

Economic Development Commission - Annual Report for 2012

During the past year, the Commission focused on the following:

Economic Incentive programs

The Commission was charged with the task of reviewing the Town's policies on promoting economic development through various incentives available, with an eye towards refining the process, and providing guidelines for evaluating proposals with the greatest positive impact to the Town. These involve the Town's Enterprise Zone, The Entertainment District, the 'Rehabilitation Area', and various State programs. These are:

Enterprise Zone

- The zone is located in the area roughly bounded by Jackson Street, the Natchaug River, the Mansfield town line, and Main Street
- The enterprise zone was adopted by the Board of Selectman in 1987
- Section 10-4 of the town ordinances outlines the following:
 - All real property improvements (includes manufacturing facilities, commercial, and residential) in this zone are entitled to a seven year assessment deferral (phased in).
 - There is no board approval process by town or EDC. If the property and improvements are eligible, and the property is in the zone, the property owner is entitled to this deferral.
 - Residential properties that are rented require annual certification that the income of the tenants is below 200 percent of median family income.
 - Residential properties that are sold as condominiums require certification that the income of the tenants is below 200 percent of median family income.

Entertainment District

- The district generally runs along Main Street and West Main Street from the Mills to Price-Rite. (Valley Street is roughly the northern boundary, and the Willimantic River is roughly the southern boundary)
- The entertainment district was adopted by the Board Selectman in 1997 (resolution #994), and approved by the State of Connecticut DECD in 1998
- Improvements to real property for eligible entertainment activities (e.g. entertainment production and support activities such as sound studios, movie production or the manufacture of entertainment products) are entitled to a seven year assessment deferral (phased in)
- There is no board approval process by Town or EDC for this Entertainment District benefit. If the entertainment activities and improvements are eligible (must be certified by DECD), and the property is in the zone, the property owner is entitled to this deferral.

- Gambling, gaming, and businesses where the primary source of revenue are alcohol sales are not eligible
- Additionally, the Municipality may approve up to a seven year assessment deferral for ***any real property improvements*** in the district (even if they are not entertainment related). These deferrals are not automatic, but must be approved by the Town Council.

Rehabilitation area

- The entire town has been designated as a rehabilitation area
- The governing rules are those found under section 12-65c (thru) e of the CT General Statutes, and sections 10-21 to 10-24 of the Town's code of ordinances.
- The ordinance essentially applies to residential properties that violate building, health, or fire codes.
- Per the sections of the town ordinances, the town is allowed to negotiate deferred assessments on real property improvements (i.e. Windham Hospital).

Negotiated Assessments (Multi-Family)

- Section 12-65 of the State Statutes allows the Town Council to negotiate assessments on multifamily housing construction or rehabilitation
- The housing project must be three or more units
- The housing project must be in a redevelopment area, community development area, or neighborhood strategy area (not clear that Windham has designated any of these)
- The term cannot exceed 15 years (i.e. Art-Space)
- The negotiated assessment cannot be lower than the last assessment on the property without the improvements.

Negotiated Assessments - Commercial

- Section 12-65b of the state statutes allows the Town Council to negotiate assessments on real property improvements
- Assessments may be negotiated for a wide variety of property types including retail, office, manufacturing, and multifamily residential.
- Per 12-65b, for improvements costing more than \$3 million, properties are eligible for up to a seven year graduated tax deferment. For improvements in excess of \$500,000, properties are eligible for a 100% abatement of the tax assessments on the improvements for up to two years. Improvements costing more than \$25,000 are eligible for a 50% abatement of the new assessment for up to three years.

After careful consideration, the Commission determined that the only changes necessary to the Town's policies was to clarify who should sign or certify documents under the various programs. The Commission recommended that the Town Council authorize the Town Manager to serve or designate someone to sign or certify official documents for the Enterprise Zone and Entertainment District.

Main Street Investment Fund (MSIF)

The Commission spent a considerable amount of time on the preparation of an application for the State's MSIF grant program. After considering public comments at several public informational meetings, the Commission determined that the most competitive application would involve providing funds to business property owners in the Downtown area along with some public amenities. The preliminary proposal was presented to the Town Council for its endorsement. The Council delegated authority to the Economic Development Commission to serve as the governing authority to present the final plan and application to the State Office of Planning & Management; and if funding were secured – to oversee the implementation of the project. The State OPM indicated that it would announce grant awards in the spring of 2013.

Incentive Housing Zone (IHZ)

The Commission heard from the Town's Project Consultant providing input and guidance on the final recommendations.

As background, the state of Connecticut awarded grant funding to the Town of Windham to consider the need for Housing as an Economic Development tool to provide affordable housing for workers, and to consider opportunities to streamline the review process to create higher density housing in areas that qualify and eliminating any Special Permit procedures. This is to be accomplished through a incentive housing overlay zone.

The IHZ program is focused on creating quality housing in urban communities, and Willimantic/Windham meets the state's criteria for this incentive housing zone. The IHZ is a tool to promote economic sustainability and attainable housing and it is as much about economic development and enhancing community character as it is about housing. The IHZ is not the same as 'subsidized' housing, but it is about providing an opportunity for people who have low-moderate income to find good quality housing that meets their needs in an area that is in close proximity to jobs and transportation. Thus, the IHZ should be in area of mixed-use, including commercial development on the first floor and residential development on the second or third story. Additional considerations would focus on design standards.

The results of the market analysis reported that there although there may be an over-supply of certain types of housing, there are a large number of housing units that are not suitable for the needs of the many residents. Thus, there is a need to create approximately 660 housing with a higher quality, in a desirable housing environment. These initial findings indicated that there is a need for student and seniors or "empty nesters". This would increase pedestrian traffic to patronize businesses, etc. Commission members agreed that there is a need for quality, affordable senior housing in a safe environment, with space for a garden, good lighting, close to public transportation, and within walking distance to downtown.

The Willimantic Downtown area has many assets, and provides a number of attractive amenities that could be used to satisfy the housing needs. Priorities for the new Incentive Housing Zone should be on the elimination of blighting influences, focus on adaptive reuse, and in-fill development. In addition, the Town should pursue programs for rehabilitation, and building façade improvements, streetscape enhancements, and support Arts and Cultural organizations that could serve to promote tourism and businesses that provide entertainment.

Future Goals

1. Create economic development “marketing” materials to briefly explain the various state and local business and entrepreneurial assistance resources and provide contact information for programs.
 - Resource categories should include entrepreneur training resources, business plan resources, loan programs, and tax incentives.
 - Create newsletter or use Fast-Facts to get the information out
2. Update the economic development section of the Town website to include current links to business and entrepreneurial assistance programs.
3. Review the town economic data available through CERC or other state sources and update data as necessary
4. Work with Thread City Development to assist with their Main Street efforts
5. Expand outreach and information exchange with other state and local organizations involved in economic development
 - This should include CT-Works, Northeast Alliance, SBDC, Chamber, SAMA, Planning & Zoning Commission and Town staff.
6. Expand outreach to existing and new businesses that require assistance in navigating town processes.
7. Investigate the feasibility of finding state or federal funds for downtown building and streetscape improvements.
8. Investigate the feasibility of finding State or Federal grants to be used for arts and entertainment activities.
9. Investigate the feasibility an industrial park on the town owned land in S. Windham

In addition, the Commission resolved to focus its efforts on making Windham a regional center for arts, culture, and tourism.