EAST LYME WATER & SEWER COMMISSION PUBLIC HEARING Tuesday, AUGUST 23rd, 2016 MINUTES

FILED IN EAST LYME
CONNECTICUT
AUG 30,2016 AT 10; 15 MIPM
EAST LYME TOWN CLERK

The East Lyme Water & Sewer Commission held a Public Hearing on August 23, 2016 at 6:30 PM at Town Hall, 108 Pennsylvania Avenue, Niantic, Connecticut to hear comments regarding a proposed sewer assessment for NOG, 11 Industrial Park Road, East Lyme, CT and proposed supplemental sewer assessments for GDS Capital Holdings, 377 Main Street, East Lyme, CT - properties benefited by the East Lyme Sanitary Sewer System.

PRESENT:

Mark Nickerson, Chairman, Dave Bond, Steve Digiovanna, David

Jacques, Joe Mingo, Dave Murphy, Carol Russell, Roger Spencer,

Dave Zoller

ALSO PRESENT:

Kyle Haubert, P.E. with CLA Engineers representing the Applicant

Tammie Simao, CEO Norwich Orthopedic Group Attorney Edward O'Connell, Town Counsel

Attorney Mark Zamarka, Town Counsel Joe Bragaw, Public Works Director Brad Kargl, Municipal Utility Engineer

Anna Johnson, Finance Director

Kevin Seery, Ex-Officio, Board of Selectmen

Paul Malmrose, VP, PE, Tighe & Bond

ABSENT:

No One

Pledge of Allegiance

The Pledge was observed.

Public Hearing

- ♦ Proposed New Sewer Benefit Assessment for 11 Industrial Park Road
- Proposed Supplemental Benefit Assessment for 377 Main Street

Chairman Nickerson called the Public Hearing to order at 6:30 PM. He read the Notice of Public Hearing that had been published in the local newspaper, The Day on August 11, 2016. (Copy attached) He said that they would take the items one at a time.

Proposed New Sewer Benefit Assessment for 11 Industrial Park Road

Mr. Nickerson called upon Attorney O'Connell for comment first on this item.

Attorney O'Connell said that this is a commercial building with a commercial assessment done by a formula based on acreage, frontage, grand list valuation and number of units by zoning classification as documented on pages 2 and 3 of the Industrial Park Road Sewer Benefit Resolution (Copy attached). On Page 6 of the Resolution it states that there is no actual sewered frontage and on Pages 8 and 9 the terms and rate for the assessment are stated. A worksheet is also attached indicating how they had arrived at the \$63,816.63 assessment. This is all commercial, there is no residential here.

Mr. Nickerson asked if staff wanted to make any comments at this time. He then asked Mr. Kargl why they have assessments now when the property is 20 years old.

Mr. Kargl said that all properties benefitted by the system have to pay for it.

Mr. Nickerson asked if there is something that is done early on for the applicant to be aware of this. Mr. Kargl said that if the applicant comes to them then they would calculate it earlier on. He added that this was the subject of a sewer hearing also.

Mr. Nickerson asked if other Towns do this also.

Attorney O'Connell said that yes, they do. He noted that the assessment is based on the benefit that the property derives from being able to connect to a municipal sewer system that is sometimes treated miles away which in this case is in New London.

Mr. Nickerson called for comments from the public.

Kyle Haubert, P.E. with CLA Engineers said that he was present with Ms. Simao the CEO of Norwich Orthopedic Group this evening. He said that as far as the assessment goes that the sewer line extension was done at the owners cost. He presented and read a letter from Eric Green of BBL Construction Service stating that they were paid \$44,948.00 to install the sanitary force main that occurred in the public ROW. (Copy attached) He said that they would ask for a reduction in the public calculation and also with regard to the gross acreage of the property as it was all used in the calculation and a lot of it is wet and unusable.

Tammie Simao, CEO Norwich Orthopedic Group said that this was also a very costly project for them as there were a lot of restrictions regarding the wetlands, parking, etc which would explain why the property had not sold for such a long period of time. They wanted to be in East Lyme and to provide services here but it was an overly expensive project for them and in comparison their Franklin CT property which is larger than this one, cost them much less to construct. They have already added high end jobs to this community in the order of \$500,000 and are growing the community and will continue to do so. She said that they would like the \$64,000 assessment to be reconsidered as it is a considerable amount of money and that they have already paid for the connection.

Mr. Nickerson asked Mr. Kargl if it is typical that the applicant would have to put a force main in. Mr. Kargl said that it was because there wasn't one to the property as it was a un-sewered piece of property. The property ended at the Bob's section.

Mr. Mingo said that the property could not have been developed without sewers so the benefit is that sewers allowed it to be developed.

Mr. Bond said that the question is if they should have had to pay for it to begin with.

Kyle Haubert, CLA said that he believes that on the property card that it was listed as having sewers and that a septic system would have been feasible.

Ms. Russell asked Attorney O'Connell if there is a precedent from the past on these types of items. Attorney O'Connell said yes – when it was first proposed that someone other than the Town would develop the system – the Orchards did that and put in the line as they felt that they could do it cheaper. At that time meetings were held and the 'opt in' was developed so that property owners on Boston Post Road could connect or had to connect when their system failed or when new construction was done. The court looks at the value of the property with sewers and without sewers for the benefit.

