



**Economic Development Commission
Monday, December 5, 2011
Town of Windham Meeting Room
Meeting Minutes**

Commission Members present: Bill Hettinger, Bob Horrocks, Victor Funderburk, Bill Anderson

Commission Members absent: Eric Crowley

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

Call to order: Bill Hettinger called the meeting to order at 7:30 pm

Citizens & Delegations:

James Finger said that Andrew Gutt of Thread City Development planned to come to speak to the Commission later – after he closed his business at 8 PM. Since no-one else was in the audience, the Chairman deferred this item until later.

Review/Approval of Minutes:

James Finger explained that there were several revisions to the minutes as he had invited Joan Paskewich to comment and clarify some of the points relating to the issues of tax abatement/deferments. After some general comments, Bill Anderson made a motion to accept the meeting minutes of October 3, 2011 with an amendment, (the paragraph that Joan Paskewich suggested be removed, should be included in the final minutes). Bob Horrocks seconded the motion. All members present were in favor, motion carried.

Old Business: Discussion & possible action on Tax Abatement & deferral guidelines.

Chair Bill Hettinger suggested that the commission add item 4a to the agenda on discussion of the 699 Main Street, LLC letter.

Chair Hettinger stated that the EDC's task was to put some tax abatement guidelines in place and to clear up the language in the ordinance as suggested by James Finger. The Chair added that he would like to know what needs to be completed to get this item off the agenda.

James Finger apologized for his delay, he stated that he didn't have a chance to put together his recommendations to the ordinance and the Entertainment District because he was working on some other economic development issues. James added that he would like to meet with the sub-committee (Bill Anderson & Bill Hettinger) to fine tune the ordinance. Chairman Hettinger replied that he would like to get this agenda item resolved within the next two months.

James stated that he will work on assembling the information in a comprehensible package for the EDC. James added that for the most part, the Enterprise Zone and the Entertainment District are pretty good & solid, just a matter of incorporating the Entertainment District into the overall ordinance because it was written as a resolution back in 1997-1998. Joan Paskewich has recommended that we keep this resolution in place and just work with it. James agrees with this and added that we need to redesign the 12-65 (multi-family abatement) which is section 10 of the ordinance. James suggested that we involve the PZC to define the blighted area as it calls for in the State Law, instead of including the whole Town. James also suggested that we remove all of the housing language, and just refer to the Section of the Statutes – as it also covers commercial development. Some minor discussion followed on this and the economic impact analysis criteria.

Chair Hettinger surmised that the sub-committee along with James Finger needs to meet to discuss a list of what needs to be completed, such as: a list of criteria (community impact analysis) which would be the EDC's guidelines to approve a request for abatement or deferral, incorporate the entertainment district into the overall ordinance, and to define the area of the 12-65 (multi-family) section. There was further discussion on creating the list of criteria.

Discussion & possible action on 699 Main Street, LLC:

Chair Hettinger reported that the Neal Beets – the Town Manager forwarded a letter to the EDC regarding a requested tax abatement for 699 Main Street, LLC. They plan to redevelop the Hurley/Murray building located at 699 Main Street. This plan calls for a complete renovation of the building which will restore the structure to its original historic character. Once complete, there will be 22 luxury units, including 8 townhouse units, with hardwood floors, granite counter tops, central air, washers & dryers in each unit, and stainless steel appliances. In addition, there will be two commercial spaces fronting Main Street.

The letter indicated that 699 Main Street, LLC has been approved for a HUD insured loan. HUD has become very conservative with its underwriting criteria, as a result, the debt service is restricted to a significantly reduced cash flow that HUD is expected to allow. With the assistance of seven year tax abatement their lender, First American Group, has indicated that the project should be approved as long as they meet all remaining underwriting requirements.

James Finger stated that he recommends this project because it would be located in a blighted area and it is very visible in the downtown, they have 2 prospective

commercial tenants lined up. He also added that if the property stays as is, it will deteriorate further because of weather conditions etc. He concluded saying that any improvement to this building would provide life and vibrancy to that corner in town. Chair Hettinger added that the project would generate tax revenue for the town. Some discussion followed.

Bob Horrocks made a motion to recommend to the Town Council that they grant the tax abatement to Patrick Schooley, 699 Main Street, LLC.. Victor Funderburk seconded the motion as per resolution #994 (which outlines the provisions of the local options for the Entertainment District); all members were in favor, motion carried.

Chairman's Report:

Chair Hettinger reported that Fastenal went out of business. He added that this property does have a loading dock, so we should keep that in mind.

Chair Hettinger stated that he has not heard back from Tom Marrano of N.E. Utilities regarding feedback on the industrial park.

