

MINUTES

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

**REGULAR MEETING
WEDNESDAY, MAY 22, 2019
TIME: 7:30 P.M.**

PRESENT: James Murray, Louise Neary, Joseph Kennedy, Edwina Futtner, Susan Burnham, William Jodice, Alternate Wayne Kilburn, Linda Jeski, Alternate Victor Dorobantu, Chairperson David Marsh (arr. 7:32pm), Shawn Jacobaccio (arr. 7:40pm), Shailesh Verma (arr. 7:43pm), Vice Chairperson P. Burnham (arr. 7:57pm)

ABSENT: Alternate John Mitchell

ALSO PRESENT: Andrew Paterna, Town Council liaison

1. Call Meeting to Order: Commissioner Linda Jeski called the meeting to order at 7:31pm.

2. Roll Call: The above-mentioned members were introduced.

3. Public Participation: None.

4. Approval of Minutes

Minutes from Regular Meeting on 4/24/2019:

A **motion** was made by Commissioner Futtner and **seconded** by Commissioner Neary to approve the minutes of April 24, 2019 with the following corrections:

- Add Wayne Kilburn to the list of those not present
- Item 7 should read "...economic development summit at Firehouse 1 on Ellington Road and stresses..." and "...that the town manager had re-assessed those requirements..." and "Commissioner S. Burnham asked about what happens to businesses that go under and Vice Chairperson P. Burnham replied..."

The *motion was approved by majority. Motion passed.* Commissioner Kilburn abstained.

A **motion** was made by Commissioner Jeski and **seconded** by Commissioner S. Burnham to move Item 7. New Business and discussion of the memorandum about the tax incentive program from the Town Manager to this point in the agenda and was *unanimously approved. Motion passed.*

5. Old Business

(a) Economic Development Strategy: None

(b) Economic Development Commission Brand, Identity, Administration: None

(c) Sustainable CT: None

(d) Town Ordinance Economic Impact Analysis: None

6. Committee Report(s)

(a) Bylaw Review Committee: Vice Chairperson P. Burnham announced that the bylaws have been reviewed that he should have the new bylaws by the next meeting.

(b) Business Community Engagement (Ambassador Program) / Committee: None

7. New Business: Chairperson Marsh asked commission members to give their input. Members went around the room and had an opportunity to share their thoughts and provide feedback in discussion with other members. Comments were provided in the following main ideas:

Application Requirements

- Require minimum number of jobs (2x)
 - Value of personal property/real estate can outweigh the value of the number of employees
 - Town's running out of land, can be more selective-can ask companies to guarantee employee numbers
 - Some applications are looked at too heavily for how much at tax revenue they'll generate and not how many jobs are coming to town
- Companies can shop around for the best deal
 - Companies may compare abatement offers given to other companies and ask for more
 - Competitive climate compared to years ago
 - All towns are giving something
- Think carefully about allowing more warehouses being built-keep to smaller buildings
 - Designated zones for certain styles
 - Architectural review board has rules-can be strengthened
 - Seldom seen huge buildings in/or adjacent to neighborhoods in other parts of the world

Abatement Request Procedures

- Question of when the EDC receives an application-should be earlier in the process
- Finance Director and Tax Assessor should see the application to evaluate the financial implications
- EDC should see the application once it has been evaluated by the Finance Director and Tax Assessor
- Abatement information is shared with the Town Council during executive session before the EDC is involved, EDC could begin holding executive sessions as well to learn of abatement requests
 - EDC should get as much information as the Town Council receives, including the financials
- Should recommendations from EDC be changed afterwards
 - Diminishes importance of the commission
- Time frames are good
 - Could become not worth it
 - Not apply for an abatement and leave in a year
 - Or they could go to another town with a better deal

Appraisals and Values

- Develop schedule for factors of appraisals, time-period and abatement percentage
 - Schedule could put smaller businesses at a disadvantage
 - Helpful as a guideline
 - Is there a matrix
- Agreement that abatements should be given on a case by case basis
 - Rules should not be subjective
 - Town can get into trouble
 - Needs to be objective

- 100% abatement offers should be given to futuristic/highly profitable companies
- Is it possible to separate new from existing businesses and treat them differently
- Separate remodel from new
- Should depreciation come into play when giving abatements
- Comfort zone for towns when accepting or rejecting businesses looking at revenue and deciding what you are comfortable with

Abatement Agreement

- Length of time a company is required to remain in town
 - Should begin after the abatement period ends
 - Longer time- companies make a long-term commitment to the town
 - Businesses that are ready to invest in themselves will accept terms of a longer-term abatement
- Can a business sell their business before they complete the terms of their abatement
 - Hopes the abatement is transferrable to new purchaser
 - Flagged during the transfer of title
- Is there any restriction on moving personal property from a business during the abatement period
 - Could be questioned by town if a drastic reduction in personal property
 - Company fills out a form, tax assessor doubles the amount if they don't fill out the form
 - If inside property is not written into the original document, property could be moved
 - Can ask the company to retain a certain dollar value of equipment in the building
- Other towns perform audits
 - Outside firm does come in to do audits now

Checks and Balances

- Has anyone checked to see if companies given abatements have remained in town
- Helpful to identify trends
- Important to track abatements
- Follow-up to ensure they are meeting their end of the agreement
- Need list of abatements that have been given
 - It exists, doesn't circulate, can ask
- Need data
- If tax abatement reduction takes place, can EDC ask for a report
- Communication between departments/commissions
 - i.e. Abatements given to companies requesting tax reductions

Vice Chairperson P. Burnham requested that the tax assessor do a presentation on how assessments are conducted. Chairperson Marsh will make the request. Mr. Paterna stated that the Buxton Group will begin working for the town in the fall and have already begun to do some work. Buxton Group specializes in economic development and small businesses and restaurants. Mr. Paterna encouraged EDC members to voice their support for the expansion and remodel of the Geissler's Supermarket parcel as the application moves forward.

8. Communications and Remarks

(a) Report from David Marsh, Chairperson: Chairperson Marsh will be meeting with the Town Manager and sharing the feedback from tonight's discussion of the abatement memo.

9. General Discussion

Next meeting is scheduled for June 26, 2019 at 7:30 p.m. in the Madden Room.

10. Adjournment:

A **motion** was made by Commissioner S. Burnham and **seconded** by Commissioner Neary to adjourn at 9:18pm and was *unanimously approved. Motion passed.*

Respectfully submitted,

Catherine Potter
Clerk

Approved: July 24, 2019