Mr. DiGiovanna asked about page 3 and item 3.c. – the acreage rate.

Attorney O'Connell said that the Assessor just takes the whole area and does not delineate otherwise.

Mr. Kargl added that they do not delineate wetlands, non-developable area etc. He said that perhaps they could consider it.

Mr. DiGiovanna asked if they could develop their own private septic system.

Mr. Kargl said that he is not sure regarding the semantics of it and that perhaps Mr. Haubert could speak to that.

Mr. Murphy suggested that they would probably not be able to build as large a building with a septic system there.

Mr. Bond asked if the sewer extension that they installed benefits any other property.

Mr. Kargl said no. He added that the sewer force main is within the Town ROW.

Mr. Nickerson asked if we are responsible for some of the structure that they installed.

Mr. Kargl said yes, that which is in the ROW – so that we can do a clean out. It is our infrastructure from the force main to the clean-out and we maintain it.

Mr. Haubert said the \$45,000 is the shut-off to the manhole connection as referenced in the letter cited previously.

Attorney O'Connell noted that the property would have been assessed at a higher value if it did not have wetlands within it.

Mr. Nickerson asked if there were any further comments – Hearing none – He moved to the next item –

Proposed Supplemental Benefit Assessment for 377 Main Street

Mr. Nickerson called upon Attorney O'Connell to explain this.

Attorney O'Connell said that they have a supplemental sewer resolution dated August 27, 1991 as amended in March 1992 stating that this would be treated in accordance with this resolution. The assessment would have been in 1992 with application of the commercial formula. There were 10 units there previously and there are 17 additional units there now which is what the differential is. This assessment is for the 17 additional units and it is putting them in the same position as those that were there in 1992.

Mr. Nickerson called for comments from the public.

Gary Smith, GDS Capital Holdings LLC said that he was shocked by this and then reviewed it considerable and explained how he sees this. He passed out his Discussion, Questions and Summary on this resolution based on research that he had done and read it into the record. (Copy attached)

Mr. Nickerson asked Attorney O'Connell to address this and also asked if they could only assess the \$27M for these assessments.

Attorney O'Connell said that specific attorneys drafted the documents and that he believes that it was never to be anything of mathematical certitude. The commission over the 30 years has expended millions of dollars on the system. The CT General Statutes provide that benefits to building or structures built after the initial one may be assessed as if they existed at that time and is allowed by the law. The worksheet is also attached.

Mr. Nickerson asked if the Commissioners had any comments or questions.

Mr. Mingo said that the assessments being invoked today in terms of the dollar are exactly the same as those in 1991.

Mr. Smith said that the assessment was \$27,603,955 and asked that they consider the benefit that he has brought to the Town with the new building he has constructed.

Mr. Jacques asked if this is consistent with other Towns.

Mr. Kargl said that it is much lower as it is based on the 1991 rate. There were two laterals there that were used.

Ms. Russell asked Attorney O'Connell if the position of Mr. Smith is that the assessment cannot exceed the \$27,603,955.

Mr. Smith responded yes, that is his position.

Attorney O'Connell said that if they were to go to court that the judge would look at what the property had benefitted from the system and it is his opinion that there is no cap on the assessment. If there were then we would be hamstrung if the only amount that could be spent is the \$27M.

Mr. Murphy said that this goes into maintaining the system and not operations and guarantees that you have this value.

Mr. Smith cited the sewer ordinance on sewer use charges.

Mr. Mingo asked Attorney O'Connell to explain the sewer charges and benefit assessment. Attorney O'Connell noted that Ms. Johnson could explain that.

Ms. Johnson explained that the assessment funds go into a special sewer benefit assessment fund and are only used for capital expenditures.

Mr. Nickerson explained that this is an independent utility and that it has nothing to do with Town Government or taxes, etc. He said that the building is a great addition to the downtown district and that what he is learning here is that the communication is more so the issue here in both instances. He said that the utility needs to be clear going forward as Industrial Park Road and Main Street are investments that have a great benefit to the Town.

Ms. Russell asked Attorney O'Connell if in terms of deliberations if they have any flexibility of when the interest would be charged or if they could extend it.

Attorney O'Connell said that the legal aspect is that the supplemental assessment mimics the original

assessment. If it was a new assessment they could set it up in a different manner at that time.

Mr. Nickerson called for any further comments - Hearing none – He called for a motion to close this Public Hearing.

**MOTION (1)

Mr. Mingo moved to close this Public Hearing.

Mr. DiGiovanna seconded the motion.

Vote: 9 - 0 - 0. Motion passed.

Mr. Nickerson closed this Public Hearing at 7:39 PM.

