



**Economic Development Commission
Monday, October 3, 2011
Windham Town Hall Meeting Room
Meeting Minutes**

Members present: Bill Hettinger, EDC Chairman, Bob Horrocks, Bill Anderson, Victor Funderburk

Members Absent: Eric Crowley

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

Call to order: Chair Bill Hettinger called the meeting to order at 7:32 pm

Citizens & Delegations: None

Review/approval of Minutes:

Bill Anderson made a motion to accept the Special Meeting minutes of September 12, 2011. Victor Funderburk seconded the motion. All members present were in favor, motion carried.

Old Business:

Discussion on Tax Abatement and deferral guidelines

Chairman Hettinger stated that he and Bill Anderson (sub-committee) have been working with James Finger and the Town Assessor Joan Paskewich on the tax abatement guidelines and they have come up with a draft document. James a question on the exact boundaries of the entertainment district because he has seen two entertainment district maps with different boundaries.

Chairman Hettinger added that there are also some issues with the ordinances that need to be resolved by the Town Council. The original ordinance for the Enterprise Zone designated the Redevelopment Authority (which has been phased out about 15 years ago) as the authorized body to certify eligibility etc. But a resolution in 1997 designated the Economic Development Director but the Economic Development Office no longer exists. Chairman Hettinger stated that once everything is resolved the EDC will forward the guideline package to the Town Council for approval. Chairman

Hettinger asked Bill Anderson to give the EDC an update on the Tax abatement & deferral guidelines draft document.

Mr. Anderson reported that the town has the following programs in place: The Enterprise Zone, the State of CT PILOT program(s) the Entertainment District, and a Rehabilitation Area program.

The Enterprise Zone Program Benefits is a seven year assessment deferral of new construction/improvements phasing-100%, 100%, 50%,40%,30%, 20%,10%., this applies to all businesses located in the enterprise zone. Mr. Anderson stated that the location eligibility certificate needs to be signed by the applicant and also the authorized signature from the local Enterprise Zone and then it is also forwarded to the assessor's office. The Authorized Signer should probably be the Town Manager or his staff designee which could be someone from the Economic Development Commission staff. This does not go to DECD if they are only requesting an assessment deferral. If they are a manufacturer, they must be certified by DECD, who then sends an approval to the Town (as per below).

Mr. Anderson commented that the State of CT PILOT program is a 5-year 80% deferral which can be provided by the State of CT on local property taxes for all qualifying industrial and manufacturing real and personal property that are new to the grand list of the town as a direct result of business relocation, expansion or renovation project (this is not limited to the Enterprise Zone since Windham is a designated Distressed Municipality) for this program the applicant must apply to DECD to receive a certificate of eligibility, and then DECD sends the approval document to the assessor's office.

Note: Chair Hettinger asked James Finger what the boundaries of the Enterprise Zone were. Mr. Finger replied that they are Jackson Street to the Natchaug River, from Mansfield town line down to Windham Mills, includes the Mills along Main Street and the Jilson Square parcel but not the cinema.

Mr. Anderson continued with his report stating that the Entertainment District is a seven year assessment deferral of new construction/improvements, phased as: 100%, 100%, 50%, 40%, 30%, 20%, 10%.

Mr. Anderson added that this applies to all properties in the entertainment district, but does not apply to gambling or gaming facilities, or facilities whose primary source of revenue is the sale of alcoholic beverages. These are specifically excluded per statute. The eligibility certificate needs a signature of the applicant and Authorized Signature from the Local Entertainment District Officer & is forwarded to the assessor's office. The authorized signer for the town would be the Town Manager or his staff designee. (I thought this was the "ombudsman" at the last meeting).

Chairman Hettinger added that since the Economic Development Director is currently the authorized signature and he is no longer with us, that the Town Manager could designate a staff person such as James Finger since he is the business liaison for the EDC and has knowledge and possession of the boundary maps.

Mr. Finger interjected that there are three local options in the entertainment district. One, the town may elect to increase the deferral to 100% instead of 80% that the state provides. (I was not aware of this). And a local option is for a seven year deferral on **any** property on **any** improvement in the zone regardless (I'm not sure of this) of the entertainment restrictions that the state has. Mr. Finger added that another local option is if there is an entertainment facility that qualifies for the state regardless of them being in the entertainment district, they could qualify (I am not familiar with this.)