Business Calling Program:

Chair Hettinger stated that he would like the EDC back out on the street visiting businesses. Chair added that he would also like to do a follow-up on Commerce Drive, North Windham to see how many people are employed there which would help us to analyze the industrial park in South Windham and to see how their businesses are going. He added that according to tonight's (December 5, 2011) Chronicle, businesses are doing well with many new businesses opening up according to Matt Vertefeuille, the Zoning Officer. Chairman Hettinger said that he should probably meet with Matt Vertefeuille once a month to get any new updates that he can report to the EDC. Bob Horrocks suggested that we partner with Thread City Development because they are re-focusing their energies on Main Street. Chair Hettinger stated that we lost a few businesses but we gained some new ones, including a new tenant in the Starbucks building in North Windham soon.

James explained that it is a Chinese Grocery store that's moving from the North Windham Commons shopping plaza across from Wal-Mart, and they will be adding a take-out food service too. James Finger announced that Fred's Brickhouse was going to open up a new barbecue business in the former Opus building. He also stated that the Chair Hettinger stated that we need to market the new zoning changes in town and maybe we can have Thread City Development help us with that. He also suggested that when the EDC members are shopping in a store they could ask them how their business is doing, and then to share the information with the other members for our visitation effort. Some discussion followed on what to say to businesses during a visit.

Referral from Town Manager:

State Legislature enacted a bill – Main Street Reinvestment Fund-

Chair Hettinger stated that the Town Council is looking for a recommendation on a Jobs Bill that was just enacted. Because of the lengthy summary document & bill, this needs to be tabled until we can study it further.

State Legislature enacted a bill relating to a Façade Program in Downtown Willimantic:

Chair Hettinger stated that several years ago the State Legislature enacted a bill relating to a Façade Grant program in Downtown Willimantic. At that time the Governor refused to release bonding for the program. Some discussion followed on this and that it was during Mike Paulhus' administration, and Victor said that he remembered preparing to go to a meeting in support of this; and that the Town was to receive approximately \$650,000 in funding. It was all ready to go, and Ted had two applicants, and we were hoping to get more; and then we didn't get the money. It was a good program, and it's too bad that we didn't get it. (Sharon Vernon had mentioned that there was also a pilot program?) James Finger said he knew nothing of this as he was not involved at that time. Chairman Hettinger cautioned that it's important to remember that these programs usually come with strings. He then went on to explain a recent meeting with a DECD Official where we were told of certain requirements to get money for Economic Development; unlike for Housing -- and it was too much to deal with.

The Chairman then returned to the subject of the new legislation, explaining that the Town Council would like to know how we would prioritize this program with other economic development initiatives that we are working on, and whether or not the EDC and downtown merchants are ready to move forward with it if state bonding is received, and is the EDC prepared to advocate for and administer the Façade Program. Chairman Hettinger said it sounds like this legislation is twofold. One is to find out all the details of the program, and the other is how we're going to administer it.

Bob Horrocks commented that the guidelines that we had in place for the Façade grant, may not work with a new program; so we'll need to look into that.

The Chairman agreed, and said the tricky part is the administration. In the past, the administration of the façade grant program was going to be run by Ted Montgomery, who was the Town's full-time economic development director. Now we don't have a full time staff person, and the EDC would not be able to administer the program. It would have to be town staff – either James, or other Town staff; or to contract it out. James explained that he attended a briefing on the new legislation recently presented by the State Dept. of Economic and Community Development. His contact said that they haven't developed any guidelines on this program yet; they were primarily focused on the loans to small businesses.

A general discussion ensued, and Victor Funderburk and Sharon Vernon said that they would search for files and records relating to the façade grant program.

State Legislature enacted a bill transferring to the Town Railroad property near switching yard downtown – but DOT and prior Governor wouldn't release the property.

Chair Hettinger stated that the State legislature enacted a bill transferring to the Town a triangular piece of property no longer being used adjacent to the railroad switching yard Downtown. Apparently, the Commissioner of the state DOT under the former Governor refused to effect the transfer. The Town Council would like the EDC to evaluate and recommend to the Council an economic development action respecting this property and the state legislation transferring it to the Town, and the EDC's availability to assist in accomplishing your recommended course of action.

James Finger explained that the property is along Riverside Drive and next to the Foster Building which is now occupied by the Dept of Social Services, and also abutting what is now 'The Lucky Frog'. Several years ago, the State representative – Walter Palkiewicz asked for ideas on how he could help at the State level to make the Town better. James said he identified the empty and underutilized rail yard, in hopes that we could add more parking or some other municipal use. The Legislature approved the transfer provided that the property would be used for municipal parking. The town sent a letter to DOT requesting the transfer of the property but they refused saying they had obligations and contract with Providence & Worcester Railroad. The property is approximately two to three acres in size, and triangular in shape. More recently he explained that the current State Representative – Susan Johnson said that she would pursue it if we wanted to. Some discussion followed as to other uses for the property. James clarified that we could only use it for parking, and we cannot lease it to anyone else. But we might be able to widen up the existing parking, and get the buses off of Main St., to park there; and maybe the Third Thursday festival could use it instead of blocking off Main St. Bob Horrocks concluded that it would contribute to the overall benefit and economic development of the Downtown.

