Town Center TIF District Master Plan

Town of Montville, Connecticut

Adopted: ______

Prepared by: Department of Land Use and Development
with assistance from Goman & York

DRAFT
July 13, 2026

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Introduction and Criteria for Establishment

The Town of Montville (the "Town") shall designate the Town of Montville Town Center Tax Increment Financing District (the "District") and adopt this Town Center TIF District Master Plan (the "District Master Plan") for the District to help generate strategic growth within the district, and support employment, housing, and economic growth in the Town.

Per CGS Sec 7-339ee (4)(A), the Town Council finds that the District is suitable for commercial, residential, mixed-use or retail uses, downtown development or transit-oriented development; and the original assessed value, along with other TIF districts in the Town of Montville does not exceed 10% of the total value of taxable property within the Town of Montville.

Chapter 105b of the Connecticut General Statutes (the "TIF Act") authorizes municipalities in Connecticut to create tax increment financing (TIF) districts for the purpose of economic development. A TIF District has a defined boundary and includes public and private real property. A TIF District allows the Town to designate future incremental real property tax revenues from the properties in the district to support economic development within the District, and in some cases beyond. That is, the TIF District only captures property tax revenue on any increases in assessed value above the assessed value at the time the District is created.

The Town recognizes that TIF is an effective tool for economic development and seeks to use TIF to develop the District. The District Master Plan contained in this document outlines the Town's intended uses of TIF revenues and includes the administrative details of the District terms and how the District will be operated. This District Master Plan is consistent with the Town's Tax Increment Financing (TIF) Policy, adopted date here, including the provisions for a TIF and with all applicable Federal, State, and local laws and regulation. The TIF Policy is included as Attachment 2.

Defined Terms

Various terms used in this Master Plan are defined in the TIF Policy, Attachment 2.

I. District Master Plan

A. District Master Plan Vision

The Town's designation of the TIF District, combined with the adoption of the District Master Plan, will create a designated municipal TIF district to capture some or all of the value of the real (land and building) property improvements made within the District, and enable the dedication of resulting incremental real property tax revenues for specified purposes to support private investment and related municipal infrastructure and economic development projects and programs.

The Town understands the usefulness of Tax Increment Financing in economic development as part of long-term economic development planning and implementation, including the Town's Plan of Conservation and Development and its Zoning Regulations.

In designating this District and adopting the District Master Plan, the Town seek to accomplish the following goals:

a. Grow and diversify the Town's tax base through private investment.
b. Grow and support economically diverse, long-term, stable employment opportunities for area residents.
c. Improve Montville's quality of life and sense of place to serve residents, businesses and workers including:
d. Enhance the Town's infrastructure development.
e. Create housing opportunities to attract and support workforce development.
f. Construct new modern housing to appeal to a broad spectrum of demographic cohorts.
g. Establish public spaces and cultural uses.
h. Improve transportation, water dependent uses, and recreation infrastructure, including enhanced and well-connected pedestrian and bicycle facilities.
i. Assist established businesses in the Town, thus assisting in retaining existing employment opportunities and expanding employment.
j. Create new commercial and industrial spaces that offer flexibility and respond to evolving business and technological needs.
k. Revitalize areas or buildings in need of redevelopment, remediation, or rehabilitation.
l. Capitalize upon and support the nearby major employers and destinations

The vision for the District is as defined in the visions and recommendations outlined in the CIF Round 5 funded Revive and Renew planning document dated July 14, 2026.

The following principles shall apply to all TIF applications in the downtown:

- Create a Vibrant Public Realm
- Employ Environmental Best Practices
- Promote A Mix of Uses and Densities
- Pedestrian First with efficient movement of vehicles
- Ensure Quality Architecture (material, methods and aesthetic)
- Housing for all income levels and ages
- Publicly accessible spaces
- Amenities for visitors, residents and workers.
- Public waterfront access
- Mixed uses are strongly encouraged

- Safe and efficient Circulation
- Promote Pedestrian connections and walkability
- Employ Stormwater Management to reduce flooding and foster water quality

B. Boundaries and Description of District

The Town has selected a portion of the Town of Montville as the Town Center Tax Increment Financing District. The District encompasses 284 acres and is described upon the included map in Appendix A.

