There was a special joint meeting of the above referenced subcommittees and the Economic Development Commission held on Tuesday, May 14, 2019 at 6:30 p.m. in Council Chambers, Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, CT.

**Committee members present were:** Councilors Kevin Gough, Finance Subcommittee, Chair, David Mann, Land Use & Economic Development Subcommittee, Chair, Joseph Merritt, Kenneth McClary, Jennifer Marshall-Nealy, Patrick DeLorenzo, Mayor Suzette DeBeatham-Brown and Deputy Mayor Rickford Kirton

**Also present were:** Sharron Howe, Assistant to the Town Manager, Commissioner Michelle Bononi, EDC Vice Chair, Commissioner Nyandah Robinson, Commissioner Martin Geitz, Commissioner Lenny Hudgen and Jose Giner, Director of Planning and Economic Development

**Guest:** Cigna Representatives - John Lenio, Executive Vice-President - CBRE Advisory, Robert Rosevear, Senior Financial Advisory - Cigna Global Real Estate

**Absent was:** Councilor Elizabeth Waterhouse, EDC – Commissioner Bonnie Bercowetz, Chair, Commissioner Jerry Katrichis, India Rodgers, Clerk of Council

The meeting was called to order at 6:35 p.m. These minutes were transcribed based on the tape recording of the meeting.

**New Business**

**Council Referred Item FY 18/19-56: Discussion and Possible Action Regarding Potential Improvements to Cigna’s Global Headquarters**

Councilor Gough noted the initial presentation to the Council on April 22, 2019, in which Cigna presented their proposal regarding the Bloomfield headquarters and expansion opportunities. The presentation outlined the possible renovation of the Wilde Building and asked the Council to consider modifying the Town’s Tax Abatement Policy to incent the expansion occur in Bloomfield.

Mr. Jose Giner, Director of Planning & Economic Development gave a status update regarding the potential improvements to Cigna’s Global Headquarters. Cigna is requesting of the Council to modify the existing Tax Abatement Policy from 5 years/50% to 7 years/50%. Mr. Giner presented a Tax Analysis that displayed the implications of current and future taxes, the amount of money spent on abatements versus revenues received over the lifespan of the two construction projects.
Mr. John Lenio, Executive Vice-President with CBRE Advisory and Mr. Robert Rosevear, Senior Financial Advisory for Cigna Global Real Estate are assisting Cigna with their site selection process.

Mr. Lenio and Mr. Rosevear presented a recap of the expansion project and planned investment in the Wilde Building. They also explained the major drivers for the request of a tax abatement.

The scope of the project outlines the need to update the current building, which is not efficient with current work population. An overall investment with furniture and Information Technology equipment is approximately $25-35 million. The remainder of the $90 million estimate is in construction cost, renovating the inside of the building, creating more conference rooms, and more flexible office space.

It was noted that Cigna merged with Express Scripts in December 2018. There is a much larger real estate footprint to serve and more demand for capital resources than they have money for. Cigna is also evaluating how much their return of investment is with $90 million dollars and how much they are contributing to the town coffers. During the site selection process, Cigna has a lot choices around the country on where they hire people from.

The top two markets under consideration for expansion are Phoenix and Nashville with over 200,000 sq.ft. The Executive Team will continue to review cost differences on what employees are paid in each market. Connecticut is more expensive with real estate and personal property taxes than its competitors in Phoenix and Nashville.

Over a 10 year period, if $90 million dollars is invested in Bloomfield, the evaluation of cost premium would be approximately $4 -7 million dollars, without an abatement considered from the Town.

The Executive Team and Cigna propose to close this gap by requesting a tax abatement following the current guidelines of 5 years plus the two years additional years to place Bloomfield in the competitive realm with Phoenix and Nashville.

The tax analysis developed by Mr. Giner indicate that Cigna paid $2.1 million dollars in real estate taxes in 2018. They will remain equal with the personal property of approximately $35 million. Based on this analysis, there would be an additional of $4.7 million over 9 years, increasing tax base from $2.1 to $6.9 million dollars.

For real estate taxes without an abatement, it is estimated that there would be $6 million of potential new taxes, only requesting an abatement on this amount. If 7 years is considered based on the town tax analysis, the tax base would increase from $2.1 to $10 million over 9 years.

There ensued discussion regarding community investment opportunities and commitment from Cigna for the Bloomfield community.

Cigna stated that they are willing to commit to more community involvement. They noted that once a formal request is submitted, they can begin working with the Town on those particular initiatives.

The following items listed below are possible incentives that were discussed for consideration:

- Hiring of qualified candidates, possible residency consideration
- Internships – High School students (approx. 10-20 students)
- Strategies to achieve the goals for hiring Minority Contractors and increase Minority workforce
- Work with Outsourcing Team to do achieve diversity spending
- Sponsorships - Walking Trail for Filley Park, Bloomfield Bridge Program - STEM Projects through Leisure Services, Ace My Interview (Volunteers from Cigna Human Resources)
- Major building improvement, Community pool, Great matching fund for Library
- Would Cigna consider an incentive program to promote homeownership in Bloomfield?
- Cigna would honor reasonable claw back request, their intention is to receive feedback and develop a term sheet of requested items. Claw backs are certainly a reasonable request for a tax abatement to achieving measurable outcomes
- Would Cigna be willing to submit and post job openings on the town website. In addition, develop a point system in applying for jobs for Bloomfield residents (concur with HR)
- Work with the Bloomfield Chamber of Commerce to promote opportunities offered
- Encouraged Cigna to work with the Minority Construction Council for more transparent and compliance monitoring with diversity spender.

Councilor Gough discussed the two next action steps:

1. Review of the current Tax Abatement Policy (Potential modifications)
   The maximum amount to be abated in 50%, which can vary over time as well as length
   Willing to go 7 years when there is an investment of a least $20-30M or some other criteria?

2. Further discussion to revisit tax abatement policy in the next scheduled Finance Subcommittee and Economic Development Commission meetings.

Councilor McClary expressed concerns about changing the tax abatement, asked the Council to consider the current 5-year term and revaluate for another 2-year extension.

PUBLIC COMMENTS

1. **Linda Pagani, 4 Guernsey Road** inquired about making proposals and documentation accessible to the public for review.

ADJOURNMENT

The meeting was adjourned at 8:00 p.m.