The Chairman suggested that we recommend that we acquire this property and use it for municipal parking as originally intended.

Victor Funderburk made a motion to recommend that the Town Council pursue having the Town Railroad property transferred to the Town of Windham and use it for municipal parking as originally intended, as per the legislative act. Bill Anderson seconded it, all members were in favor, motion carried.

Downtown subcommittee activities/report:

Bob Horrocks commented that there was a renewed interest in revitalizing Main Street and we've now become a member of the CT Main St. Program. He then suggested that we work with Thread City Development to see how we can work

with them, or they can work with us to avoid any duplication. The Chairman asked if they've committed money to join this, or are they going to join.

Andrew Gutt reported that Thread City Development is working on going there – to joining the Connecticut Main Street Program. They are currently reviewing their criteria – and besides the operating budget, we're not that far away; and a lot of the ground work was laid out in 2004. Mr. Gutt said it is not a complicated process, it just takes time. He added that the theme of their last annual meeting was: A. Where are we going? And B. Why everything that was done in the past - never really went anywhere?

Mr. Gutt stated that for a long time their organization was divided. They had an entrepreneurial focus where they thought they would acquire & develop real property etc.; and for a variety of reasons that hasn't occurred yet. So Thread City Development (TCD) re-examined themselves, hired a facilitator and re-did their mission; and by October were committed to the Main Street model. Our goal is to follow the nationally accredited model – for operating – for whatever that approach is. It's a four point approach – and it's our (TCD) approach now. The goal – however many years away it is – it's to become a nationally accredited Main St. community. So we would become Willimantic Main Street – which we can't be right now because we have to meet certain criteria, we have to have staff, and an operating budget.

The Chair asked if this was working through the (National) Trust on this – or the Main St. Program? Mr. Gutt responded that they were working through the CT Main St. Center - and they are guiding them in that direction; but presently they are not taking on any new communities.

The Chair asked how the Economic Development Commission could help them. He clarified this saying that early on, the Commission was concerned about separating out the focus on the Downtown – however the boundaries are defined – like from the Mills to the Town Hall – but it's not the whole Town. It's a sub-set of the Town and whenever there is mention of the Victorian that people want to preserve; it's historic, and it's the part that needs revitalization. And this is part of the Main St., and we want to group that together in a sub-committee. So this is why we would like to work with someone who is focused on that – like Thread City Development. He then opened it up for further comment.

Bob Horrocks offered support for TCD's efforts, and that the idea of having a Main St. Coordinator as the go-to person who knows all of the business in Downtown, and is critical to coordinating activities, and events among the merchants. To promote Holiday events and marketing this is important, as there are a lot of organizations trying to promote an event at the same time as another group; and this divides the number of people they attract. He wondered how other communities support a Main St. Coordinator at \$25,000 to \$65,000.

Victor Funderburk commented reporting his early interest in this effort in trying to get the Town involved, but they didn't pursue it. He felt that we need to pursue

this and to apply for grants, and that this could lead to an overall Plan for Taxpayer support, government support, State support; and this is a process that we have to go through. He thought that they went through a similar process up in Storrs. Developers depend on coming into a Town and having a group of people that they can talk with and who understand the process. Then you can attract development dollars.

Bill Anderson asked who leads the process, and Victor replied that he thought that Thread City could lead this process and working with the Commission.

The Chairman asked what role the Commission would plan in that process. Victor opined that he thought that the Town and the private community development organization could get together to outline the process together with the developer; and they typically the State would get involved.

Bob Horrocks agreed that this is typically the case that a Community Development organization would lead this effort, and it's commonly the practice all across the country. For example he mentioned that if someone wanted to do a community garden, or an incubator for businesses - The Town probably wouldn't want to get involved with real estate development - whereas the Development Organization could probably do this. So there may be a fine line between what the Town can or will do, and a Non-profit Development Corporation can do. If they can work out the details, then this could be vital to the Downtown development, and this is the role of the Main St. program.

Chairman Hettinger tried to get clarification saying that the Economic Development Commission would then be a partner or a liaison with Thread City Development in dealing with developers and government regulations, and that Thread City is the lead, and keeper of the Main St. Funds. Bob Horrocks concurred, saying that another thing that Development Corporations do is market communities. They are the manager of web sites, and they develop tourist's literature and marketing materials - things that government doesn't have the resources to do.