C. Certification of Original Assessed Value

Table 1, below, presents the Original Assessed Value (OAV) of the taxable real property in the TIF District as of _____. The Assessor's Certificate of Original Assessed Value is included as Exhibit B.

The OAV of all proposed and existing TIF Districts in the Town (taxable real property) may not exceed the state-established maximum of 10% of the total taxable real property in the Town as of October 1, 2025. As shown in Table 1 below, the OAV within all proposed and existing TIF Districts in the Town is below the state maximum.

Table 1: Original Assessed Value (OAV) as a Percent of all Town Taxable Real Property	
OAV, Proposed TIF District (Taxable Real Property)	$0000
OAV Existing and Proposed TIF Districts (Taxable Real Property)	$0000
October 1, 2025 Town Gross Taxable Real Estate Grand List	$0000
Total OAV within Town TIF Districts as % of October 1, 2025 Gross Taxable Real Estate Grand List	0000%

Throughout the term of the District, the Increased Assessed Value shall always be calculated based on the OAV. Decreases in the Captured Assessed Value shall not obligate either the Town or the Town to make up any shortfalls in Tax Increment Revenues. All assessed real property value captured in the Town of Montville TIF District will be added to the general tax rolls at the end of the District's term.

D. Term of the District

The maximum duration of this TIF District and Master Plan is from approval by the Town for a duration of thirty (30) years.

II. Use of TIF District Funds

The Town intends to use TIF Revenues from the TIF District to finance costs of public improvement projects and future economic development programs and initiatives, which collectively will improve the Town's economy.

A. Allocation of Funds

All projects undertaken with TIF Revenues shall be for the benefit of the TIF District. Except, the Town Council make specifically make a determination that the use of funds for a project that resides outside of the TIF District Boundaries, or a program that occurs outside of the TIF District Boundaries, will also benefit the TIF District. When doing so, the Town Council shall state for the record how such fund use will benefit the TIF District.

Potential projects and programs are described in Table 2 below.

While this District Master Plan lists particular projects, it shall not serve as an appropriation of TIF Revenues for any of these specific purposes, nor shall it commit the Town to completing any particular project unless otherwise specified in this Plan.

TIF Revenues not used for specific District purposes may be moved to the Town's General Fund per vote of the Town Council in accordance with the TIF Act; the Town Council must vote to approve any transfer of funds from the District Master Plan Fund to the Town's General Fund.

As of the date of the adoption of this TIF Master Plan, cost estimates are not known and it is not determined which projects from this list will be implemented. Any expenditure of TIF Revenues on projects from Table 2 below will require budget approval by the Town Council through its usual legislative processes.

B. Summary of Potential TIF District Projects

The following list is a representative example of the likely projects within the District only, unless specifically specified below, which will be funded by TIF District Funds.

Table 2 - TIF District Projects

Project/Program/Category	Description
Stormwater Improvement Fund	Prepare studies and implement stormwater improvements for the District and funding for low impact development stormwater treatments where appropriate. Design, permitting, and construction costs as necessary.

Streetscape and Gateway Improvements and Related Maintenance	Improve the streetscape of Route 32; the roadway of RT 163 from Route 32 to I-395 (outside District), and intersections of each side street to Route 32. Intersecting streets as necessary within and outside of the District. Improvements including but are not limited to medians, crosswalks, plantings, lighting (including ornamental), benches and signage, and possible signalization. Public plazas. The project includes any design, engineering and other capital costs associated with these projects.
Recreation, Trails & Conservation	Creation of active and passive recreation amenities and public gathering; multiuse trails and related infrastructure; said multi-use trail may include segments from Pequot Ave to Thames River, even if outside of said district. Pickers pond improvements for park and trails and bridges; land conservation; flood studies;
Road, Traffic, & Bicycle Facility Improvements	Improve roads, streets signals and other infrastructure that form the transportation routes most directly impacted by the creation of the District. Road construction and paving improvements within the TIF District and along side streets which intersection with Route 32 within the district, including but not limited to engineering and design work, sidewalk, bike lanes/paths, bike and pedestrian crossing safety improvements, culvert repair, lighting and catch basin and storm water infrastructure work. This includes improvements within and outside the district necessary to support the realignment of Maple Ave to Route 163.
Façade Improvement Program	Costs associated with the planning, design and construction of façade, site and landscape improvements on private property that is visible from the public right of way. This may include, but is not limited to, siding, awnings, windows, doors, painting, signs, landscaping, lighting, paving and walks. Awards shall be done on a competitive basis and cover a percent of the costs, not the full amount. The owner will be held to specific performance based criteria and if not achieved, will be responsible to pay back all, or a portion of, the amount awarded.
Utility Improvements, Resiliency, Sustainability	The planning, design and construction of utility improvements when directly linked to economic development. This includes water, sewer, gas, telecommunications, fiber optics, high-speed internet and free public wireless internet access. Expansion of the water pollution control facility.
Public Transit and Alternatives	Costs associated with the study and implementation of Transit Oriented Development, bus rapid transit, shuttle bus and/or other public or privately run transportation route(s), and expansion options.
Maintenance	Maintenance costs when private contracting is required.

