

Town of Bloomfield
Economic Development Commission Meeting
800 Bloomfield Avenue, Conference Room #5
DRAFT MINUTES
WEDNESDAY, December 28, 2016

Present: Bonnie Bercowetz, Michelle Bononi, Harold Harper, Lenny Hudgen, and Fred Hesketh

Also present: Director of Planning and Economic Development, José Giner, Mayor Joan Gamble, Mike Goman, Dave Driver, and Laura James, Recording Secretary

1. Commissioner Bercowetz called the meeting to order at 8:45 a.m.
2. Election of Officers
 - a. Chair
 - b. Vice-Chair
 - c. Clerk

Commissioner Bononi nominated Commissioner Bercowetz as Chair and there was no objection. Commissioner Hesketh nominated Commissioner Bononi as Vice-Chair and there was no objection. Commissioner Bononi nominated Commissioner Hesketh as Clerk and there was no objection.

3. **Public Comment – none**
4. **Discussion of the Draft Tax Abatement Policy**

Commissioner Bononi asked if there a time-frame the Council is looking to address Tax Abatement policy. Mr. Giner stated as soon as possible. The draft is being used as a loose guideline for the two applications the Town currently has. Mr. Giner stated there should be further discussion in January and a policy by February. Mayor Gamble stated the Council is looking to EDC to offer their best advice as how to proceed with a policy. Commissioner Bononi put forth the possibility of forming a three-member sub-committee to come up with a draft policy.

Mr. Giner stated hopefully there is a recommendation to the Council by January 9, 2016 regarding the current tax incentives under consideration. Mr. Giner stated the policy that is still in place is based on old State statutes. Mr. Giner further stated the EDC could still discuss in broader terms if the two companies are what EDC wants in Town and if they are worthy of a Tax break. Commissioner Hudgen stated that a general discussion should be discussed on the two businesses at hand.

5. **Discussion of Pending Requests for Tax Incentives**
 - a. World Class Distribution (Trader Joe's)
 - b. Butler Construction

Commissioner Hesketh recused himself from the discussion on Trader Joe's because of a conflict of interest. The EDC discussed the negative and positives of a World Class Distribution Center in Town. Commissioner Bononi stated that distribution centers' primary function is to move goods and doesn't entail the jobs that it has in years passed. Commissioner Bononi stated that, overall, Distribution Centers should not be at the top of the Town's target list. Having said that she felt that the 650 jobs are nothing to sneeze at and opportunities like this don't come every day.

Commissioner Harper stated that his concern was traffic control. Mr. Giner stated trucks would load between 10 to 4 in the morning. Mr. Giner stated there is a brand-new road (Phoenix Crossing) built by the developer and the State Traffic Commission has looked at the standards in the Certificate. There was further discussion regarding the traffic and the location of the new Phoenix Crossing road.

Commissioner Hudgen asked if the company is looking to lease or own the property. Mr. Giner stated they are looking to purchase the property. Commissioner Hudgen stated it is a good investment for the Town of Bloomfield.

Chairman Bercowetz questioned what role the EDC plays in bringing in jobs and if there is an entity to look at the skill sets of the unemployed in Town.

Commissioner Bononi stated in Mr. Schenck's document dated December 15, 2016, the stated five-year cost analysis assumes a 2.5 % growth each year and a 2.5% mill increase. She questioned that if it holds true where the shortfall is to come from. Commissioner Bononi stated there should be a pledge of no new tax increases to taxpayers as a result of tax abatements. Commissioner Bononi further stated EDC should look at a pay as you go for projects that the Town wants to do.

Commissioner Bononi made a motion for EDC to send a positive recommendation to the Town Council for the approval of the World Class Distribution Center that includes a 70% abatement and a four-year period with a zero waiver on building permit fees and a zero waiver on any other permit applications that may arise as a result of construction. The motion was seconded by Commissioner Hudgen.

Discussion of Motion

There was further discussion regarding the terms of the abatement and the State of Connecticut's involvement with incentives. Mr. Giner cautioned the EDC about including the specifics of the abatement in a motion.

Mr. Driver stated the State is very interested in the project and Trader Joe's has discussed incentives from the State. Mr. Goman stated retail is very slow and industrial is an active market. Mr. Goman stated Trader Joe's is a very strong company with no debt with a track record of almost fifty years and they are very excited about the opportunity. Commissioner Hesketh stated the EDC should not be concerned with traffic matters and wetlands, there are other agencies to handle these matters. Chairman Bercowetz stated it is more about the cost and not setting policy.