Respectfully submitted,

Karen Zmitruk, Recording Secretary

PUBLISHER'S CERTIFICATE

State of Connecticut
County of New London, ss. New London

Personally appeared before the undersigned, a Notary Public within and for said County and State, Billie Jean Durgin, Legal Advertising Clerk, of The Day Publishing Company Classifieds dept, a newspaper published at New London, County of New London, state of Connecticut who being duly sworn, states on oath, that the Order of Notice in the case of

Town of East Lyme Water and Sewer Commission Notice of Publi

A true copy of which is hereunto annexed, was published in said newspaper in its issue(s) of 08/11/2016

Cust: TOWN OF EAST LYME -SEWER D

Ad #: d00676373

Subscribed and sworn to before me

This Tuesday, August 23, 2016

Notary Public

My commission expires

9-30-17

ATTN: + MARILYN Thanks Billie 860-781-4216
ALLOCHMENT WAS PH 8/23/14

TOWN OF EAST LYME WATER AND SEWER COMMISSION NOTICE OF PUBLIC HEARING

Notice is hereby given that the East Lyme Water and Sewer Commission, acting as the Town of East Lyme's duly designated Water Pollution Control Authority, will hold a Public Hearing on August 23, 2016 at 6:30 p.m. at the East Lyme Town Hall, 108 Pennsylvania Avenue, Niantic Connecticut to hear comments regarding proposed sewer assessment and proposed supplemental sewer assessments for the properties listed below benefited by East Lyme Sanitary Sewer System. Said properties are more particularly described as follows:

SEWER BENEFIT ASSESSMENT

OWNER	#	Address	Map	Lot	Assessment
NOG REALTY HOLDING LLC	11	Industrial Park Rd	26.1	3	\$63,816.63

SUPPLEMENTAL SEWER BENEFIT ASSESSMENT

OWNER	#	Address	qsM	Lot	Assessment
GDS CAPITAL HOLDSINGS LLC	377	MAIN STREET	11.2	134	\$32,828.02

The public is invited to attend and be heard regarding the proposed benefit assessment resolutions. Copies of the proposed assessment resolutions have been filed with the Town Clerk and are available for inspection by the public.

> TOWN OF EAST LYME WATER AND SEWER COMMISSION

Mark Nickerson, Its Chairman

SANITARY SEWER BENEFIT RESOLUTION FOR INDUSRIAL PARK ROAD EXTENSION

RESOLUTION relative to an assessment of benefits for the extension of the public sanitary sewerage system, known generally as the "Industrial Park Road Sewer Extension" installed in the Town of East Lyme, Connecticut; establishing the due date of said assessments; providing for installment payments of assessments and interest thereon;

WHEREAS, the East Lyme Water and Sewer Commission (hereinafter the "Commission"), the duly established municipal Water Pollution Control Authority existing under the laws of the State of Connecticut within and for the Town of East Lyme exercising its statutory authority under the laws of the State of Connecticut, has heretofore accepted a portion of the public improvements known as the "Industrial Park Road Sewer Extension" of the Town's public sanitary sewerage system, said improvements being more particularly described in as-built plans and specifications on file with the Commission; and

WHEREAS, the Connecticut General Statutes provide in part that at any time after a municipality by its Water Pollution Control Authority has authorized the acquisition or construction of a sewerage system, or portion thereof, the Water Pollution Control Authority may apportion and assess the whole or any portion of the cost thereof upon the lands and buildings in the municipality which, in its judgment, are especially benefited thereby, whether they abut on such sewerage system or not, and upon the owners of such land and buildings according to said Connecticut General Statutes and such rules as the Commission adopts;

100217226.11 Attachment Mus PH 8/23/16

1st item

NOW, THEREFORE, BE IT RESOLVED by the East Lyme Water and Sewer Commission, as follows:

- 1. The area within which sewer assessments are due for the "Industrial Park Road Sewer Extension" of the Town's public sanitary sewers include all properties abutting or actually making use of the public sanitary sewer system in said extension area. By and large, the area of the "Industrial Park Road Sewer Extension" begins at the northerly terminus of the existing sanitary sewer line in Industrial Park Road and runs in a general northerly direction in and along Industrial Park Road a distance of approximately 340 feet to the property line of the premises known generally as 11 Industrial Park Road. The owners, properties and the amounts of the assessments hereby levied upon said properties are listed on Schedule "A", attached hereto.
- 2. The Commission has considered the zoning classification and actual use in allocating assessments among the benefited properties as shown on Assessor's records of the Town of East Lyme on the Grand List of October 1, 2015. Because the current zoning classification and actual use of the properties benefited by the "Industrial Park Road Sewer Extension" is limited to commercial use, the Commission has classified those benefits to a commercial category, and has established general rules of assessment for the above described assessment area, as follows:

COMMERICAL ASSSESSMENTS

All commercial assessments shall be determined by Formula. The Formula shall take into consideration a parcel's acreage (21% of total allocation), frontage (21% of total allocation), grand list valuation as shown on the Assessor's Grand List of October 1, 20 15 (21% of total allocation), and number of units by zoning classification (37% of

total allocation). Commercial properties include specified town properties and residentially zoned multi-family dwellings with more than two (2) units and all commercial uses.

Consideration has been given to area, frontage, grand list valuation, property use and potential use, classification and other relevant factors concerning the benefited properties as called for in the Connecticut General Statutes. The following rules and definitions apply to the assessments:

- a. Determination of Frontage Rates. The formula for calculating a property's frontage rate shall be \$50.90 x the property's total frontage as set forth in Schedule A.
- b. Determination of Land Valuation Rate. The formula for calculating a property's land valuation rate shall be \$.1084 x the property's 2015 assessed value as set forth on Schedule A. Total assessable land valuation shall be determined as shown on the assessor's records of the October 1, 20015 Grand List.
- c. Determination of Acreage Rate. The formula for calculating a property's acreage rate shall be \$3,727.64 x the property's total assessable acreage as set forth in Schedule A.
- d. Determination of Unit Charge. The formula for calculating a property's unit charge shall be \$2,972.40 x the total number of assessable units for the property as set forth in Schedule A.
- e. Application of Frontage, Land Valuation, Acreage Rates and Unit Charge Rates. The frontage, land valuation, acreage and unit charge rates, when applied to the assessable frontage, assessable land valuation, assessable acreage and assessable unit of each benefited property in a particular category, shall determine the total sewer assessment upon each benefited property benefited by this project in a particular category.
- f. Determination of Frontage, Land Valuation, Acreage and Unit Charge in Particular situations. The rules for determining frontage, land valuation and acreage in the following particular situations shall be as follows:
- Rule f.1 Straight frontage lots. All street lots within a block shall be measured only on the side fronting the sewer.
- Rule f.2 Corner lots. All corner lots shall be measured at half the sum of all sides

fronting the sewer if more than one side fronts the sewer.

- Rule f.3 Lots on outside corner. If a corner is already divided among two or more lots, said lots shall not be considered corner lots.
- Rule f.4 Lots facing cul-de-sac. Lots which have half or more than half of their actual front footage on the curved section of a cul-de-sac shall have the front footage calculated as the chord length of the curved section, plus the actual length of any straight line front footage. If less than half of the actual front footage is curved, the assessed front footage shall be the actual front footage.
- Rule f.5 Through lots. All lots which run from one side of a block to another, thus fronting on two sewered streets, shall be measured at half the sum of the sides fronting the sewer, provided that in any event no more than four hundred (400) feet shall be assessed in a residential zone and any excess footage in a residential zone shall be deferred.
- Rule f.6 Residential lots with more than four hundred (400) feet sewered frontage. Lots zoned for residential use which have more than four hundred (400) feet of sewered frontage shall be assessed on the basis of four hundred (400) feet and the assessment of the remaining frontage shall be deferred.
- Rule f.7 Residential lots which exceed four acres. In the case of lots zoned for residential use which have area exceeding four acres, the non-deferrable assessment will be on four acres. The remaining assessment will be deferred. In determining the valuation of the four acres, the valuation of the acreage of the house lot or any special use of the acreage normally carried on the assessor's card will be assessed. After taking that figure there will be added to it an amount determined by dividing the remaining assessed valuation by the remaining acreage and multiplying by the difference between the four nondeferrable acres and the house lot or special acreage referred to above.
- Rule f.8 Residentially zoned acreage valued at same rate. In the case of property zoned for residential use where no residential or special use acreage is assessed, and all acreage is assessed at the same rate, the valuation of four non-deferrable acres will be computed by dividing the total assessed valuation by the total acreage and multiplying by four. The remainder will be deferred.
- Rule f.9 Through lots of more than four acres on a sewered street with a structure on a non-sewered street. When a structure is located on a parcel of land zoned for residential use, and said parcel of land exceeds four acres, and said structure is located on a non sewered street, but said parcel also

extends to a sewered street, in determining the land valuation of the said four acres one acre will be assessed on the sewered street at the street price with a twenty-five percent (25%) depreciation for a vacant lot. The value of the normal one-acre residential lot will be assessed and non-deferrable. The value of the remaining one (1) acre of non-deferrable land will be determined by dividing the remaining assessed valuation by the remaining acreage. Any assessment in excess of the amount determined as hereinabove provided shall be deferred.

- Rule f.10 Physical use of residential zoned land. In all cases where physical use of property in residential zones exceeds four acres and/or four hundred (400) feet frontage on a sewer line, the actual physical use will be used for non-deferrable assessment. The remainder will be deferred.
- Rule f.11 Sewer crossings. Where a public sewer crosses a lot, frontage shall be measured as the effective property distance crossed. Both street sewer frontage and crossing frontage shall be assessed. However, if a property has both street sewered frontage and crossing frontage, the crossing frontage will be deferred. Crossings on back and/or side yards shall be exempt if zoning regulations would not permit the lot to be divided into additional building lots.
- Rule f.12 Utility easements and electrical transmission lines. Any lot, totally subject to a utility easement for electrical transmission lines so as not to be capable of other beneficial use, shall not be assessed.
- Rule f.13

 Utility owned land. Where utility companies own land in a residential zone in excess of four acres and the physical use of the land may exceed four acres because it is occupied by power lines and/or other structures which would prohibit further development and/or improvement, only four acres will be non-deferrable. The remainder will be deferred. Where utility companies own land in a residential zone with frontage in excess of four hundred (400) feet and the physical use of frontage on the sewer line exceeds four hundred (400) feet because of power lines and/or other structures as set forth herein, only four hundred (400) feet of frontage will be non-deferrable. The remainder will be deferred.
- Rule f.14 Wasteland. Any single lot too narrow to build on shall be exempt from assessment. Regardless of the zone, land assessed as waste land by the assessor shall be exempt.
- Rule f.15 Property in one parcel located in different zones. Whenever one portion of a parcel of property is located in a residential zone and another portion of said parcel is located in a zone other than a residential zone, the property shall be treated for purposes of determining entitlement to deferred assessments as if it were two parcels with only so much of the

property as is located in the residential zone being entitled to be considered for deferments.