Table 2 - TIF District Projects

Project/Program/Category	Description
Economic Development and Planning Studies	Development and update of plans, analysis or strategies to further the goal of the redevelopment of the District.
Other Economic Development Projects and Programs	Events/festival support and promotion/marketing of the District. Consultant services in support of economic development. Employment training for residents.
Private Development Support	Support private development projects through Credit Enhancement Agreements (CEA) including Town legal and consulting costs.
Professional Service and Administration	Professional service and administration costs associated with the District and the implementation of the Development Program. Staff time for TIF administration; consultant services in support of TIF administration.
Environmental Remediation/HBMI	Phase I and Phase II environmental studies and Phase III remediation where necessary within the District. HBMI evaluations including testing.
Site Preparation and Relocation Costs	Costs associated with preparing sites within the District for redevelopment, real property assembly costs and the costs, if any, associated with relocating individuals or businesses from sites within the District that will accommodate commercial redevelopment.
Business Improvements District	Costs associated with the establishment and management of a BID and costs of maintenance and upkeep for those areas the BID is responsible for.
Business Programs	Training for business startups and staff, expansion planning, business planning, marketing plans, etc.
Property Acquisition, Demolition and Rehabilitation	The purchase of real estate by the Town and the Town including the rehabilitation of buildings determined to be in a condition for adaptive reuse and demolition of property improvements.

C. Private Development Description, Costs, and Financial Support

In addition to public improvements, the Town may support certain industrial, commercial, residential, mixed-use, retail improvements, or transit-oriented development or recreational and public space and governmental building improvements within the District by using TIF revenues.

D. Credit Enhancement Agreements (CEAs)

The Town may use a portion of TIF Revenues to enter into Credit Enhancement Agreements with private parties. CEAs are a tool to incentivize desirable development projects, which would otherwise not occur because they would be financially infeasible. As described in the Town's TIF Policy, actions with regard to CEAs will be undertaken as a priority incentive between a developer and the Town.

The Town reserve the right to negotiate CEAs with individual property owners and developers of any properties within the District. CEAs may provide a reimbursement of up to 100% of the TIF Revenue produced from the particular property, and up to the full term of the District. For each CEA, the Town will establish, among other terms and conditions, the percentage of reimbursement of TIF Revenue and the length of the reimbursement period.

CEAs within the TIF District are not provided as a matter of right. The Town's Credit Enhancement Guidelines and Requirements are presented in its *Town of Montville Tax Increment Financing Policy*, which is included as Attachment 2.

III. Financial Plan

A. Financial Characteristics

This District Master Plan establishes a Financial Plan with the following characteristics as set forth in Table 3, below:

Table 3 – Financial Plan Characteristics, Town of Montville TIF District	
Original Assessed Value of Taxable Parcels in the TIF District as of October 1, 2018	$ 000
Percent of Increased Assessed Value Located within the TIF District to be Captured	00%
Term of the TIF District, in Years	30 years
Maximum Public Indebtedness to which TIF Revenues May be Pledged	$ 000

The TIF Revenues collected from the TIF District will fund and/or contribute to the funding of approved public projects, including any of the projects described in Table 2, as well as support private investment as described in Section I.F above.

Estimates of Increased Assessed Values of properties in the TIF District are included in Exhibit C.

B. Financing Structure and Flow of Funds

The Town reserve the right to incur debt to facilitate, in part or in whole, any of the aforementioned projects within the District Master Plan.

