



# ECONOMIC DEVELOPMENT COMMISSION

## SPECIAL MEETING

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*August 17, 2022 – 5 PM – Ludlow Room, Windsor Town Hall and via Zoom*

**PRESENT:** *Sharran Selig-Bennett, Randy Graff, Ojala Naeem, Jermika Cost, Jane Garibay and Al Loomer*

**ABSENT:** *Trevor Thorington, Tim Rice, Nathan Karnes*

**WINDSOR CENTER TIF ADVISORY MEMBER:** *Bill Davis*

**STAFF PRESENT:** *Peter Souza, Patrick McMahon*

**GUEST:** *N/A*

### 1. CALL TO ORDER

Chairman Graff called the meeting to order at 5:02 PM.

### 2. PUBLIC COMMENT

No members of the public were present.

### 3. DISCUSSION ITEMS

- a. **Windsor Center Tax Increment Financing District Master Plan** – McMahon reported that the Town Council adopted a TIF Policy that named the EDC as the TIF Advisory Committee with a provision that there be an opportunity for one or more citizen representatives with a connection to the district to be seated on the advisory committee during the development of its recommendations. Bill Davis was introduced to the Commission as the representative appointed by the Town Manager. Davis is a resident from the Center living on Elm Street. McMahon outlined the process for the adoption of a TIF District including determining district boundaries, developing a District Master Plan, referral of the District Master Plan to the Planning and Zoning Commission for a written advisory report that the District is keeping with the Town's Plan of Conservation and Development, holding at least one public hearing, and adoption of the District by the legislative body which is the Town Council. McMahon introduced the draft Windsor Center TIF District Master plan, indicated that it contained the required elements under the state's TIF enabling statute and gave a high level review of its contents. McMahon state that he would send to the EDC a section of the Plan of Conservation and Development regarding Windsor Center, and a summary document of the Windsor Center Transit Oriented Development Master Plan which are referenced in the draft district master plan. Davis asked about the percent capture and Souza said staff suggestion is that 75% of increased assessed value be captured for the district. McMahon said that 75% is being recommended as some portion of the capture may go

to credit enhancement agreements and there should be funds to pursue pay as you go capital improvements and economic development programs – examples of which are included in the district master plan. Davis asked why a TIF when development is already occurring in the Center. McMahon said that it is a way to designate a certain portion of tax revenue to be automatically reinvested into the district over a period of years. Loomer said it gives developers an extra incentive because it is a commitment by the Town to reinvest in its town center. McMahon said TIF can be used to incentive developers. At least one of the developers proposing a mixed-used development in the Center has indicated that there is a gap in his financial pro-forma that needs to be met in order for the project to be feasible. The developer is seeking bank financing; equity will be invested; and the Town secured a grant for the project. McMahon stated that the state grant would be increased from \$2.5M to \$3.2M. There is still a gap beyond those sources. McMahon stated that in mixed-used or residential development in downtowns across the state often a component is town involvement through a tax reduction or rebate. Souza mentioned that at the macro level we are basically half of a town center given our natural constraints of a floodplain which impacts the economics of the local market. Souza said that residential development in town centers on small parcels that can only have 50 to 100 units is different economics than a greenfield site that can handle 150 to 200 plus units - the math works differently due economy of scale. Souza mentioned the quality of design required in a center location are costs and so there are other public interests that may make a project not pencil purely on a 100 percent private financing or equity.

McMahon discussed the proposed boundary of the district which runs primarily along Broad Street and Palisado from approximately Sycamore Street to the Farmington River and along Poquonock Avenue to just north of Mill Brook. Graff asked why the district does not incorporate the old Mill Brook Package Store property. McMahon stated that the reason is that there is a whole section of residential properties interceding. Graff asked about the farm at the corner of Pigeon Hill and Souza said that there a soil constraints. Loomer asked how far up Bloomfield Avenue and McMahon stated not far due to the limited number of business zoned properties.

Loomer asked if we estimated the revenue that would be generated from the district. McMahon stated that the increased value above the original assessed value would be captured at 75% for the district and the other 25% would go to the general fund. Under the TIF Policy, only properties on the priority redevelopment property list are eligible for credit enhancement agreements which include Windsor Center Plaza, the former Printing Express site, Larsens Hardware, the former Ardery Chevrolet site and the Plaza Building. Davis asked whether those would require the “but for” clause where a project could not go forward without the credit enhancement agreement. McMahon explained how a property gets on the town’s priority redevelopment property list. The list is updated each year. The EDC makes recommendations to the Town Council for their consideration. The EDC reviews potential properties utilizing criteria established in a priority redevelopment property policy. Loomer then summarized that a property not on the list could be reviewed by EDC and recommended to the Council for addition, if Council approves the addition, then that property would be eligible to seek a credit enhancement agreement. Loomer said we need to incentivize development and density

in the town center. Loomer said there needs to be a density for shopping and that comes from people living here.

Graff said it looks like the Windsor Center Plaza project could need TIF but for the Ardery site we do not know yet. A question arose about the Taste of India and Souza responded that code related work was underway. Other projects mentioned were Track 139 and the Central Street Antiques building. Souza stressed that TIF is a tool to have on the books. Windsor Station Apartments would not have happened without town participation as a partner in the project such as assembling land. For 33 Mechanics Street, the Town assisted with approximately \$750,000 for remediation to help make that project move forward. Adopting a TIF would put some uniformity into a process for pursuing such projects. Developers may or may not choose to seek assistance from the Town on projects but the tool will be in the toolbox when opportunities arise. We also can pitch the availability of TIF to prospects.