- Rule f.16 Partially sewered frontage. In those cases in which property is serviced by a sewer line but the sewered frontage does not coincide with the entire frontage, the front footage assessed will be based on the entire front footage fronting on the sewered street.
- Rule f.17 No actual sewered frontage. In the case of a property which will be connected to the sewer but has no actual sewered frontage, no frontage will be assessed.
- Rule f.18 Lots abutting sewered street by right of way only. In the case of any lot which abuts a sewered street by right of way only, frontage shall be determined by measuring the width of the right of way.
- Rule f.19 Sloping lots. Whenever a negative slope from the existing street sewer line makes a gravity connection to an existing detached single family dwelling impossible, the property owner will provide and maintain suitable ejectors at the property owners sole cost and expense.
- Rule f.20 Public or quasi public properties. All property otherwise assessable shall be assessed under the rules hereinbefore and hereinafter provided for private properties notwithstanding their public or quasi public nature with the sole exceptions: sewage pumping stations, sewage treatment plants, cemeteries, property owned in fee simple by the state of Connecticut or the United states of America or any other property exempted by state or Federal, Public or Private Act from assessment.
- Rule f.21 Paper streets. In the case of a right of way or paper street leading nowhere and serving no acreage in common ownership with the right of way or paper street, no assessment will be made of the paper street.
- Rule f.22 Property classified as farm land, forest land or open space pursuant to the Connecticut General Statutes. Any property which on the effective date of this Resolution is properly classified as farm land, forest land or open space, pursuant to the Connecticut General statutes, which property is not otherwise zoned residential, shall be treated as if it were zoned residential for purposes of determining an entitlement to a deferred assessment by reason of excess acreage, excess frontage or excess valuation. Said treatment shall continue for so long as the property continues to be so classified.
- Rule f.23 Land abutting sewer line in unimproved and unaccepted street. Any land abutting a sewer line which line was constructed by the Town in a street shown on an approved subdivision map shall be subject to assessment in

- accordance with the foregoing rules not withstanding the fact that the street has neither been built nor accepted.
- Rule f.24 Railroad owned land. Where land owned by a railroad company is used solely as a road bed or rail right of way such property will not be assessed.
- Rule f.25 Beaches. Where land owned by a beach association is used solely for beach purposes and contains no structures, such beach will not be assessed.
- expanded after the effective date of this Resolution, such structure shall be assessed according to the terms of the Resolution as if such structure had existed on the effective date of the Resolution, provided that the amount of any deferred assessment levied against the same land, or that portion of any deferred assessment levied against the same land which is the site of a subsequent structure shall be credited against any assessment due. The owner, builder or developer shall pay for the entire installation if a sewer extension is necessary to service the property, including all expenses incidental thereto in accordance with Section 5 of the Sewer Use and Sewage Disposal Ordinance. There shall be no credit against the benefit assessment for these costs.
- h. Deferred Assessments. Deferred assessment shall be deferred until such excess land shall be built upon or a building-permit issued therefore, or until approval of a subdivision plan of such excess property by the planning commission having jurisdiction, whichever event occurs first, at which time assessment shall be made as provided herein. Provided further that the total deferred benefit to be assessed against lots used for single family residences shall not exceed the flat rate

established herein times the number of such single family lots established. No lien securing payment shall be filed until property is assessed.

- 3. There is hereby assessed upon and against the lands and upon the owners of each property or unit of a common interest community affected by the foregoing public improvement which the Commission has found to be especially benefited by said public improvement, the benefit assessments shown after the name of the affected property owners and in the amount due column, being the amount of the owners' due proportion of the public improvement as assessed in accordance with the decision of the Commission. The benefited properties are listed by street and number according to names of owners; indicating the number of units, and the total due assessment, as applicable, and are more particularly set forth in Schedule "A" attached hereto.
- 4. That the owners of buildings, houses, units of a common interest community or other structures used as residences and located on the parcels of land abutting the "Industrial Park Road Sewer Extension" more particularly described in Schedule "A" attached hereto and commonly known as 11 Industrial Park Road, are required to connect said buildings, houses, units and structures to the sewer, at their own expense.
- 5. That the assessments set forth in Paragraph 3 shall be due and payable on February 1, 2017. Payments shall be made payable to the order of the Treasurer of the Town of East Lyme. The owners of any assessed property may pay the entire amount of the assessment in full on or before February 1, 2017 without interest or may

pay said assessment by installment payments made in accordance with Paragraph 7 hereof.

6. If the election is made to pay said assessment by installment payments, the assessment for each property shall be made in fifteen (15) substantially equal annual installments, the first installment to be due and payable on the next February 1st following the date of this Resolution. Each subsequent payment of an installment will be due and payable on or before February 1st of each subsequent year. Payments shall be made payable to the order of the Treasurer of the Town of East Lyme. A notice of installment payments will be recorded on the East Lyme land records as provided by the Connecticut General Statutes.

Notwithstanding any other provision herein, if any portion of any installment, including accrued interest, has not been paid by the first anniversary date after such installment was due and payable, then the entire principal sum, together with all accrued interest, shall become due and payable, together with attorney's fees and costs of collection.