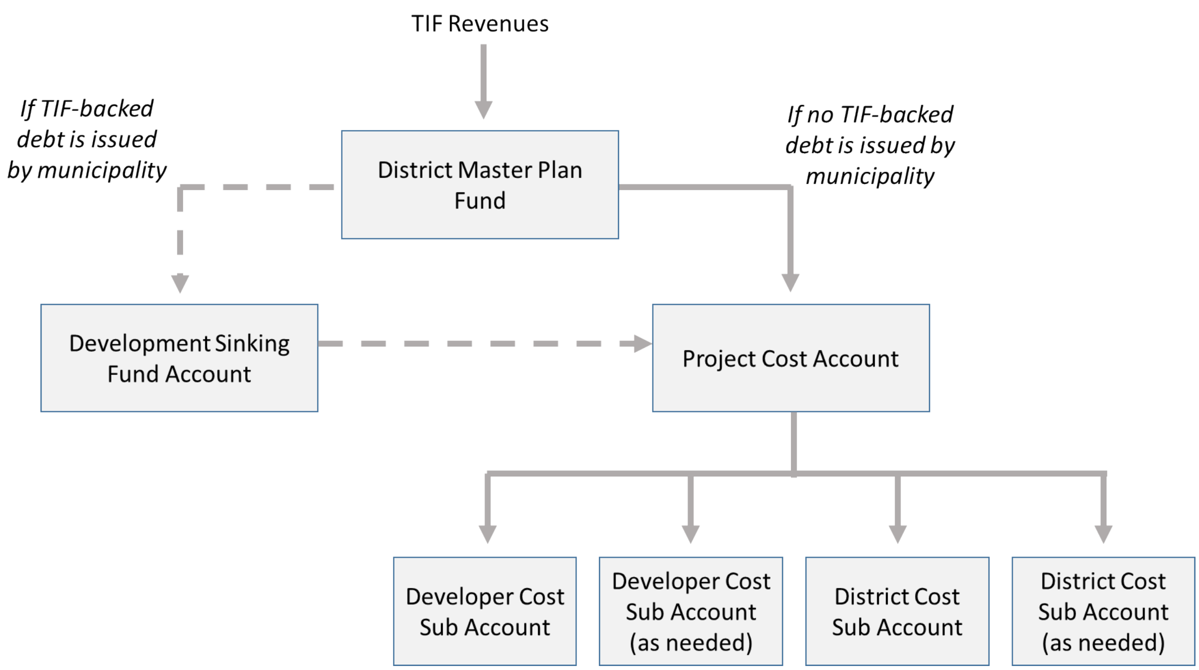
The District Master Plan requires establishment of a District Master Plan Fund. Over term of the TIF District, the District

Master Plan provides that the Town shall capture the percentage of Increased Assessed Value of the real property located within the District as set forth in Table 3, above. One hundred percent (100%) of the real property tax revenues from the Captured Assessed Value of this TIF District will be deposited in the District Master Plan Fund and will be allocated as shown in the graphic and described below.

A District Master Plan Account will be created for each TIF District within the Town. The Town reserves the right to make transfers between District Master Plan accounts as required, provided that the transfers do not result in a balance in the District Master Plan Sinking Fund account that is insufficient to cover the annual obligations of that account. It is further required that any such transfers are subject to approval by the Town Council and must vote to approve any transfer. No transfers of funds from the District Master Plan Fund may be made without the vote of the Town Council.

Expenditures of TIF Revenues, other than for CEAs, will be included and approved as part of the Town's regular budget process. Expenditures for public facilities, improvements, and Programs (i.e., any expenditures of TIF Revenues for purposes other than CEAs) will be made only after the Town and the Town meet the obligations of any CEAs and any debt obligations that are secured by TIF revenues.

Figure 1: Flow of Funds



C. District Master Plan Fund

The District Master Plan Fund will include (1) a Project Cost Account that is pledged to and charged with the payment of project costs that are outlined in the financial plan; and (2) in instances of indebtedness issued by the Town a Development Sinking Fund Account that is pledged to and charged with the (i) payment of the interest and principal as the interest and principal falls due, including any redemption premium; (ii) payment of the costs of providing or reimbursing any provider of any guarantee, letter of credit, policy of bond insurance or other credit enhancement device used to secure payment of debt service on any such indebtedness; and (iii) funding any required reserve fund.

