



# ECONOMIC DEVELOPMENT COMMISSION

## REGULAR MEETING

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*September 21, 2022 – 5 PM – Ludlow Room, Windsor Town Hall and via Zoom*

**PRESENT:** *Sharran Selig-Bennett, Randy Graff, Ojala Naeem, Nathan Karnes and Al Loomer*

**ABSENT:** *Trevor Thorington, Tim Rice, Jermika Cost, Jane Garibay*

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

**GUEST:**

### **1. CALL TO ORDER**

Chairman Graff called the meeting to order at 5:03 PM.

### **2. PUBLIC COMMENT**

None

### **3. DISCUSSION ITEMS**

#### **a. Assessment Abatement Incentive Policy –**

McMahon stated that our tax abatement policy was last updated in 2014 and we are conducting a review of the policy to determine any needed revisions. Conversations have commenced with the Finance Committee of the Town Council and we are seeking input from the EDC before preparing draft revisions.

One decision point is whether tax abatements should be used for multifamily housing developments. The EDC reviewed that question with 2020 and the consensus of the commission was not in favor of a blanket, town-wide residential abatement policy, but were open to a policy that targeted geographically or to meet a goal of the Town Council or Planning and Zoning Commission. Loomer asked if other towns our size offer tax abatements for multifamily residential and the answer is yes. Karnes asked about per unit tax breaks. The only abatement we have done for multifamily was for Windsor Station Apartments and that was based on the gross assessment of the property. The Town Council can follow the policy or have flexibility if a developer approaches with a specific ask that is outside the policy. Multifamily was allowed in the Town Center for a period of time but it sunset. Multifamily is defined as four or more units of permanent housing.

Windsor's policy is narrower than the uses allowed under 12-65b. McMahon summarized our current policy compared to the uses allowed in 12-65b. A decision area is whether warehouse distribution should be an allowable use if it meets the significant impact criteria of over \$60M of taxable value.

Windsor has not generally provided abatements at the full terms or percentages allowed under state law. Another question is should the terms schedule in the policy be revised to more closely reflect what we have historically provided or remain flexible? McMahon shared a table outlining the tax abatements provided in the past. Nine projects have been approved and moved forward. Three were approved but the projects did not proceed. We are competing against other states not just other municipalities.

Karnes stated that we may want to keep the current schedules to provide flexibility or bring in line with what the Town is willing to negotiate so that developers don't have expectations of more than what they can get.

Loomer mentioned the economic impact of multifamily with the spending power of occupants and motor vehicle tax.

Karnes asked about the timeframe for review of the policy. Souza said the Finance Committee is primarily focused on the type of businesses; modifying the definition of significant impact regarding the dollar amount or the types of uses eligible under this category; altering the abatement schedule; and encouraging sustainability and conservation measures (currently there is a 5% bump for those measures).

Graff mentioned that previous abatements were for new construction and expansions. Graff asked about renovation of vacant office facilities and how would that fit into the policy? If there is less acreage for large development we may need to look at renovation of existing buildings. The Town does have a program to assist with commercial properties over 40 years old that rehabilitate and add at least 15% of assessed value. Such properties can apply and the abatement schedule is already established. That is a separate policy. Graff asked if that should be integrated into one policy. Commissioners felt 40 years is too long and some shorter period should be considered. We will have to look at the enabling legislation of the rehabilitation abatement to see if there are any caps or limitations on that. One challenge of integrating into one policy is the rehabilitation policy applies to residential and commercial property. For residential it applies to homes over 20 years that add at least 10% of assessed value.

We have a significant amount of vacant office space and we are hearing in the market that properties need to be amenitized in order to attract tenants and talent workers. Substantial retrofit of Class B or C office might be considered as an eligible use of abatements. Targeting Center and 1 Waterside Crossing are essentially vacant. We anticipate that the Voya building because it is Class A will be leased out but in smaller increments. If the building is subdivided can incentives be given to amenitize a portion for retail or a service business. The policy does not currently allow retail or service usage. We may want to expand the usages based on what we think we can attract in the next five years. Manufacturing is a pretty broad category. We utilize NAICS code to determine eligibility. That can range from ag sciences/life sciences to more traditional manufacturing like aerospace or precision manufacturing. We want to capture emerging trends.

Karnes asked about advanced medical offices and Souza mentioned Cottage Grove Road as an example of medical offices and the dialysis unit at 360 Bloomfield Avenue. Medical devices are not exempt under state law for personal property. Give up some real estate value to capture the personal property value for a period of time.

For existing office buildings incentives would potentially preserve existing tax base rather than generate new tax base. We might have to abate some of what we have been receiving in order to encourage reinvestment. Gutting a building and updating mechanicals would not generate what new construction would in value. For example, replacing an AC unit that is 25 years old may not add any assessed value to the building.

Abatement could be an alternative to a TIF tool on a multifamily project since it is allowed under 12-65b. They also allow recreational facilities.

Karnes asked if the \$60M for significant fiscal impact is a state requirement or local determination. Souza state that it is a local determination. Maybe we should reconsider that number. Is there a change in the number of properties that can handle an investment of that size? Souza mentioned that some projects are going more vertical.

The Significant Fiscal Impact opens the uses up to anything under 12-65b rather than limit to Class A office, manufacturing and advance medical procedures offices.