Commissioner Bononi made an amended motion for EDC to send a positive recommendation to the Town Council for the approval of the World Class Distribution Center that includes up to 70% abatement and up to a four-year period with a zero waiver on building permit fees and a zero waiver on any other permit applications that may arise as a result of construction. The motion was seconded by Commissioner Hudgen and was approved. Commissioner Hesketh abstained.

Chairman Bercowetz recused herself from the Butler discussion because of a conflict of interest. Mr. Giner stated Butler Construction is proposing to buy a 46-acre piece of land on West Dudley Town Road. Proposing a brand new 40,000 square foot building at a cost of \$2.4 million dollars with land improvements of \$800,000 dollars at a total of about \$3.2 million-dollar total investment. Mr. Giner stated the construction firm does a lot of disaster recovery nationwide. They are currently located in Windsor and are looking for a site nearby where they can build and expand in the future. The current taxes are about \$3,521.00 per year and they would be paying approximately \$110,000 a year in personal property taxes not including the land. Mr. Giner also stated that there would be approximately \$36,000 dollars in building permit fees. He stated that if the draft abatement policy was applied the project would be eligible for a 30% abatement over a two-year period, which would come out to about \$18,000 dollars per year in abated taxes and would take in about \$215,000 dollars per year in added revenue during the term of the abatement. Mr. Giner further stated it is a local company and probably bringing their workforce with them, therefore, the amount of jobs would be limited. Commissioner Hudgen stated he reviewed their presentation and thinks it would be good because they have a present

commitment. Commissioner Hesketh stated it is favorable to the Town, but his concern is setting a precedence in doing something for every company.

Mr. Goman stated that it was expected that every company would request tax abatements. Tax abatements improves the returns for the developers.

Chairman Bononi asked will the fleet of vehicles be taxed by the Town. Mr. Giner stated yes if they are physically located in Town during the assessment period.

Commissioner Hudgen made a motion to recommend to Council the application for Butler project to move forward. The motion was seconded by Commissioner Hesketh and was approved. Commissioner Bercowetz abstained.

6. Review of EDC Budget for FY 17-18

The EDC discussed two budget items that deal with Economic Development. Mr. Giner stated suggestions for the budget could be made at the January 10th meeting. The EDC discussed participation and a possible budget online survey. The consensus of the EDC is to put on the agenda for discussion what projects EDC wants to undertake in the coming year at next meeting and extend regular meetings to 10:30.

7. Public Comment

Mr. Kevin Gough, 5 Bear Ridge Drive, stated there was an assumption by Goman and York the World Class Distribution was strong financially and his understanding is the company is not a public company because there is no access to their financials. Mr. Goman stated they have not seen the company's financials. Mr. Goman stated they have a long track record, which is not blemished by bankruptcies or reorganizations, and they are a very large company with no debt.

Mr. Gough asked Mr. Goman if he has seen the balance sheet. Mr. Goman replied he has not seen a balance sheet, but they have talked to the company and bankers.

Mr. Gough stated his concern of giving incentives to businesses to build new industrial buildings when there appears to be space that currently exist for these types of businesses. Mr. Gough stated incentives should be provided to business who use existing buildings. Mr. Gough further stated it is hard for EDC to work with a draft policy and is important to take into consideration comments that citizens have made in regards to size of incentives.

There needs to be documentation as to why businesses are receiving an incentive and when does it stop. Mr. Gough stated the survey is good idea but the Plan of Conservation and Development already does this and more effort should be placed on doing what the people want.

Mr. David Mann, 1 Adams Road, stated it is very difficult to move on proposals without a policy. More time needs to be spent on a policy and he shares the EDC's concern that it is hard to come up with something that is pleasing to everybody.

Ms. Sharon Mann, 1 Adams Road, Ms. Mann stated that regarding the 650 jobs, could there be some recommendation that Bloomfield citizens come first for jobs and monitoring to keep Bloomfield residents hired.

Mr. Kevin Gough, 5 Bear Ridge Drive, Mr. Gough stated EDC should try to get a better feel of what the unemployed skill level and maybe a specific training program be instituted.

8. Adjournment

Commissioner Hesketh made a motion to adjourn at 10:30 a.m. Motion was seconded by Commissioner Harper and passed unanimously.