TIF Revenues shall be deposited first to the District Master Plan Fund and then to:

D. Development Sinking Fund Account

For as long as any municipal indebtedness to which TIF Revenues are pledged is outstanding, to the Development Sinking Fund Account in amounts sufficient to make payments on any such debt issued by the Town to finance or refinance Project Costs, including the following: (ii) payment of the costs of providing or reimbursing any provider of any guarantee, letter of credit, policy of bond insurance or other credit enhancement device used to secure payment of debt service on any such indebtedness; and (iii) funding any required reserve fund, and otherwise to the following accounts:

E. Project Cost Account

The Project Cost Account, which shall consist of (1) one or more District Cost Sub Accounts (the “District Cost Sub Accounts”) pledged to and charged with the payment of costs of the project costs and (2) one or more Developer Cost Sub Accounts (the “Developer Cost Sub Accounts”) pledged to and charged with payment of the costs of reimbursement consistent with each approved Credit Enhancement Agreement, if any. Funds deposited to the Project Cost Account will be transferred first to the Developer Cost Sub Accounts, if any, and then to the District Cost Sub Accounts.

F. Developer Cost Sub Accounts and Credit Enhancement Agreements

Should the Town choose to enter into Credit Enhancement Agreements (“CEAs”) between the Town and any property owner, or property owner and developer, a Developer Cost Sub Account will be established by that CEA. Amounts to be paid to the property owner or developer under the CEA will be deposited into the Developer Cost Sub Account and payments to the property owner or developer will be made from the Developer Cost Sub Account established by that CEA. In any fiscal year, payments under each CEA will be made periodically following payment of the associated property taxes on the property owner’s or developer’s project. The Town’s obligation to make a periodic payment under any CEA will only arise to the extent the Town receives incremental real property tax revenue based on positive Captured Assessed Value of the particular property during the appropriate period. In any CEA, the Town shall not obligate itself to make fixed payments without receiving TIF Revenues, nor shall it be obligated to make payments if there is no Increased Assessed Value.

The CEA is a contract, and as long as the property owner, or property owner and developer, meet their obligations under the terms of the contract, the Town will be obligated to make payments as agreed upon in the contract, and otherwise meet all terms of the contract as well.

G. District Cost Sub Accounts

Expenditures of TIF Revenues, other than for CEAs, will be included and approved as part of the Town's annual capital projects budget, if any, or annual budget. Deposits to the District Cost Sub Accounts will be made only after the Town meets the obligations of any debt that are secured by TIF Revenues and any CEAs. Expenditures for public facilities, improvements, and programs (i.e., any expenditures of TIF Revenues for purposes other than CEAs) will be made by payments from the District Cost Sub Accounts.

H. Transfer to the Town's General Fund

The TIF Statute allows a municipality, by vote of its legislative body, to transfer funds from any account within the District Master Plan Fund that are in excess of funds needed to meet the obligations of any approved debt service, CEAs or other obligations approved as part of the TIF District Master Plan, and deposit those excess funds in the municipality's General Fund.

At least once per year the TIF Advisory Committee will review the balances in TIF-related accounts and if it concludes there are excess funds and that transfer of the excess funds will not result in a balance in either the District Master Plan Sinking Fund or the Project Cost Account that is insufficient to cover the annual obligations of that account, including but not limited to approved debt service, CEAs or other obligations approved as part of the District Master Plan, it may recommend to the Town's legislative body an amount that should be transferred to the Town's General Fund. It is required that any such transfers are subject to approval by the Town Council to the Town's General Fund.

I. Sources of Revenues

The primary source of revenue to implement the District Master Plan will be the incremental revenues generated by the collection of property tax payments on parcels located within the TIF District. Other sources of revenues that may be used to fund projects and programs in Table 2 include, but are not limited to, state and federal grants and Town allocated funds.

J. Estimates of Increases in Assessed Values and Associated Incremental Revenues in District

Annual estimated, projected assessed value of taxable real property, associated annual estimated, projected tax revenues, the value and associated revenues above the OAV, annual percentage of incremental (percent of the amount above OAV) valuation of taxable real property to be captured (dedicated for specified TIF District purposes) and percent to be sent to the General Fund for all parcels within the district are detailed in Exhibit C.