Mr. Anderson reported that the final program that we are most involved in is the Negotiated Assessments Recommendation. The Legislature authorized towns to negotiate specific agreements with property owners to establish real property assessment prior to improvements. All abatements under CGS section 12-65 (b) must be approved by vote of a legislative body (Town Council). There are varying allowable benefits, depending upon the use and expenditure of funds for the new construction/improvements.

Mr. Finger added that there are a couple of provisions: there is an abatement for residential improvements but you have to be suffering from some defect or citation of violation in order to qualify, and if you make the improvements to address the concerns, you are eligible automatically. Mr. Finger stated that the other abatement is for commercial (there are 10 types of properties eligible, including residential) statute 12-65b, this was done for Windham Mills. James added that there was also an abatement for new or renovated multi-family property (12-65 e) -for up to 15 years (it could be three years, five years, etc). -given to Artspace.

Mr. Anderson added that requests to receive these benefits will be handled by the Economic Development Commission's business Liaison and he would notify the applicants of the Negotiated Assessment Process. The property owner will be required to provide an Economic Impact Analysis completed by a third party to the EDC. This analysis should demonstrate the value that their improvements will provide to the town. This value should be greater than the tax abatement provided. The value may be seen in improvements for example a waterline or in creation of jobs. The EDC will then recommend the tax abatement to the Town Council.

Mr. Finger commented that the town had adopted different versions of tax abatement & deferral policies in the past, and that it wasn't codified in the Code of Ordinances. Mr. Finger recommended that we pull all of these tax abatement & deferral policies together and put them into one complete revised Code of Ordinance and then make a recommendation to the Town

Council. (As I understand it, you only need to codify the local option programs; i.e., bring the Entertainment Ordinance in the Code). Mr. Finger also added that the EDC may want to collect all of the different ordinances & resolutions and review & discuss them to re-format them for presentation for a new document.

Some discussion followed on the boundaries of the Entertainment District.

Chair Hettinger concluded that the EDC needs to present the new procedures & policies for tax abatement & deferrals to Neal Beets, the Town Manager, and the Town Council needs to designate the Town Manager as the Authorized Signatory. (I thought this was James?) Also the EDC would have to require an economic impact analysis before we give any abatements or deferrals. (this is not required by State statute).

Chairman Hettinger suggested that we make a motion to present the Tax Abatement & Deferral document to the Town Council. Mr. Finger recommended that we wait until prepares a revised draft of the ordinances for the Commission's review and recommendation to the Council. Chair Hettinger then suggested that we table this until the ordinances are cleared up.

Chair report: Update on South Windham Industrial Park site and follow-up on crosswalks/signage recommendations

Chairman Hettinger stated that he did hear back from Tom Marrano, he thanked him for re-sending our request because it was lost in the shuffle. And he said that he had not had the chance to follow-up on the site with his commercial real estate group. Tom did promise to get back to him. Bill asked James if he spoke to Joe Gardner regarding the cost estimate and contacting the Central Railroad. Mr. Finger replied that there hasn't been any updates because Joe has been busy with other projects. Mr. Finger added that he did give him the contact info for Doug Lowe – the Railroad contact. Mr. Finger also stated that a couple of weeks ago he spoke to Doug Lowe at great length and the he agreed that they (the Railroad) would be interested in marketing the property for rail customers. Mr. Finger added that he passed out a copy of an older newspaper article on the South Windham site that the EDC may be interested in reading.

Chairman Hettinger stated that he thought it was important to find out what the demand is for a regional industrial park and what a developer may be looking for on the site. Chairman Hettinger asked Mr. Finger if the railroad gave him any idea of what the demand might be. Mr. Finger replied that he did not; he stated that the railroad would be interested in marketing the site and that they have rail customers that might be interested, although they were not aware of their customers' needs. Mr. Finger added that he gave him (Mr. Low) a copy of the site map and Joe Gardner's plan so that they can discuss it in more detail with the Town Engineer. Mr. Finger commented that

he would send the Chairman Mr. Lowe's contact information so he could ask more detailed questions.

Some discussion followed on the cost estimate of the project, assessing demand and assessing tax, (tax take-approximately \$40-50,000), and the list of the Town's major employers.

