

BLOOMFIELD TOWN COUNCIL

FINANCE SUBCOMMITTEE

There was a regular meeting of the above referenced subcommittee held on Monday, December 7, 2015 at 5:45 p.m. in Conference Room #5, Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, CT.

Committee members present were: Councilors Hypolite, DeLorenzo, and Deputy Mayor Schulman

Also present were: Mayor Gamble, Councilor Rivers, Philip Schenck Jr., Town Manager, Sharron Howe, Assistant to the Town Manager, Jose Giner, Director of Planning and Economic Development, Marc Needelman, Town Attorney, William Hogan, Director of Finance and India Rodgers, Clerk of Council

The meeting was called to order at 5:50 p.m.

Discussion and Possible Action regarding Industrial Tax Abatement

Councilor Hypolite gave a brief overview regarding industrial tax abatements for potential growth in economic development in town. There is an overall consensus of the Council to utilize a current abatement policy, however, he suggested revisiting this policy more in depth for future considerations.

Mr. Philip K. Schenck, Jr., Town Manager gave a brief introduction on an opportunity for Economic Development with Niagara Bottling. An Executive Summary proposal for consideration of a tax abatement was submitted to the subcommittee for review. This summary provided background information relative to the company, its operations, the proposed facility in Bloomfield, anticipated construction schedule, projected employment by composition and income and a financial analysis prepared by the Town Planner. It is also a reflection of the Town's interest in a completing a thorough analysis of this request prior to a recommendation to the Town Council in accordance with Town's policy on granting tax incentives.

Niagara Bottling are currently working on specifics regarding the purchase of property located on Woodland Avenue. They have received approval from Inland and Wetlands Commission and TPZ.

The company would like to break ground in April 2016 and be ready to start its first high speed bottling line in November 2016. They are looking to expand up to four high-speed bottling lines at full build out. The installation of two lines would create approximately 75 jobs.

This project is comparable in size with past practice offers with similar incentives to predecessor agreements approved by the town. The property will continue to be taxed at the current rate, would increase in the value of the property once the building has been added. There will be a three year 100% abatement of the increased value, then decrease to 85% for two years, 80% in the sixth year and 50% in the seventh year.

Mr. Schenck, Jr. stated that there will be a one-time revenue of \$400,000 for building permit fees. The total building and contents will be worth approximately \$150,000,000 - \$175,000,000. However, the State of Connecticut has exempted all machinery and equipment. The town will not receive taxes on these items. The

value of the building and contents (personal property) will be approximately \$30,000,000 - \$32,000,000. There will be a 70% assessed value of that would be subject to taxes.

There has been some concerns regarding the amount of additional traffic for transport on Woodland Avenue. Approximately 150 trailer trucks per day would travel north on Woodland Avenue to Day Hill Road to the Interstate. This preferred route is pending approval from the State of Connecticut – Department of Transportation.

Mr. Schenck, Jr. stated that town Administration recommending this proposal to the Finance Subcommittee and if favorable a recommendation to the full Council at the next scheduled Council meeting on December 14, 2015. Mr. Schenck, Jr. also stated that a full presentation is being prepared for all Council members. Some members have been briefed in various subcommittees. In addition, there have been no public hearings or comments made by residents to express their concerns.

The Metropolitan District Commission is an advocate for the Niagara project, overall water capacity and the effect community needs. The plant at maximum capacity will use 4 million gallons of water per day. There also have been concerns raised regarding the wear and tear on Woodland Avenue. The town received \$1,000,000 state grant to rebuild the northern section of Woodland Avenue.

Deputy Mayor Schulman inquired about the Manufacturer's Pilot grant. It was noted that this grant was discontinued by the State a few years ago. The town only receives \$1.6M in Municipal Grant funds, in lieu of the Manufacturer's Pilot.

There was an ensued discussion of subcommittee members regarding the proposal of a tax abatement for Niagara Bottling.

Councilor DeLorenzo inquired about the State of Connecticut exemption, personal property assessments, available jobs for Bloomfield residents. He also inquired about the abatement schedule relative to the Grand List for October 1, 2016. Councilor DeLorenzo expressed concerns of the amount properties in tax abatement period if the town approved Niagara, with no taxes received during consecutive timeframes.

Attorney Marc Needelman stated that there would be no drain on town resources.

Councilor Rivers expressed concerns regarding the south portion of Woodland Avenue.

Mrs. Lois Hager, 8 Duncaster Road suggested that the Council should revisit the abatement policy, inquiring about if this project can go forward without an abatement. She also inquired about Niagara's history of staying in this facility for the long haul. It was stated that Niagara owns all of their properties and will invest a substantial amount in equipment for their operation.

Mrs. Katie Booher is the Economic Development Specialist for Niagara Bottling stated that the Town of Bloomfield has been an attractive site for their new bottling plant. They also indicated that their bottling operation is eco-friendly environmental factors. Their attraction to Bloomfield included a revamped site selection process involving: community fit, jobs, capital investment, and community leadership.

Attorney Marc Needelman inquired about the status update for MDC agreement with Niagara Bottling.

Deputy Mayor Schulman stated that the town is family oriented and Niagara Cares program embodies the meaning of giving back to the community.

It was moved by Deputy Mayor Schulman, seconded by Councilor DeLorenzo and voted unanimously that the Finance Subcommittee recommend to the full Town Council to proceed with granting the full abatement schedule as set forth and presented and may be modified or amended after review from the Town Attorney, Town Manager and Town Planner.

Councilor Hypolite suggested a friendly amendment to invite Niagara Bottling to make a full presentation at the next scheduled Council meeting.

Adjournment

It was moved by Councilor Hypolite, seconded by Councilor Merritt and voted unanimously to adjourn the meeting 6:20 p.m.