

MINUTES

**ECONOMIC DEVELOPMENT COMMISSION
MADDEN ROOM
SOUTH WINDSOR TOWN HALL**

**REGULAR MEETING
WEDNESDAY, JUNE 27, 2018
TIME: 7:30 P.M.**

PRESENT: Vice Chairperson Paul Burnham, Joseph Kennedy, James Murray, Louise Neary, Alternate Wayne Kilburn, (sat for Edwina Futtner), Alternate Victor Dorobantu (sat for William Jodice), and Alternate Shawn Jacobaccio (sat for Linda Jeski)

ABSENT: Chairperson David Marsh, Susan Burnham, Edwina Futtner, William Jodice, Linda Jeski, Shailesh Verma and Alternate John Mitchell

ALSO PRESENT: Town Council liaison Dr. M. Saud Anwar

- 1. Call Meeting to Order:** Vice Chairperson P. Burnham called the meeting to order at 7:30p.m.
- 2. Roll Call:** The above-mentioned members were introduced.
- 3. Presentation:** Town Manager - Tax Abatement for Electro Methods: Town Manager Matt Galligan introduced Bill Soucy, Electro Methods Vice President. Electro Methods Inc. (EMI) is an aerospace company located in town since 1965 and in 2017 did \$79 million in sales. It employs 178 people and expects to grow to \$90 million sales and over 200 employees by the end of 2018. EMI also has a location in Texas but Mr. Soucy would like to have this location remain in CT. EMI makes complex parts for jet engine makers such as General Electric. EMI's main competitor is in Asia, but they do work for foreign and domestic customers. Connecticut is not an inexpensive place to do business but his, and other employees, roots are in CT. Over 50% of their CT employees earn \$80,000 or more so there is a need for skilled labor. The proposed project is to construct a 70,000sq. ft. building, built in 2 phases. EMI owns all the buildings they occupy in CT. The owner would like to move this facility to Texas since it is significantly less expensive to do business, there but manpower is the issue. The company would have to move many employees. Commissioner Kennedy asked if any of the work is outsourced and Mr. Soucy replied that it is and many companies in the area are contracted to do the work. Mr. Galligan explained that he kept EMI here 4 or 5 years ago when they were thinking of leaving through grants available from the State but that they'd like to avoid pursuing grants now. EMI needs to have their permits in place by the end of June to make CT a viable option. They've secured IWWA and P&Z approval secured and the tax abatement is the last step. If EMI leaves, the businesses that support Electro Methods will lose work so it's important that the company stays here. The cost of constructing the building is \$5.9 million dollars to complete Phase I. Mr. Soucy explained that due to the proximity to the railroad tracks, it is necessary to construct deep concrete pads to maintain stabilized equipment that can cut with the precision needed. There are other modifications required to maintain the optimal temperature controlled environment. EMI is requesting 100% tax abatement for the building and Mr. Galligan explained that this amounts to about \$1 million over the span of 7 years. Mr. Galligan's concern is that without the abatement, and the retention of EMI, South Windsor could lose 4 or 5 other businesses in addition to EMI. Mr. Soucy explained that they often train high school graduates through mentoring and the transfer of knowledge from experienced employees. They also provide in-house training and self-funded educational opportunities. Commissioner Dorobantu asked if there are any assurances that EMI won't be back in 7 years asking for another abatement and Mr. Soucy stated that there is a good chance they will be back but that the current building will be generating tax income at that time. Mr. Galligan added that EMI will be required to sign an agreement to stay in South Windsor for a total of 10-12 years. Mr. Galligan reminded the commission that Aldi received a 100% abatement. Dr. Anwar expressed his support for the project. Commissioner Neary asked if the company has any formal agreements with area schools and Mr. Soucy replied that they only have informal relationships with Cheney Tech and South Windsor High School.

A **motion** to approve the 100% tax abatement over 7 years for Electro Methods Inc. was made by Commissioner Kennedy and **seconded** by Commissioner Neary and was *unanimously approved*. *Motion passed.*

South Windsor Chamber of Commerce President Elaine AbouAkar took a moment to introduce herself and expressed an interest to open lines of communication between the Chamber and EDC.

4. Public Participation: None

5. Approval of Minutes

Minutes from Regular Meeting on 5/23/2018

A **motion** to approve the minutes of May 23, 2018 with a correction to the spelling of Commissioner Jacobaccio's first name from 'Sean' to 'Shawn' was made by Commissioner Neary and **seconded** by Commissioner Dorobantu and was *approved by majority*. *Motion passed.* Vice Chairperson P. Burnham abstained.