Karnes stated that mixed use development definition under state law is one or more multifamily or single family dwelling units and one or more commercial, public institutional, retail, office or industrial uses.

Perhaps 5 years at 70% should be the maximum terms. We have been striving for five years or less. The policy is made available to development prospects.

Should large distribution uses be allowed under the significant fiscal impact category. Fiscally it has been a positive for the Town and from a jobs perspective for the town and region. There are some impacts to immediate neighbors such as noise or traffic. About 10 percent of jobs are filled by Windsor residents. Though we do not have that may large parcels remaining properties could be assembled in the future that could handle large distribution. Warehouse could be a higher dollar threshold and added requirements. Warehouse is much more labor intensive but manufactures like Liepold offer the prospects of higher pay. Karnes asked about a tour of the Amazon facility for new EDC members. You can add real estate investment and personal property investment to qualify for significant fiscal impact. There are no pending abatement applications but there a possibilities for future requests.

Naeem asked if we got any feedback from the projects that did not move forward or prospects that went elsewhere that would inform our decision on policy revisions. Souza mentioned that companies that opted elsewhere it was more about the particular site location evaluations and not our policy. Souza said some companies asked about the longer terms. He said that is why we might want to consider shortening the length under the policy but it still gives the Council flexibility to provide a longer abatement under state law.

McMahon gave an update on NIPRO which approached the town about an abatement previously. NIPRO has secured the land at the end of Day Hill Road and Blue Hills Avenue but the building development is still a few years out. McMahon mentioned that the EDC had conversations with DataMail on an expansion but we are awaiting more information before proceeding further.

McMahon asked about the target business list and whether we want to add any advance technology uses.

Naeem asked about assistance for projects in the \$500,000 to \$1M range that would add some of the amenities that are now in demand in or near corporate campuses. Something like Top Golf as a pull to other businesses. This would not qualify today as entertainment. Maybe adding recreation or mixed-use to encourage those amenities.

Souza mentioned that we have focused in the past on additional assessed value to the grand list but over the next five years is how we reuse existing properties that may not generate new revenue. Hartford is looking at abating personal property to get tenants into vacant office space. We need to look at state enabling legislation.

Hotels are eligible under transient residential under 12-65b but would have to reach \$60M threshold under our policy.

Souza said we got the sense of the Commission and unless the Commission wants to hold a special meeting, the Finance Committee is likely to consider revisions to the policy in mid-October with decision by the Town Council at the tail end of this quarter or early next quarter. Souza expects an iterative discussion with the Finance Committee. Additional input from EDC may be requested at a special meeting or the November regular meeting.

Karnes would like to see multifamily incorporated into the policy in some way. McMahon mentioned that there is discussion that some measure of affordability like 20% of the units at 80 AMI would be a threshold requirement.

There was discussion on green technology and sustainability.

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

Garibay and Paula Pierce will be attending a CT Main Street Center seminar on assisting small businesses in downtown.

Chamber is ready to make an offer to an interim Executive Director.

#### **5. ITEMS FROM COMMISSION**

Karnes about the Town Center TIF district mapping and that residential areas were included in the spending plans. McMahon stated that the District is essentially the mixed-use commercial spines but that an area of residential between Broad Street and Washington Park was included as an area that could benefit from TIF expenditures like sidewalks. We incorporated a second map from the Transit Oriented Development Master Plan that highlights an area where TIF revenue could be used outside of the district but relates to the district.

#### **6. ITEMS FROM STAFF**

- a. McMahon mentioned business breakfast scheduled for October 20<sup>th</sup> at the Hilton Garden Inn. The speaker will be Paul Lavoie, Chief Manufacturing Office for the State of CT
- b. Naeem will be meeting with Executive Director of CTNext and inquire about Windsor Worx. She recommended that staff reach out directly. McMahon mentioned that the operator of Windsor Worx needs to secure \$110,000 in matching funds before the Town releases any ARPA funding. The operator is considering financing.

- c. The Town Council voted to refer the Windsor Center TIF to the Planning and Zoning Commission for a written advisory opinion that the TIF is in keeping with the POCD. TPZC meets on October 11<sup>th</sup>. The Council also scheduled a public hearing for October 17<sup>th</sup>. It is possible that the Council would consider adopting the Windsor Center TIF District and District Master Plan at its October 17<sup>th</sup> meeting. Any request by the developer of the Windsor Center Plaza would be a separate process after adoption of the TIF District including coming to the EDC for its recommendation.
- d. Don Sardilli is seeking a zone change for 550 Marshall Phelps from warehouse to industrial. Properties in that area are zoned industrial. It would open the reuse of the property to manufactures by right rather than special use, as well as flex warehouse distribution. There are residents to the northwest of the property.
- e. The Town is designing the unimproved portion of Baker Hollow Road. We would potentially be going to the Council over the winter to get approval for the construction of the roadway and utilities during the next construction season.

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

**Motion:** Loomer moved to accept the August 31, 2022 meeting minutes; Karnes seconded the motion. The meeting minutes were unanimously approved as distributed.

## **8. ADJOURNMENT**

Next meeting is scheduled for November 16<sup>th</sup>.

Loomer motioned to adjourn. Karnes seconded. Motion approved unanimously. The meeting was adjourned at 6:24 PM.