenth Installment | \$709,482.32 | July 1, 2031 |
| Fourteenth Installment | \$709,482.32 | Jan 1, 2032 |
| Fifteenth Installment | \$723,671.97 | July 1, 2032 |
| Sixteenth Installment | \$723,671.97 | Jan 1, 2033 |
| Seventeenth Installment | \$738,145.41 | July 1, 2033 |
| Eighteenth Installment | \$738,145.41 | Jan 1, 2034 |

**Tax Incentive Development Agreement Payment Schedule
East Main Street - Steelpointe Housing & Related Improvements**

11.22.2021

| <u>Schedule of Tax Payments Due</u> | <u>Per Agreement</u> | <u>1/2 PMT Due</u> | <u>1/2 PMT Due</u> | <u>Due Dates</u> |
|------------------------------------------|-------------------------|--------------------|--------------------|------------------|
| Year 1 Construction Fixed at Current Tax | \$ - | \$ - | \$ - | 7.1.22 & 1.1.23 |
| Year 2 Construction Fixed at Current Tax | \$ - | \$ - | \$ - | 7.1.23 & 1.1.24 |
| Year 3 Lease-Up Fixed at Current Tax | \$ - | \$ - | \$ - | 7.1.24 & 1.1.25 |
| Year 4 at New Base Tax | \$ 1,260,000.00 | \$ 630,000.00 | \$ 630,000.00 | 7.1.25 & 1.1.26 |
| Year 5 Escalating | \$ 1,285,200.00 | \$ 642,600.00 | \$ 642,600.00 | 7.1.26 & 1.1.27 |
| Year 6 Escalating | \$ 1,310,904.00 | \$ 655,452.00 | \$ 655,452.00 | 7.1.27 & 1.1.28 |
| Year 7 Escalating | \$ 1,337,122.08 | \$ 668,561.04 | \$ 668,561.04 | 7.1.28 & 1.1.29 |
| Year 8 Escalating | \$ 1,363,864.52 | \$ 681,932.26 | \$ 681,932.26 | 7.1.29 & 1.1.30 |
| Year 9 Escalating | \$ 1,391,141.81 | \$ 695,570.91 | \$ 695,570.91 | 7.1.30 & 1.1.31 |
| Year 10 Escalating | \$ 1,418,964.65 | \$ 709,482.32 | \$ 709,482.32 | 7.1.31 & 1.1.32 |
| Year 11 Escalating | \$ 1,447,343.94 | \$ 723,671.97 | \$ 723,671.97 | 7.1.32 & 1.1.33 |
| Year 12 Escalating | \$ 1,476,290.82 | \$ 738,145.41 | \$ 738,145.41 | 7.1.33 & 1.1.34 |
| Total | \$ 12,290,831.82 | | | |

| | |
|-------------------------|---------------------|
| New Tax | |
| \$3,000 per unit | |
| 420 # units | \$ 1,260,000 |
| 1.02 ann. esc. | |
| 0.5 1/2 PMT | |

Analysis of Presumed Taxes Foregone - (New Revenue Exceeds Abatement)

| <u>Schedule of Tax Payments Due</u> | <u>Per Agreement</u> | <u>Full Tax *</u> | <u>Difference</u> |
|--------------------------------------------|-----------------------------|--------------------------|--------------------------|
| Year 1 Construction Fixed at Current Tax | \$ - | 0 | \$ - |
| Year 2 Construction Fixed at Current Tax | \$ - | 0 | |
| Year 3 Lease-Up Fixed at Current Tax | \$ - | \$ 1,271,289 | |
| Year 4 at New Base Tax | \$ 1,260,000.00 | \$ 2,542,577 | |
| Year 5 Escalating | \$ 1,285,200.00 | \$ 2,542,577 | |
| Year 6 Escalating | \$ 1,310,904.00 | \$ 2,542,577 | |
| Year 7 Escalating | \$ 1,337,122.08 | \$ 2,542,577 | |
| Year 8 Escalating | \$ 1,363,864.52 | \$ 2,542,577 | |
| Year 9 Escalating | \$ 1,391,141.81 | \$ 2,542,577 | |
| Year 10 Escalating | \$ 1,418,964.65 | \$ 2,542,577 | |
| Year 11 Escalating | \$ 1,447,343.94 | \$ 2,542,577 | |
| Year 12 Escalating | \$ 1,476,290.82 | \$ 2,542,577 | |
| Total | \$ 12,290,831.82 | \$ 24,154,482 | \$ 11,863,649.86 |

| Presumed Full Tax | | |
|----------------------------------------------|-----------------------|---------------------|
| | 6,054 per unit | |
| | 420 # units | \$ 2,542,577 |
| <i>Derived From Bijou Square Sale Price:</i> | <i>17,250,000</i> | |
| <i># units</i> | <i>91</i> | |
| <i>Price Per Unit</i> | <i>189,560</i> | |
| <i>Assessed Value at 70%</i> | <i>132,692</i> | |
| <i>Tax Per Unit At Mill Rate of 43.45</i> | <i>5,765</i> | |
| <i>Escalated by 5% as Presumed Full Tax</i> | <i>6,054</i> | |