6. Old Business

(a) Economic Development Strategy: Mr. Galligan passed out a proposal from CERC (also shared it with the town council) that for a fee they will support the town in the absence of an EDC coordinator. A \$2,500 self-assessment by town staff and commissions provides an opportunity to discuss goals and strategies. CERC will charge \$80 per hour for their support. Commissioner Murray is concerned about their loyalty to South Windsor and Mr. Galligan stated that it could be handled in the contract. Mr. Galligan explained that to hire a full-time coordinator would cost the town about \$100,000. He invited commissioners to look at the proposal. CERC is offering this service to other towns that can't afford a fulltime coordinator. CERC is willing to come talk to the commission and to answer questions. Mr. Galligan stated that each town is unique and that they are not necessarily competing against each other. (b) Economic Development Commission Brand, Identity, Administration: Discussed under item (a).

(c) Sustainable CT: None

(d) South Windsor Citizen Survey: Mr. Galligan stated that the survey is out and that they've been getting a lot of responses. The length of the survey couldn't be reduced since each commission wanted to have something in the survey. The survey was sent out via a postcard with a unique code inviting residents to complete the online survey until the end of August. The survey through Survey Monkey cost \$300 and the total budget was \$2,200.

(e) Town Ordinance Economic Impact Analysis: None

(f) Mayor.tv: Mr. Galligan explained that the final product was sent to Chairman Marsh and it is ready to be launched. Future change to the videos can be made free of charge to the town. Although they've been working on setting up the videos for a preview, Vice Chairperson P. Burnham asked the commission to allow Mr. Galligan to move forward and launch them. Mr. Galligan will still have his assistant send the videos out via email for commissioners to view. Mr. Jacobaccio asked for a quick description of the mayor.tv program and Mr. Galligan explained the program and many of the aspects of life in South Windsor that the videos focus on.

A **motion** to launch the mayor.tv videos was made by Commissioner Kennedy and **seconded** by Commissioner Dorobantu and was ***unanimously approved. Motion passed.***

Mr. Galligan shared other economic development news:

- There is a new construction deal coming for Evergreen Walk for a food retailer that the town has been pursuing. The town gave them a 60% tax abatement deal.
- The site next to the old firehouse on Sullivan Avenue has their approvals but the project has not yet begun.
- The project slated for the former drive-in movie theater is waiting on approvals from the State.
- Fourteen or fifteen fuel cells will be constructed on the MazTech property. Excess power will be sold to Eversource and monies will be used by the town to improve local infrastructure. The cells should be operational by the end of 2018.
- A site on Ellington Road is scheduled to be developed for use as a distribution center that is a Fortune 500 company. This is the location that Wal-Mart was interested in developing.
- Geissler's grocery store is still interested in expanding their store and in bringing in other businesses.
- The hotel project has been approved but the developers need to check to determine if changes need to be made to build to current code or code when the project was approved. The State will be making a determination.
- An independent living facility will be going in next to LA Fitness.
- The Mannarinos will be building 14 houses on a site on Ellington Road. These homes will be similar to those on Clark Street.

7. Committee Report(s)

(a) Bylaw Review Committee: Vice Chairperson P. Burnham mentioned that at the last meeting commissioners went over changes to the bylaws. These will most likely be discussed in September.

(b) Business Community Engagement (Ambassador Program) / Committee: Neither Commissioners Kennedy nor Dorobantu weren't able to attend the last Chamber meeting. Their meetings are held on the 3rd Monday of the month.

Vice Chairman P. Burnham will ask Donna Thompson to send out the CERC proposal so that commissioners can take a few months to review the document. Commissioners discussed the merits of the proposal.

8. New Business: None.

9. Communications and Remarks

(a) Report from David Marsh, Chairperson: Absent.

10. General Discussion

Next Meeting is scheduled for July 25, 2018 at 7:30 p.m. in the Madden Room. Vice Chairperson P. Burnham will suggest a tour of Electro Methods in lieu of the July meeting.

11. Adjournment

A **motion** to adjourn at 8:44p.m. was made by Commissioner Kilburn and **seconded** by Commissioner Dorobantu and was *unanimously approved. Motion passed.*

**Respectfully submitted,
Catherine Potter
Clerk**

Approved as amended: July 25, 2018