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# CITY OF HARTFORD

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L. JOHN VAN NORDEN  
Deputy Corporation Counsel

November 27, 2013

Laurie Hunt  
Director of Legal Affairs  
Connecticut Resources Recovery Authority  
100 Constitution Plaza, 6<sup>th</sup> floor  
Hartford, Connecticut 06103-7722

Dear Ms. Hunt:

Enclosed is a fully executed Agreement for Payments In Lieu of Taxes by and between the Connecticut Resources Recovery Authority and the City of Hartford.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Gina M. Varano".

Gina M. Varano  
Assistant Corporation Counsel

GMV:bs

## AGREEMENT FOR PAYMENTS IN LIEU OF TAXES

### PREAMBLE

This **AGREEMENT FOR PAYMENTS IN LIEU OF TAXES** (this "Agreement") is made effective as of November 27, 2013 (the "Effective Date"), by and between the **CONNECTICUT RESOURCES RECOVERY AUTHORITY**, a body politic and corporate, and a political subdivision of the State of the Connecticut ("CRRA"), and the **CITY OF HARTFORD**, a municipal corporation having its territorial limits with the County of Hartford and the State of Connecticut (the "City"). CRRA and the City are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

### RECITALS

**WHEREAS**, Conn. Gen Stat. § 22a-270 provides, inter alia, that CRRA shall be exempt from state and municipal taxes but may enter into agreements to make payments in lieu of such taxes ("PILOT"); and

**WHEREAS**, the prior agreement between the Parties for the payment of PILOT by CRRA to the City (the "Prior PILOT Agreement") expired on or about November 15, 2012; and

**WHEREAS**, the Parties wish to enter into this Agreement for the payment of PILOT by CRRA on property owned by CRRA, specifically 55 Maxim Road, 300 Maxim Road, 171 Murphy Road, 211 Murphy Road, 163H Murphy Road;

**NOW THEREFORE**, in consideration of the mutual promises herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

#### **1. DEFINITIONS; CONSTRUCTION:**

(a) Incorporation of Recitals. The recitals to this Agreement are incorporated into the body of this Agreement as a part hereof.

(b) Specific Definitions. The capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to them below:

"Contract Year" means each twelve-month period during the Term beginning on July 1<sup>st</sup> of each year and ending on June 30<sup>th</sup> of the following year, except that the first Contract Year shall begin on the Effective Date. The first Contract Year shall begin on the Effective Date and shall end on June 30, 2014, the second Contract Year shall begin on July 1, 2014 and shall end on June 30, 2015, and so forth. The final Contract Year shall begin on July 1, 2017 and shall end on June 30, 2018.

(c) General Definitions and Construction. As used in this Agreement, except as expressly provided or unless the context otherwise requires: (i) the terms defined herein include the plural as well as the singular; and (ii) the words "herein," "hereof" and "hereunder" and

words of similar import refer to this Agreement as a whole and not to any particular section or subsection.

**2. TERM:**

Subject to Section 4 hereof, the term of this Agreement (the “Term”) shall begin on the Effective Date and shall end on June 30, 2018; provided, that the obligation of CRRA to pay PILOT to the City shall commence as of the beginning of the first Contract Year.

**3. AMOUNT AND PAYMENT OF PILOT:**

(a) First Contract Year. CRRA shall pay PILOT to the City: (i) within 30 days of the execution by both parties of this Agreement, in the amount of ONE MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000); and (ii) on or before June 30, 2014, contingent upon the determination by the CRRA Board in its sole discretion of the adequacy of CRRA’s then-current cash position, in the amount of ONE MILLION ONE HUNDRED THOUSAND DOLLARS (\$1,100,000) or such lesser amount as the Board in its sole discretion shall determine; the sum of the amounts paid pursuant to (i) and (ii) of this Section 3(a) constituting full satisfaction of CRRA’s PILOT obligations to the City for the first Contract Year. The Parties agree that, except as contemplated by this Agreement, no other PILOT or tax payments shall be paid by CRRA to the City during the Term.

(b) Subsequent Contract Years. For each Contract Year after the first Contract Year, the Parties agree that CRRA shall pay PILOT to the City in an amount to be determined by CRRA on an annual basis as part of CRRA’s budgeting process and approved by CRRA’s Board of Directors.