Bill Hettinger agreed when he has visited West Farm Mall, they have literature like this, and it's put out by the Mall Management. Andrew Gutt agreed that we need someone to manage our downtown. The Chairman said this is not as easy to do in the downtown with multiple property owners than at a mall.

Bob Horrocks commented that if there were such a manager with an entrepreneurial spirit, the insight into the market, it would really have an impact on Main St. He added that the model of a Main St. has been working in a lot of other communities. Victor said he thought the Town had a referendum to join the Main St. program, and hire a Main St. Manager. Sharon Vernon clarified that it wasn't going to be a Town Employee; they were looking at contracting outside for those services. Bill Hettinger asserted that it is typically a third party entity doing it - not the Town. You could have a Business Improvement District - or some additional taxing district to pay for it - or maybe some other way to pay for it. Bob agreed that it should probably be the businesses that hire the Main St. Manager, and mentioned that Middletown charges a fee to business or a tax; and that tax goes to

hire a Main St. Coordinator and they do all of the marketing and promotion. But he pointed out that if we were to use this model here, you would be charging someone who's trying to start a business – to pay an extra tax- they're going to say they can't afford it. Andrew Gutt confirmed that funding the Main St. Coordinator is typically a problem and controversial. They recommend that you divide up the cost by a third from taxpayers, a third by grants, and a third by fund raising or from other sources. Thread City is not at a point of asking for any funding from the Town as we are not even trying to go after the low hanging fruit. We're just trying to get some momentum going, and we just found out we got a \$12,500 grant to develop a 'Discover Willimantic' branding program. Bob Horrocks commented that this is important especially as some of the new investors move forward; particularly with the Hurley's building, the new owner of Nathan Hale, Hooker Hotel, YMCA, and the new business moving into the space vacated by OPUS.

Mr. Gutt said it may be a few years off yet, as they don't have the funding in place that's required. But he felt that it was an easy program to follow using the twelve steps to a successful Downtown, and also the need to explain the importance of the Downtown to the Community. Bill Anderson expressed concern about where the money was coming from, as the idea of dividing up the expenses into thirds may be difficult to sell – especially with the economy is now. Mr. Gutt countered that it could simply be \$500 a piece – or \$2,000. What can we do for that amount – we should go for the low hanging fruit. We could look at our street scape, and what can local business

Mr. Gutt announced that Thread City Development received a grant of \$12,500 to develop a Discover Willimantic granting program. Some discussion followed. It involves developing a web site, and Thread City has been working on this since March 2011. It's a two part program of marketing and promotion to entrepreneurs and developers, and then to the general public – or consumer. The funding max was for \$10,000; but they liked our proposal so much, that they gave us an extra \$2,500. Thread City will have to come up with another \$5,000 in matching funds. This money could be used to hire a web master for a year after it is launched.

Chair Hettinger suggested that we work with Thread City Development to help them achieve this goal. Some discussion followed on the DeVivo's project, and questions on grant procedures, match requirements & the process to follow. *(Sharon, I think this may have been mentioned in general terms relating to the Downtown, as I didn't find any mention of the expansion of their operations on West Main St.)*

Other Business:

Victor Funderburk asked about the process for applying for grants, and mentioned that the Chairman had sent out one from the Green Valley Institute, and he thought we were going to apply. The Chairman explained that we didn't qualify for the funding. Some discussion ensued with Victor asking about the process and time line for applying for any grants in the future. The Chairman said that in most cases, we would need the authorization of the Town Council, or at least the Town Manager.

James Finger agreed, saying that the tricky part is if it requires any matching funds, because that would require the Town Council's approval, and they may want to send it through their sub-committees for review before a resolution goes to the full Board for approval; this could take anywhere from two to three months.

Next, James Finger referred to the documents that he handed out to the EDC. Neal Beets' letter to the Mayor & Council, which touches on CL&P, DECD, Access Agency, COST, PURA, etc. includes a photo of whitewaters, "Making Waves", Reinventing Connecticut-invitation from DECD Commissioner, Small Business Express Program & application and finally a summary of DOT discussion topics. Some discussion followed on business signage.

New Business: Set 2012 meeting schedule

It was decided to stay with the first Monday of the month at 7:30 pm, with a special meeting on January 9th and September 10th.

Citizens & Delegations:

Andrew Gutt commented that Thread City Development meets on the 3rd Monday of every month at 4:30 pm at the Eastern Conference Room. He added that they welcomed four new board members: Fred St. Claire (owner of Fred's Brickhouse), Bruce John, long time community advocate, Karen Gilbranson, WAIM, Dan Bovair, does booking at Capitol Theater.

Adjournment:

Bob Horrocks made a motion to adjourn the meeting. Bill Anderson seconded the motion. All members were in favor. Motion carried. Meeting adjourned at 10:00pm.

Minutes respectfully submitted by: Sharon Vernon