



**Economic Development Commission
Monday, November 1, 2010
Windham Town Hall Meeting Room
Meeting Minutes**

Commission Members present: Bill Hettinger, Kay Haskell, Bob Horrocks, Ceasar Castro

Commission Members absent: Victor Funderburk, George Buch & Eric Crowley

Town Staff: James Finger, Town Planner, Sharon Vernon, recording secretary

Guest Speaker: Jana Butts, WINCOG

Call to order: Bill Hettinger called the meeting to order at 7:00 pm

Citizens & Delegations: None

Review/approval of Minutes:

Kay Haskell made a motion to accept the meeting minutes of October 14, 2010. Ceasar Castro seconded the motion. All members present were in favor, motion carried.

Presentation of Windham Housing Study, Jana Butts, WINCOG:

Jana Butts stated that the EDC members have all received a copy of the Final Housing Market Analysis for the Town of Windham; she added that even though it does say final on the copy it isn't the actual final copy. Jana commented that starting on page 12 is where we have put in new information. She stated that some of the changes were as follows: Under major findings in the strength column the consultant looked at External demand for housing, after looking at the commuter patterns of towns living in a 30 mile radius, more sending towns were added to this list, also the number of units for potential demand noted in the draft analysis was 430 units, it is now raised to 650 units. Jana stated on page 14 are the changed recommendations for the housing strategy. The target demographic profile for someone that may want to live in town are: Students, Commuters & empty nesters. The types of units in demand would be: One-bedroom units for students, one and two bedroom units for empty nesters, smaller units for commuters (young families & smaller families), and a variety of pricing options supported by the market would be provided. Jana stated that other recommendations were to improve the look and feel of the downtown area, and to create and support public private partnerships to encourage development such as: TIF District (Tax Increment Financing), IHZ (Incentive Housing Zone), and tax abatements and incentives. Jana went into more detail on Tax Increment Financing.

Jana stated that the IHZ statutes require that 20% of all units within an Incentive Housing Zone Development be restricted to those individuals earning less than 80% of HUD's AMI

for the project region. Jana explained the AMI (Average Income Median) table. She commented that the table is to demonstrate the various income levels and housing affordability based upon HUD's AMI and in response to the minimum statutory requirements and that the 2010 Household Income is about 60% of the AMI. Jana added that this is an estimate of monthly housing costs. Jana also added that the IHZ may not be allowed by a special permit, special permit is a special zoning mechanism, meaning the PZC could put additional conditions on an application before they approve it. This means much less risk to a potential developer going into a project. Some discussion followed on the AMI table.

Jana stated that some assumptions that have been established are: There is a need for better quality housing, a need to keep the rents low, the potential demand which is 660 additional units (not counting those currently under construction) our target demographics, rentals rather than ownership, mixed-use buildings with first floor businesses and residential upper stories are encouraged, downtown is a priority and we want something that looks really good, this is all part of the economic development strategy of improving the image for the Town of Windham.

Some discussion followed on attracting developers: Finding the right developer or development team will be crucial to the IHZ plan. Private for profit developers are often the best option because development risks are shifted from the town to the developer. Private for profit developers typically require a minimum profit margin between 15 & 20% and ask for larger margins if the perceived risk is higher. With today's fluctuating market conditions developers are more likely to take on projects that promise profits in the 20 to 30% range. Regional and local developers and property owners with an in-depth knowledge of the market and the community and long term commitment are more likely to show interest.

Not for profit developers typically develop affordable housing options ranging from low-income to workforce housing and they operate in a similar fashion as for-profit developers. They both want certainty in the development process. They want a welcoming environment, monetary incentives and recruitment by the town; desired land uses, streamlining permitting process, schedule and process; incentives that will reduce the cost of land, labor and/or capital. Some discussion followed on purchasing an assemblage of land through the town or a Local Development Corporation (LDC) to provide it to the developer at no or reduced cost and the status of Thread City Development Corporation. Bob Horrocks replied that TCDC has submitted an application for non-profit status along with a check and added that it could take 4 months to a year to get the status. Further discussion followed on what the town needs to do if an LDC is not formed: Identify an organization or individual leading the implementation and provide development expertise; identify technical and financial incentives, consult with the Hispanic Housing Development Corporation, Inc. (HHDC) and/or The Community Builders, Inc. to assess interest/strategies to bring development to Willimantic. Work with CHFA to develop strategic outreach campaigns to promote housing throughout the Hispanic community. HHDC, Community Builders & CHFA were discussed in more detail as well as the Design Guidelines for the town.

Jana passed out a preliminary sketch of some of the design work in progress and pointed out the existing buildings, commercial space, anchor stores, live/work units (condos with a professional office) town house units, etc. Jana noted that all the buildings were facing the road so there is a face to the block. Jana added that in this sketch were facades with an appropriate look that caught their eye and would fit in with the character of the town. She

also pointed out that the renovations on these types of buildings can be costly to a developer.

Some discussion followed on whether or not the IHZ would come with funding from the state. Jana replied that it was safe to say that there would be no funding at this time and that they were not even close to completing the IHZ in time to get the bonus money offered.

Jana commented that they have budgeted for a marketing kit, more like a 2 page flier that shows that the town is committed. She also stated that they were working on a public outreach campaign, which is very close to being online. Jana added that this will be a website that will look like the Town of Windham website and it will be on the WINCOG server so they can administer it.