Chairman Hettinger stated that he had two documents regarding crosswalks & signage, one a request for action from Neal Beets, Town Manager, and the other a "No" memo from the State.

Mr. Finger stated that he prepared a draft request for council action on behalf of the EDC to summarize the recommendations, & provide background information. Mr. Finger passed out copies of signage photos from the Killingly area and commented that they are still using business directional signage. Mr. Finger also discussed the letter of violation to Killingly from the state D.O.T. and their response letter. Mr. Finger added that Killingly's letter said that all the business directional signage were removed from state highways. Mr. Finger also commented that our Town Engineer states that we cannot use the signage and that we would have to submit a request letter to the state. Victor Funderburk asked if we could put the signage off of Main Street. Mr. Finger replied that the Town Engineer said that the state has jurisdiction on any signs near the state highway. He added that most of our signs would be near the state highway. Some discussion followed.

Chairman Hettinger stated that in the memo addressed to Neal Beets from Joe Gardner & Town staff, it basically states that CT DOT said we cannot put business directional signage up, we cannot install or paint additional crosswalks on Main Street because they think it will cause safety issues and the DOT will only pay for white paint for crosswalks. Chairman Hettinger added that the memo also states that a formal letter to the State be submitted requesting a response to the concerns in the memo.

Chairman Hettinger asked the commission if they thought these were the correct steps to take. He added that in his draft response letter he stated that the state is going broke, we are trying to promote business development by not spending \$125M to attract new companies to come into town, we are trying to promote the local businesses. Chairman Hettinger asked the EDC if we should have the Town Manager send out a formal letter or do both, one from the EDC as well. Victor Funderburk replied that we should not accept their answer of NO because other towns all over the state are using this type of signage, why should we be excluded. Mr. Finger stated that he thinks his draft letter captures everything the EDC discussed but the commission was welcome to revise it. Chairman Hettinger replied that the letter looked good but that we should add in about other towns being able to put the signage up and that we should not be excluded. Mr. Finger added that putting in specific examples of other towns would be good for the letter. Chairman Hettinger stated that after the letter is final we should then forward the letter to the

Town Council to authorize Neal Beets to send the letter to the State and direct staff to work on it. Some discussion followed.

New Business: Chairman Hettinger mentioned that he received an email a few weeks ago regarding the updating of the town website. Mr. Finger replied that he needed to get access to the data base because it has some older information that is not true and it needs to be corrected and updated. Mr. Finger also replied that he didn't understand why Linda Riquier's name was removed as a resource because she still has the same role at CT Works. He also stated that he had a couple of other web links to add to the website, mainly pertaining to the Enterprise Zone.

Mr. Finger commented that Jay Koenigsberg from Apex 300 contacted him regarding property in town for his business, preferably in the Enterprise Zone. Mr. Finger added that the properties available in the zone would not fit his needs, and told him that there were other programs available such as the Targeted Community Tax Credits for Jobs that he may be eligible for. Mr. Finger stated that Apex 300 developed a liquid cleaning solution that is bio-degradable, affordable and environmentally friendly. They want to move their business in this area. Mr. Finger commented that they stressed that they did not want a property that had hazardous material before. Mr. Finger stated that he referred them to Mike Lamperelli on the Giant Vac property in South Windham and they seemed to like it. Mr. Finger added that it sounds promising and he hopes that something comes of it. Some discussion followed on loading dock properties and meeting with new prospects.

Mr. Finger commented that he also spoke to a tech company (software developer) that is interested in moving here from Texas to get away from the heat & traffic. They are interested in being a tenant in Windham Mills. Minor discussion followed.

There was some discussion on "Trick or Treat" on Main Street. Chairman Hettinger stated that it may work better if they combine it with other activities such as the chocolate fest.

Mr. Finger commented that the town will be having their Arts Festival again and Mayor Ernie Eldridge will be holding an artifacts exhibition with a display of historical photos in the Town Hall auditorium this weekend.

Citizens & Delegations: None

Adjournment:

Bill Anderson made a motion to adjourn the meeting. Bob Horrocks seconded the motion. All members were in favor. Motion carried. Meeting adjourned at 9:18 pm.

Minutes respectfully submitted by: Sharon Vernon & James Finger