The interest at the rate of three and one-half percent (3.5%) per annum on the unpaid balance of the assessment shall be due and payable at the time of the payment of each installment provided for in Paragraph 7 above. Any person may prepay an installment or installments for which he is liable at any time prior to the due date thereof. Property owners may pay the entire assessment in full at such time as determined by resolution of the Commission without incurring any interest charges. An assessment that is paid in full after February 1, 2017, or after the February 1st due date of a subsequent year, shall be charged interest calculated by reference to the number of

days from the last date of paid interest to the date the payoff is actually received in good fund8

- 8. Any installment payment not paid within thirty (30) days after the due date shall be delinquent and shall be subject to interest from such due date at the rate and in the manner provided by the General Statutes for delinquent property taxes, together with attorney's fees and costs of collection.
 - 9. Each addition of interest shall be collectible as part of such assessment.
- 10. Whenever any installment of an assessment becomes delinquent, the interest on such delinquent installment shall be as provided in Paragraph 8 above or Five (\$5.00) Dollars, whichever is greater.
- and any interest due thereon shall constitute a lien against the real estate against which the assessment was levied from the date of such levy. Each such lien may be continued, recorded and released in the manner provided by the General Statutes for continuing, recording, and releasing property tax liens. Each lien shall take precedence over all other liens and encumbrances except taxes and may be foreclosed in the same manner as property taxes.

BE IT FURTHER RESOLVED, that the installation of said public improvements as described hereinbefore, shall now be deemed duly and legally authorized; that said improvements have been duly and legally accepted by the Town of East Lyme; and that all assessments and benefits stated herein and in the public record of the Town of East Lyme Water and Sewer Commission shall be deemed duly and legally made. The Chairman of the Water and Sewer Authority shall cause a notice to be published listing

properties against which benefits have been assessed, with the amount to be paid by each such owner and a notice of the date when assessments are due and payable in accordance with Chapter 103 of the Connecticut General Statutes as amended. Said Chairman shall also cause to be mailed, postage prepaid, a copy of the assessment of benefits addressed to the owners of each property affected thereby at such owners' addresses as shown in the last completed grand list of the municipality or at any later addresses of which the Commission may have knowledge.

SCHEDULE A 11 Industrial Park Road Sewer Main Extension August 23, 2016

ADDRESS MAP LOT USE/ZONE (Feet) ⁽¹⁾ (Acres) VALUE UNITS 11 Industrial Park Rd 26.1 3 LI 0 4.85 284,830 5
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Footnotes:

- 1. Based on the sewer benefit resolution (Rule f.17), if the property that is connected to the sewer has no actual sewered frontage, no footage shall be assessed.
 - 2. Assessment = (Frontage $\times \$50.90$) + (Area $\times \$3727.64$) + (Assessed Land Value $\times \$0.1084$) + (No. of Units $\times \$2972.40$)

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SEWER BENEFIT ASSESSMENT PAYMENT SCHEDULE

ASSESSMENT:	\$63,816.63
RATE:	3.5%

PAYMENT			
PATIVIENT			
NUMBER	PRINCIPAL	INTEREST	TOTAL
1	\$4,254.45	0	\$4,254.45
2	\$4,254.45	\$2,084.68	\$6,339.13
3	\$4,254.45	\$1,935.77	\$6,190.22
4	\$4,254.45	\$1,786.86	\$6,041.31
5	\$4,254.45	\$1,637.96	\$5,892.41
6	\$4,254.45	\$1,489.05	\$5,743.50
7	\$4,254.45	\$1,340.15	\$5,594.60
8	\$4,254.45	\$1,191.24	\$5,445.69
9	\$4,254.45	\$1,042.34	\$5,296.79
10	\$4,254.45	\$893.43	\$5,147.88
11	\$4,254.45	\$744.52	\$4,998.97
12	\$4,254.45	\$595.62	\$4,850.07
13	\$4,254.45	\$446.71	\$4,701.16
14	\$4,254.45	\$297.81	\$4,552.26
15	\$4,254.45	\$148.90	\$4,403.35

\$63,816.75 \$15,635.04 \$79,451.79



BBL Construction Services, LLC 302 Washington Ave. Ext. PO Box 12789 Albany, New York 12212 Phone 518 452-8200 Fax 518 452-2898 www.bblinc.com

August 22, 2016

Tammie Simao
Chief Executive Officer
Orthopedic Partners LLC
82 New Park Avenue
Franklin CT 06254

Dear Tammie Simao:

In response to your inquiry, BBL Construction Services performed the installation of the Sanitary Force Main Service for the new Medical Office Building located at 11 Industrial Park Road in East Lyme Connecticut. BBL Construction services was paid \$44, 948.00 for the portion of the Sanitary Force Main installation that occurred in the public Right of Way. This work started with the installation of a shutoff valve located immediately on the property line and ended at a 45 degree elbow core drilled into the Towns existing manhole. BBL Construction Services performed all of the excavation, 2" piping installation, pipe bedding material installation, backfill, asphalt sawcutting, asphalt restoration, traffic control and landscaping restoration that was associated with the aforementioned sanitary force main installation.

If you have any questions, please contact me at 518-452-8200 extension 4238.