**4. PILOT OBLIGATIONS CONTINGENT; EARLY TERMINATION:**

The Parties agree that CRRA’s obligation to pay PILOT to the City is contingent on the continuing operation of CRRA’s Resource Recovery Facility (the “Facility”) located in the City as a trash-to-energy facility combusting municipal solid waste (“MSW”) for the generation of electricity during each Contract Year after the first Contract Year. If during any such Contract Year, CRRA provides written notice to the City that the Facility shall discontinue the burning of MSW at any time during such Contract Year, then this Agreement shall terminate as of the date of such written notice, and shall be of no further force and effect, and CRRA shall have no further obligation to pay PILOT to the City with respect to the subject Contract Year or to any subsequent Contract Year. Notwithstanding the terms of this section 4, if CRRA terminates this Agreement in the First Contract Year, CRRA shall be obligated to pay PILOT to the City set forth in section 3(a)(i).

**5. MUTUAL REPRESENTATIONS AND WARRANTIES:**

Each Party represents and warrants that (i) it has the full power and authority to execute and perform its obligations under this Agreement; (ii) it has taken all necessary action to authorize its execution and performance hereunder; and (iii) this Agreement is the legal, valid and binding obligation of such Party and is enforceable in accordance with its terms.

**6. MISCELLANEOUS:**

(a) Payments. All PILOT due hereunder shall be sent by CRRA to the City via first-class mail to the following address, or to such other address as the City may designate from time to time.

**City of Hartford  
Finance Department, Revenue Management Unit  
550 Main Street, Room 108  
Hartford, CT 06103**

(b) Notices. All notices and other correspondence with respect to this Agreement shall be sent via first-class mail or overnight courier to the following addresses:

If to CRRA:

**Connecticut Resources Recovery Authority  
100 Constitution Plaza, 6<sup>th</sup> Floor  
Hartford, CT 06103  
Attn: President**

If to the City:

**City of Hartford  
Office of the Mayor  
550 Main Street  
Hartford, CT 06103**

**And**

**Office of the Corporation Counsel  
550 Main Street  
Hartford, CT 06103**

(c) Captions for Convenience Only. The captions in this Agreement are for convenience only and shall not change, restrict or otherwise alter the express provisions hereof.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut, except for any requirements concerning choice of law, the effect of which would be to apply the substantive law of a state other than the State of Connecticut.

(e) Entire Agreement. This Agreement constitutes the entire agreement of the Parties concerning the subject matter hereof and supersedes all previous agreements between the Parties with respect thereto. The terms and provisions hereof shall not be modified, amended or otherwise altered except by a writing executed by each Party.

(f) Survivorship. If any term or provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or otherwise in conflict with applicable law, the validity of the remaining terms and provisions hereof shall not be affected thereby, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be illegal, invalid or otherwise in conflict with applicable law.

(g) Joint Effort. This Agreement shall be deemed to be the product of joint drafting by the Parties and shall not be strictly construed against either Party.

(h) Execution and Delivery. This Agreement may be executed in any number of original or facsimile counterparts and as separate counterparts, all of which when so executed and delivered will together constitute one and the same instrument. If the Parties elect to execute this Agreement by facsimile or other electronic means, the same shall have the same force and effect as if this Agreement had been manually executed by the Parties in one complete document, and the Parties shall exchange wet-signature original signature pages within a reasonable time after such execution.

(i) Release. CRRA hereby releases and waives any and all claims that it had, now has, or may have in the future against the City for any refunds, overpayments or abatements of real estate taxes paid by CRRA.

**IN WITNESS WHEREOF**, the Parties have hereunto set their hands as of the date first written above.

Witness Gaudelem Sebrón  
Gaudelem Sebrón

Witness Ruth Howard  
Ruth Howard

Approved as to legality and form  
[Signature] 11/22/13  
Corporation Counsel

Witness Maria R. Cain

Witness [Signature]

**THE CITY OF HARTFORD**

By: [Signature]  
Pedro E. Segarra  
Its Mayor, duly authorized

**CONNECTICUT RESOURCES  
RECOVERY AUTHORITY**

By: [Signature]  
Thomas D. Kirk  
Its President, duly authorized