K. Captured Assessed Value & Resulting Tax Increments

Real property tax revenues from in the Captured Assessed Value in the TIF District will be applied to the District Master Plan. Any tax revenues not applied to the District Master Plan will be deposited to the Town's General Fund. Throughout the term of the TIF District, the Increased Assessed Value shall always be calculated based on the Original Assessed Value that was calculated at the time the TIF District was created. Decreases in the Increased Assessed Value shall not obligate the Town to make up any shortfalls in TIF Revenues.

IV. Statutory Requirements for Approval Process

The Town has complied with the statutory requirements for approval of this TIF District Master Plan, including:

A. Notice of Public Hearing

A Notice of Public Hearing was published in a newspaper of general circulation in the Town and the Town on a date at least 10 days prior to the public hearing and a publichearing on this TIF District Master Plan was held in accordance with the requirements of the TIF Act.

The Notice of Public Hearing and the publication name and date are attached as Exhibit D.

B. Minutes of Public Hearing

Minutes of the public hearing, during which this TIF District Master Plan was discussed by the public, are attached as Exhibit E.

C. Written Advisory Opinion from Planning Commission

Attached as Exhibit F is a copy of the letter transmitting the TIF District Master Plan to the Planning Commission and the written advisory opinion from the Planning Commission that includes a determination on whether the TIF District Master Plan is consistent with the Plan of Conservation and Development of each municipality.

D. Legislative Action

Attached as Exhibit G is a copy of the Agenda and Minutes of the Town Council and the Town Council meetings approving this TIF District Master Plan, each meeting duly called and held on a date at least ninety days beyond the date of each letter transmitting the District Master Plan to the Planning Commission, respectively.

V. Operational and Maintenance Plan

A. Plan of Operation

The Town shall set an effective date for this Town of Montville TIF District Master Plan. After approval by the Town Council, the TIF District Master Plan shall become effective at the date that has been set by the Town Council.

Upon approval of the District Master Plan, the TIF Advisory Committee shall be charged with advising and guiding Town staff and Town staff on its implementation. All operation and maintenance activities, including cooperation with the Town of Montville as appropriate, will conform to the Town's *Tax Increment Financing Policy* in Attachment 2.

Any agreements with developers, property owners, or businesses involving the TIF District or TIF Revenues, such as Credit Enhancement Agreements or Fixed Assessment Agreements, shall be reviewed and approved by the Town Council following review and recommendations from Staff, the TIF Advisory Committee. The Town will review CEA applications on a case-by-case basis and is not obligated or bound to enter into a CEA.

As described in section B. “Financing Structure and Flow of Funds,” District Master Plan Funds that are in excess of funds needed to meet the obligations the fund may be transferred to other District Master Plans or to the Town’s General Fund, by vote of the Town Council.