Sincerely,

Eric Green

Project Manager

BBL Construction Services, LLC

Eric Elean

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SUPPLEMENTAL SEWER ASSESSMENT RESOLUTION

377 Men Wheet

RESOLUTION relative to a supplemental assessment of benefits pursuant to the resolution adopted by the East Lyme Water and Sewer Commission on August 27, 1991, as amended on March 24, 1992 (hereinafter the "**Resolution**"), in connection with various properties located in the Town of East Lyme, Connecticut, establishing the due date of said assessments, providing for installment payments of assessments and interest thereon:

WHEREAS, the East Lyme Water and Sewer Commission, the statutory municipal Water Pollution Control Authority existing under the laws of the State of Connecticut within and for the Town of East Lyme, has heretofore adopted a Resolution relative to the assessment of benefits for public sanitary collection sewers installed in the Town of East Lyme; and

WHEREAS, said Resolution provides that structures constructed or expanded after the adoption of the Resolution are to be assessed in accordance with the terms of said Resolution; and

WHEREAS, the properties hereinafter specified contain structures which were constructed or expanded after the adoption of the Resolution; and

WHEREAS, it is the intention to levy supplemental assessments upon said properties in accordance with Section 7-249 of the Connecticut General Statutes and the Resolution.

NOW THEREFORE, BE IT RESOLVED by the East Lyme Water and Sewer Commission as follows:

1. The owners, properties and the amounts of the assessments hereby levied upon said properties are as follows:

OWNER	#	Address	Мар	Lot	Assessment
GDS CAPITAL HOLDINGS LLC	377	MAIN STREET	11.2	134	\$32.828.02

2. That the assessments set forth in Paragraph 1 hereof shall be due and payable on February 1, 2017. The owner(s) of any assessed property may elect to pay the entire amount of the assessment in full on or before the date that it is due and payable without interest, or may elect to pay said assessment by installment payments made in accordance with paragraph 3 hereof.

3. If the election is made to pay said assessment by installment payments, the assessment for each property shall be made in fifteen (15) substantially equal annual installments, the first installment to be due and payable February 1, 2017 and each

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subsequent payment of an installment to be due and payable on or before February 1st of each subsequent year. Payments shall be made payable to the order of the Treasurer of the Town of East Lyme. A notice of installment payments will be recorded on the East Lyme land records as provided by the Connecticut General Statutes.

Notwithstanding any other provision herein, if any portion of any installment, including accrued interest, has not been paid by the first anniversary date after such installment was due and payable, then the entire principal sum of the assessment, together with all accrued interest, shall become due and payable.

- 4. That interest at the rate of three and one-half percent (3.5%) per annum on the unpaid balance of the assessment shall be due and payable at the time of the payment of each installment provided for in paragraph 3 above. Any person may pay an installment or installments for which he is liable at any time prior to the due date thereof.
- 5. That the assessment or any installment thereof, if not paid within thirty (30) days after the due date, shall be delinquent and shall be subject to interest from such due date at the rate and in the manner set forth in the Connecticut General Statutes for delinquent property taxes.
- 6. That each installment of interest shall be collectible as part of such assessment.
- 7. That any delinquent assessment or delinquent installment of any assessment and any interest due thereon shall constitute a lien against the real estate against which the assessment was levied from the date such levy became due. Each such lien may be continued, recorded and released in the manner provided by the Connecticut General Statutes for continuing, recording, and releasing real property tax liens. Each such lien shall take precedence over all other liens and encumbrances except taxes and may be foreclosed in same manner as real property taxes.
- 8. That these supplemental assessments are in addition to sewer benefit assessments previously levied against these properties.

BE IT FURTHER RESOLVED, that the assessments of benefits stated herein and in the public record of the Water and Sewer Commission of the Town of East Lyme should be deemed duly and legally made. Notice shall be published listing the proposed properties against which benefits have been assessed, with the amount to be paid by the Owner(s) and a notice of the date when assessments become due and payable. A copy of the assessment of benefits shall be mailed to the Owner(s) of each property affected thereby in accordance with the Connecticut General Statutes.

Supplemental Sewer Assessment August 23, 2016

377 Man St

1.)The new building known as 377 Main Street was created from the combining of 369-371 Main Street and 377 Main Street. Each property was assessed under the original commercial formula for \$20,137.59 and \$12,413.36, respectively.

2.) Since each property was originally assessed according to the commercial formula for frontage, land area, assessed land value and units, the new assessment would only be the increase in the number of units, since everything is still the same, even though they are combined.

Footnote (1) 27 units in new building - 10 units previously assessed in the original two buildings = 17 units.

Assessment = (Frontage x \$33.07) + (Area x \$2421.71) + (Assessed Land Value x \$0.1084) + (No. of Units x \$1931.06)

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SEWER BENEFIT ASSESSMENT PAYMENT SCHEDULE

ASSESSMENT: RATE: \$32,828.02

3.5%

PAYMENT NUMBER
1
2
3
4
5
6
7
8
9

PRINCIPAL	INTEREST	TOTAL
\$2,188.54	0	\$2,188.54
\$2,188.54	\$1,072.38	\$3,260.92
\$2,188.54	\$995.78	\$3,184.32
\$2,188.54	\$919.18	\$3,107.72
\$2,188.54	\$842.59	\$3,031.13
\$2,188.54	\$765.99	\$2,954.53
\$2,188.54	\$689.39	\$2,877.93
\$2,188.54	\$612.79	\$2,801.33
\$2,188.54	\$536.19	\$2,724.73
\$2,188.54	\$459.59	\$2,648.13
\$2,188.54	\$382.99	\$2,571.53
\$2,188.54	\$306.39	\$2,494.93
\$2,188.54	\$229.79	\$2,418.33
\$2,188.54	\$153.20	\$2,341.74
\$2,188.54	\$76.60	\$2,265.14

