Comment [SV1]:

Special Joint Meeting
Planning & Zoning Commission &
Economic Development Commission
Thursday, October 14, 2010
Windham High School Media Room
Meeting Minutes

EDC Commission Members present: Bill Hettinger, Victor Funderburk, Kay Haskell, George Buch, Bob Horrocks, Ceaser Castro
PZC Commission Members present: Paula Stahl, Dawn Niles, Dan Lein, Claire Lary, Juan Montalbo, Jean Chaine

Town Staff: James Finger, Town Planner, Neal Beets, Town Manager, Joan Paskewich Town Assessor, Sharon Vernon, recording secretary

Call to order: Paula Stahl and Bill Hettinger called the meetings to order at 7:02 pm

Paula commented that the PZC wanted to include the EDC in the work sessions, and this was the first opportunity. She stated that the PZC has been working on implementing their plan of development and revisions to the zoning regulations are needed to be consistent with the Town's Plan of Development. Paula stated that they are first tackling commercial regulations and are trying to make their zoning regulations more business friendly and to meet the current pattern of development. For example, a proposed retail store in North Windham (next door to Walmart) would need to seek a special permit. The PZC is working on striving for economic development and thinking about ways that the town can get the maximum benefit long term from economic development. The PZC does not want to do this in a vacuum and felt that it was important to seek input from the EDC early on to make sure they were going in the right direction. Paula added because we are looking at a fiscal benefit of economic development that it may be helpful to hear from our Town Assessor, Joan Paskewich, to discuss how assessed value is determined and different ways to determine property valuation, especially on the commercial side.

Economic Development Commission – Elect chair:

Bob Horrocks resigned as chair due to health reasons and Bill Hettinger offered to replace him as acting-chair. *Bob Horrocks made a motion that Bill*

Hettinger replace him as the EDC Chair, Kay Haskell seconded the motion, all members approved, motion carried.

Presentation of Town Assessor Joan Paskewich:

Joan gave a brief background history of her 18 years as a Town Assessor with the Town of Windham. She stated that the mission of the assessor's office is to discover list and value, all taxable and tax exempt real estate and personal property in the municipality. Joan added that at one time the town was required to conduct revaluations once every 10 years, then the law changed to every 5 years, she added that they also did one on a 4 year basis between 2001 and 2005 because the market was good, and the town wanted that because it benefitted the grand list. This time around we were due in 2010, but because of new legislation the town voted to take a local option to defer the revaluation for one year. Joan added that she endorsed that because in this economy your grand list isn't going to grow. Joan stated that she would explain some on how to create a grand list related more to the commercial side; she commented that there are three basic approaches to value, whether you are a fee appraiser or an assessor. 1) Cost approach 2) the sales comparison or market approach, 3) the income approach to value. The fee appraiser has to value one property at one point in time where as the assessor has to value the entire municipality as of one date October 1 and the effective year is the year of revaluation. All of this is dictated by state statues. State statues tell us that we have to use a fair market value standard as well. Joan went into more detail on how they perform the revaluation process and stated that the town takes on more work instead of hiring out to save the town money and that on the OPM website it shows that on our last revaluation that we completed it at the lowest price per parcel in the state of CT. Joan also added that we are in an on-going inspection mode. Joan stated that when you are talking about a commercial property the most recommended by statutes approach to take is the income approach to value. Joan went into more detail on the income approach.

Joan passed out an income & expense survey form for calendar year 2009 for office property, some discussion followed on this type of form.

Dawn Niles discussed the idea of making the North Windham village, South Windham and the Village section in Windham Center to a Village District and wanted to know what types of businesses that we should zone for. Joan passed out two copies of District 1 (Windhams) and District 2 (Service District) with the top tax payers for real estate and business personal property in these districts; she stated that looking at these may help determine the type of businesses to look for. Some discussion followed on Walmart and businesses that had to go to the town for special permits. Dawn asked Joan if it made sense to zone up in single story buildings, and also included another example on Crystal Rd. and asked if a single family home should be zoned for multiple family homes. Dawn added that the PZC is trying to figure out if they are on the right track or not.

Paula added that personal property is also a component of commercial assessment, as well as motor vehicles for some businesses and both components depreciate in value year by year whereas buildings & land, in normal economic times, goes up. She stated that they are looking maximizing the fiscal benefit, and want to create zoning that does that, for instance is lot size, a determinant? Joan replied that what they do in the revaluation process really follows in what they do in zoning because we react to the market and capture the values and try to make them equitable, defensible & understandable. For commercial Joan stated that if you meet the minimum standard, and you have a 5 acre minimum and you have 6 acres there will be some contributory value to that extra acre but not at the same rate as the 5 acres that is required to support the commercial building. Paula said that at looking at the new WINCOG GIS mapping on-line she was comparing Walgreens & CVS and found the factor for each land value was an exact multiplier.