Graff spoke of enhancement projects that would benefit from TIF. McMahon referred to a list in the draft Master Plan that includes infrastructure and enhancement projects and programs that could be funded or partially funded utilizing TIF revenues. The tax assessor would provide an update each year to the value in the district to determine what funds are deposited into the TIF account. The TIF Advisory Committee would have the opportunity to look at the list of potential projects and make recommendations to the Town Manager and the Town Council for the use of the TIF revenue. All of the TIF revenue generate in a given year does not need to be spent – it can accumulate for use in bigger projects. Souza said TIF could be utilized for programmatic costs like First Town Downtown or for beautification. The list provided in the draft plan is a realm of possibilities and the TIF would allow some fraction of those projects or programs to move forward. Naeem reiterated that the list was illustrative of TIF uses and that there would be a period of time of 12-14 months before assessed value increased with new development. She found the list useful as a parameter.

Loomer asked about revaluation and Souza said the next revaluation is October 1, 2023. McMahon said that a forecast of TIF revenue was included in the draft Master Plan and he ran through the numbers. The redevelopment of Windsor Center Plaza and the Ardery site would be drivers of increased assessed value. Graff said we would benefit from increased assessment even if a developer did not seek a credit enhancement agreement. Souza said the 25% of increased assessed value proposed to go to the general fund helps pay for other services or mitigate the change in the mill rate on an annual basis. It also gives recognition that any new development has the likelihood of generating some impact on town services. Souza said some communities have chosen to capture 100% for the district but it was more prudent for us for discussion purposes to have some of the new value go into the general fund. Naeem clarified that the estimate was based on projects that we are aware of now but that other large projects could happen down the road that would impact the revenue generation. Souza said we also expect continued organic growth of value in the district. Naeem asked, looking at the TIF revenue projected that could be worked with, does it provide enough benefit to justify the TIF from an economic development perspective? Souza said that the projects in planning and permitting would have a multiplier effect like what we have seen from Windsor Station Apartments. Residents in new units would have disposable income that will help local businesses and there would be the intangible of more vitality in the

town center. It will create a stronger business environment. We do not have a lot of redevelopment opportunities in town center because of the nature of our quaint center so that will be a limiting factor to a significant multiplier effect. Loomer said that Larsen's and the corner of Mack and Poquonock are eyesores. He said that projection appears conservative because it shows a constant mil rate in the calculation. McMahon stated that we were trying to be conservative in the estimate but also the mil rate has been essentially flat for the last few years. Davis asked how commercial properties were assessed. Souza said personal property is declared each year. Commercial real property valuation is based on the income from rents that can be produced from the property and is revalued every five years. McMahon stated that the TIF only includes real estate value – not personal property.

McMahon said that TIF revenue could be utilized outside the district if the project relates back to the district. Loomer mentioned the CT River Greenway extension as an example. McMahon said the TOD Plan had some neighborhood streetscape enhancements suggested that would be to the west of the proposed district but benefits the commercial district. He also gave the example of enhancement to Washington Park or Millbrook Open Space that would benefit the livability of the town center. Loomer expressed concern about TIF funds being utilized outside of the business district. Souza said since this is the first district being proposed we wanted to keep it contained but the Windsor Center is well-defined in the Plan of Conservation and Development and the TOD Plan. Loomer said he was concerned with the inclusion of the CT River Greenway in the Master Plan. Souza said we could incorporate language about the TOD planning area. Loomer made a motion to limit the use of TIF revenue outside of the District to the TOD planning area. Davis seconded the motion. The motion passed unanimously. McMahon mentioned that the various projects listed could be funded from any mix of TIF, general fund, or state or federal grants.

Graff said that the EDC, as TIF Advisory Committee, would need to make a recommendation to the Town Council whether to adopt the TIF district. McMahon discussed a proposed schedule for adoption of TIF. A presentation to First Down Downtown would be for informational purposes. TPZ has the opportunity to review and provide a written advisory opinion as to whether the district and master plan are in keeping with the Plan of Conservation and Development. The Finance Committee of the Town Council would have an opportunity to review and the Town Council would hold a public hearing. Loomer asked if there were any legal constraints on the calendar. Souza responded that there were not legal considerations on the timing. The timing is to be responsive to some of the projects that were discussed earlier and their development and financing plans. There was discussion as to the role of the PZC and the timing. The Commission agreed to hold a Special Meeting on August 31<sup>st</sup> to continue the discussion.

#### **4. ITEMS FROM ECONOMIC DEVELOPMENT PARTNERS**

None

## **5. ITEMS FROM COMMISSION**

Loomer asked if there was a date for the business breakfast. McMahon stated it would take place sometime in October based on the availability of CT's Manufacturing Czar, as well as the availability of hotel meeting space. The breakfast is in coordination with the Chamber of Commerce.

## **6. ITEMS FROM STAFF**

- a. McMahon mentioned an application for 29 Windsor Avenue (former Flamingo Inn site) that would include a gas station with convenience store, a car wash, a retail building and a daycare. Future phases for the property could be apartments, self-storage and/or hotel.
- b. 415-425 Day Hill Road – a developer purchased the property from the Ferrainas. The proposal includes the demolition of the two existing office buildings to be replaced by a 170,000 s.f. flex distribution/manufacturing spec building.

## **7. REVIEW OF PREVIOUS MEETING MINUTES**

**Motion:** Loomer moved to accept the July 20, 2022 meeting minutes; Naeem seconded the motion. The meeting minutes were unanimously approved as distributed.

## **8. ADJOURNMENT**

Loomer motioned to adjourn. Selig seconded. Motion approved unanimously. The meeting was adjourned at 6:22 PM.