\$32,828.10

\$8,042.85

\$40,870.95

August 23, 2016

SUPPLEMENT SEWER ASSESSMENT RESOLUTION

GDS CAPITAL HOLDINGS, LLC - 377 MAIN STREET

Page 1 of 3

Discussion:

- 1. Reference is made to a "SANITARY SEWER BENEFIT RESOLUTION" that was adopted August 27, 1991 by the East Lyme Water and Sewer Commission, amended on March 24, 1992 and again amended on April 27, 1993. (Note: Proposed resolution does not reference latest amendment);
- 2. This Resolution was an assessment of benefits for Phase I through Phase IV of public sanitary collection sewers installed in the Town of East Lyme, Connecticut; establishing the total amount to be assessed; the due date of said assessments; provided for installment payments of assessments, term and interest thereon;
- 3. According to the Connecticut General Statutes, a municipality's Water Pollution Control Authority <u>may</u> apportion and assess the whole or any portion of the cost thereof upon the lands and buildings in the municipality, which in its judgement, are "especially benefitted" thereby, whether they abut on such sewerage system or not, and upon the owners of such land and buildings according to said Connecticut General Statutes;
- **4.** <u>MAY</u> is the operative word here. According to your Regulations regarding adoption of Sewer Use Charges, "Shall is mandatory, may is permissible."
- 5. This Resolution adopted the land frontage, land area, land value and # of units method as the basis for apportioning the total collectible sewerage system costs to be collected;
- 6. Section 3 of the Resolution states "That the cost to be assessed for the above-described public sanitary sewer collection system was determined to be \$27,603,955.00."
- 7. Section 2 of the Resolution allocated a total assessment of \$27,603,955.00 among the benefited properties shown on Assessor's records of the Town of East Lyme on the Grand List of October 1, 1990;
- 8. Further, the Commission allocated those benefits into two categories as follows:

 Commercial/Industrial \$ 6,001,930.83

 Residential Portion \$21,602,024.17

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Hachment-8120/16 Dy S. Suith Wenz 3pp.

August 23, 2016 SUPPLEMENT SEWER ASSESSMENT RESOLUTION GDS CAPITAL HOLDINGS, LLC – 377 MAIN STREET Page 2 of 3

9. Further, each category was assessed the following percentage of the total collectible sewerage system costs to be collected from that category:

Frontage: 21% Land Area: 21% Land Value: 21% Unit Charge: 37%

10. Therefore, the total assessment for the Commercial/Industrial Category would be broken down as follows:

Frontage: \$1,260,405.47 = 38,113.26 feet = \$33.07/foot
Land Area: \$1,260,405.47 = 520.46 Acres = \$2,421.71/acre
Land Value: \$1,260,405.47 = \$11,627,356.73 = \$0.1084/\$1
Unit Charge: \$2,220,714.42 = 1,150 Units = \$1931.06/unit

\$6,001,930.83

11. Section 6 of the Resolution established the installment payment of any assessment shall be made in 25 substantially equal annual installments. Which means the total assessment would be paid off within 25 years. (i.e. fully paid in 2016.)

- 12. While the Resolution fixed the assessment for frontage, land area and land value, it provided for an expansion of the number of units in Section 2.I.n. of the Resolution.
- 13. The original total assessment for the Sanitary Sewer Benefit for Phase I through Phase IV has or will be fully paid by August 2016.

August 23, 2016 SUPPLEMENT SEWER ASSESSMENT RESOLUTION GDS CAPITAL HOLDINGS, LLC – 377 MAIN STREET Page 3 of 3

Questions:

- 1. If the Resolution established the total assessment to be collected then how can that amount be exceeded?
- 2. According to public record, you have invoked Benefit Assessment Resolutions on six (6) new developments since 1991 for a total of \$2,153,311.08. Each time additional assessments were made did the Town of east Lyme recalculate new assessments and reimburse the original assessed property owners?
- 3. According to public record, there were five (5) Sewer Main Extensions since 1991 that were "especially benefited" from the Phase I through Phase IV public sanitary collection sewers. For each extension, did the Town of east Lyme recalculate new assessments and reimburse the original property owners of Phase I through Phase IV?
- 4. According to public record, Point of Woods, Town of Old Lyme, was "especially benefited" from the Phase I through Phase IV public sanitary collection sewers. Did the Town of East Lyme recalculate new assessments and reimburse the original property owners of Phase I through Phase IV?

Summary:

- 1. 377 Main Street, while considered a new development for Main Street, expended over \$4,000,000 to remove two out-of-date buildings and help revitalize our Main Street by providing 4 commercial store fronts and 24 residential apartments. This project has quadrupled the tax revenue for these properties. The new Tenants that have been brought into our downtown help to support our businesses and provide additional services to our community.
- 2. Other properties along Main Street were rehabbed with an increase in the sanitary usage taking advantage of being "especially benefitted" without any additional assessment. Why does this commission want to penalize me for making this type of investment in your town? To charge another \$32,828.02 sewer benefit assessment on top of the original \$32,550.95 already paid for this property will be sending out the message that the Town of East Lyme is anti-development, anti-business and anti-revitalization of our Main Street and not consistent in their assessment process.
- 3. Are you not being short sighted by asking for this assessment?

Respectfully,

Gary D. Smith GDS Capital Holdings, LLC