Joan passed out two commercial property cards from the Windham, CT 2005 REVAL one on Dunkin Donuts and the other on Windham Wine & Spirits so she could try to show comparisons on buildings. Discussion followed on why the land value for Dunkin Donuts was twice the value as Windham Wine & Spirits since they were both the same size. Paula noted that according to the WINCOG site, the land at Dunkin Donuts is valued at $198,000 and the land at Windham Wine & Spirits is valued at $92,000 yet they are about the same lot size. Ceaser Castro replied that even though the land is the same size that Comp Check does the comparison on the size and then on the business that exists, income coming into the property, income going out of the property and the traffic. Further discussion followed on this. Joan replied when you use an income approach to value it produces a total property value; it doesn’t produce a split between land & building. She added that the real estate is more valuable at Dunkin Donuts because of the leases that are placed on the property and there is a huge income stream there. Windham Wine & Spirits doesn't have a lease (this same type of income stream).

Bill Hettinger asked if a new business came to town would that mean that the assessment would depend on how successful the business was, for example if we put a Target next to Walmart and they were the same size, etc. would we get different taxes on that building depending on how successful it was. Joan replied that it would be the building itself, what income and rents it generated, or what the building sells for, not the success of the business that drives the real estate valuation. Dan Lein asked how can we assist economic development to do better in the city or expand and grow the Windhams in a reasonable manner through zoning changes and assessment. Bill Hettinger asked if we should be attracting more Walmart type businesses in North Windham or should we be going for industrial buildings or mixed-used, or maybe we are hurting ourselves by targeting a certain type to come into our community. Bill stated that retail seems to use up a lot of black top so how do we tax the black top. Paula asked if we should

require people to have a certain type of construction, for instance brick buildings to increase the assessment. Joan commented that the value would be higher only if they sell or rent for more. Joan added that the market dictates value. Victor asked if more people came into town and businesses do better, and rents went up 20% would that raise the tax base. Joan replied that it would effective with the next revaluation. Some discussion followed on these questions.

Bob Horrocks asked how many developers are we turning away because of zoning regulations. James Finger replied that very few come in to ask about starting a retail business but they do come in to ask about converting a building into apartments because that business is thriving right now. Some discussion followed on the housing market and compatibility of uses.

Paula asked Joan if we had a one-story shopping center and it was made into two stories such as apartments or businesses upstairs would that increase the assessment. Joan replied definitely yes, and stated that the rents would probably be lower on the second floor and she also replied that you would be getting personal property taxes from the first floor business. There was more discussion on what exactly would be considered items for personal property taxes and how a higher quality retail would turn over their equipment more quickly.

Discussion followed on tax abatement and whether or not it should be offered.

Dan Lein stated that he is hearing that new business needs to get their processes right, let their expectations be known, if they want to do something different they need to do it with the standard footprint and it has to be done by our plan.

Paula asked the EDC if they felt the PZC was heading in the right direction. Bill Hettinger replied that from this meeting he is hearing two things, commercial zoning for North Windham at least on the Walmart side and some other retail/ business zoning on the other side of the street. Paula added that for the west side they were thinking of a new road to increase the developable area, and focus on smaller businesses such as banks, and smaller more locally owned business similar to the businesses that are there now, the type of business with a high local multiplier effect. They are also looking at reducing parking requirements, permit shared parking and be pedestrian friendly; perhaps apartments over the businesses. The east side would encourage the franchise businesses, and reduce the parking requirements and setbacks to increase the developable area. Both areas would have by-right development instead of by special permit.

There was some discussion on why the ECSU college students didn't come downtown and what we could do as a group to get them downtown. Victor stated that a study showed that the students didn't feel welcome downtown

by the businesses. It was suggested that we meet with the Chamber of Commerce to speak directly to the businesses so we could try to resolve that issue.

Ceaser stated that the town hall itself needs to be more responsive and business/people friendly. Jean Chaine also brought up that after 4:00 pm Main Street is very dark and people do not want to walk downtown because of that and if it was more brightly lit maybe the stores would stay open longer.

Dan Lein stated that our budget is minimal with the tax base increasing in minuscule proportions, but we can grow this grand list through our collective efforts. Dan added that 5 years ago there were 185 town employees, today there are 158; this makes it more difficult to be as responsive. More discussion followed on the town being more business/people friendly and the importance of taking their contact info if we can't answer their questions and follow up on it.

It was decided by both commissions that the PZC and the EDC meet quarterly.

Kay Haskell stated that she thought that visuals were very important in meetings and that there is no place in the town hall to put up town maps; she thought it would be helpful if we could put maps up in the rooms that we meet in. Claire Lary also suggested that we could go online and use their WINCOG maps.

The PZC meeting adjourned at 8:55pm.

EDC meeting dates:

Bill Hettinger commented that has a conflict on Wednesdays & Thursdays and that Mondays and Tuesdays seemed to work better for the group.

James Finger stated that the following dates were open at the town hall: November 1st and December 6th. It was also suggested that we could meet at the Media Room at Windham High School the second Monday of the month, James said he could check their calendar. Future meetings will be decided at a later time.

Victor Funderburk made a motion to adjourn the meeting. George Buch seconded the motion. All members were in favor. Motion carried. Meeting adjourned at 9:12 pm.

Minutes respectfully submitted by: Sharon Vernon