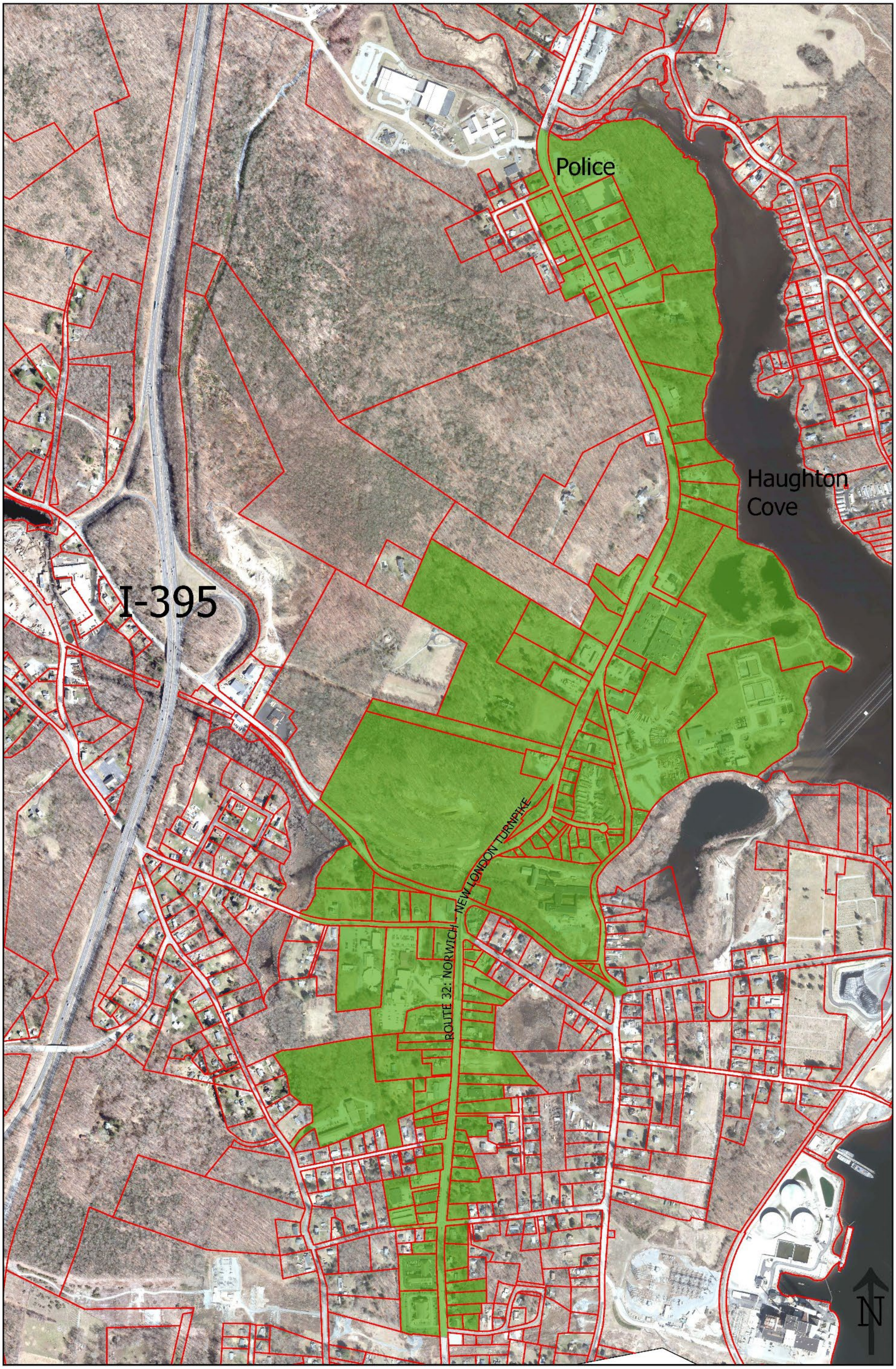
B. Annual Reporting

The TIF Advisory Committee shall annually report to the Town Council on the status and performance of the TIF District, and the Town Council shall review the TIF District Master Plan annually. This shall include but not be limited to annual information on:

- Narrative description of public and private property improvements (new development, redevelopment, infrastructure) made to date
- Incremental property value to date above the Original Assessed Value and associated revenues
- Jobs created and retained through any credit enhancement agreements or other direct developer or business befits related to the TIF District
- New private investment within the TIF District
- Any other public and private benefits resulting from the TIF District

The Town, as required by the TIF Act, will include in its annual audit all accounts and funds established under the District Master Plan.

Exhibit A: TIF District Maps and Parcel Identification


Police
Haughton
Cove
I-395
ROUTE 32: NORWICH - NEW LONDON TURNPIKE
N

Parcels in the TIF District

TOWN OF MONTVILLE TIF DISTRICT, 2018 GRAND LIST ASSESSMENTS				
ID	**Property Location**	**Acres**	**Gross Assessment, Taxable**	**Gross Assessment, Tax Exempt**
Totals				
TOTAL TAXABLE GROSS ASSESSMENT, PARCELS IN THE TIF DISTRICT				
2018 GROSS REAL ESTATE GRAND LIST				
TAXABLE ASSESSED VALUES IN TIF DISTRICT AS A % OF 2018 GRAND LIST				

Exhibit B: Assessor’s Certificate of Original Assessed Value

Exhibit C: Estimates of Increases in Assessed Values and Associated Incremental Revenues in District

Exhibit D: Notice(s) of Public Hearing(s)

Please see the following pages.

PUBLIC HEARING NOTICE TOWN OF MONTVILLE

Exhibit E: Minutes of Public Hearing(s)

insert MINUTES OF THE PUBLIC HEARING TOWN OF MONTVILLE

Exhibit F: Written Advisory Opinions from Planning Commissions

Please see the following pages.

Exhibit G: Town Legislative Actions

Please see the following pages.

Insert resolution ado