Bill Hettinger asked what other areas besides Jilson Square they were looking at for the IHZ. Jana passed out a copy of a map with potential areas. Jana explained the different colored areas on the map.

Jana commented that the IHZ has design standards, she added that the town has design guidelines for the B1 zone, which are more like suggestions, but the design standards for the IHZ are required to be met. Some discussion followed on this subject.

James Finger introduced Mary Lou DeVivo and asked for her comments on the IHZ. Mary Lou commented that she was kind of taken back on the fact that the IHZ would include private properties on their map and that they would have to abide by the statute that require that 20% of all units within an Incentive Housing Zone Development be restricted to those individuals earning less than 80% of HUD's AMI for the project region. James spoke about the general fear of affordable housing and the amount of time that was loss on this project. It was also stated that the map was made and the IHZ started before these properties were sold, at that time they were controlled by CHFA. Jana went into more detail on the amount of rent for affordable housing. Some discussion followed on this, spot zoning, overlay zone and incentives that may help the developer.

Mary Lou commented that there were a good number of people interested in living in an upscale condo in the service district, she added mainly because of the ambulance response time. There was some discussion on which sites might be good to develop.

N.E. Utilities Priming the Land Use Process Seminar summary:

Bill Hettinger commented that the basic message from the seminar is that one way to attract economic development is to make your community's regulations and processes as business friendly as possible. These other points were discussed at the seminar: Capital for Economic Development, Developers take risk in the economic development process and seek to minimize that risk, Attracting New Development, Desire to Grow, Provide Certainty, Swift Process, Poor Practices, Keys to Implementation, Clear Regulations, Development Oriented Staff (business friendly), Effective Commissions, Tax Incentives (too many strings), Tax Value of Development & Regional Economic Development. More discussion followed on how the town can be a more business friendly environment.

Downtown Ideas:

Bill stated that at the last joint meeting of the EDC & the PZC there was some discussion on the value and resulting tax assessment of the downtown buildings. In summary, the buildings were valued based on the income (rents) that they generate for the owner. The buildings will be more valuable and generate more tax revenue if the rent levels can be increased.

Bill's perception of the downtown area includes the following: Things are generally stagnated downtown, businesses come & go, Rents for buildings are not particularly high, Many buildings are not fully utilized, Maintenance costs & operating expenses can be high, Maintenance is not being performed so there is physical deterioration in buildings.

Higher rents would increase the profitability of the buildings, and provide much-needed money for maintenance; however it's difficult to charge higher rents when sales are not high enough in the businesses to support those rents.

Bill surmised that there have been many ideas presented to increase the vibrancy of downtown. These include focusing on the development of an arts and entertainment district, a desire for additional restaurants, and the addition of more people living downtown to create additional foot traffic to support downtown businesses.

Several strategies have been implemented in the past to support these goals. These strategies include tax incentives in the arts and entertainment district, as well as zoning that allow the reuse of the unused parts of the buildings (e.g. housing on the second floors instead of commercial space).

There was also some discussion on the following: Using different forms of government money such as CDBG dollars to provide a fund to allow owners to improve their buildings with façades, new roofs, and energy-efficient windows. This strategy was most recently articulated in the 2009 community redevelopment strategy "CRS".

Using a nonprofit community development corporation, or public-private partnership redevelopment organization to address some of the physical issues with specific buildings and to create additional anchor tenants downtown.

Other ideas were: duplicating some of the bond money proposals that have been used in Hartford and proposed for Norwich to make money available to downtown business owners and tenants to create more vibrant buildings.

Finally, there has been discussion of forming various partnerships with funding from the community and existing business owners.

Bill also stated that it seems that increasing economic vibrancy downtown in many instances is not going to occur without some type of external impetus.

Bill suggested that the EDC put together a sub-committee to look at the various strategies for downtown and come up with some recommendations.

Ceaser Castro, James Finger, & Bill Hettinger volunteered to be on the sub-committee. Bob Horrocks commented that he thought that George Buch would also like to be involved.

Bill stated that there was a N.E. Utilities Forum in Berlin on Friday; we will be meeting at 7:00 am if anyone is interested in attending. Ceaser, Bill, James & George will be attending so far.

James Finger announced that Windham Arts Collaborative have received a grant for \$27,000 that has to be matched with an equal sum. Some discussion followed on this.

Jana Butts stated that "White Water" is going to start a fundraising campaign, the money raised from now until December 12th the Savings Institute is going to match them dollar for dollar. Jana added that they are looking for donations; they are desperately trying to make their mortgage payment on their Bridge Street property. Some discussion followed on this.

EDC meeting dates:

As of now the EDC meetings will be held the first Monday of the month at 700 am. at the Town Hall. Future meetings will be decided at the December meeting.

New Business:

Ceaser stated that the Appliance store on Main Street is leaving; there will be a new health food store at 890 Main Street and the Hurley's building sold for \$150,000.

Bob Horrocks spoke about a student project on revitalizing Main Street. He stated that they will be collecting research data and submitting a report. More discussion followed on how to embrace the university.

Citizens & Delegations: None

Ceaser Castro made a motion to adjourn the meeting. Kay Haskell seconded the motion. All members were in favor. Motion carried. Meeting adjourned at 9:26 pm.

Minutes respectfully submitted by: Sharon Vernon