



# ECONOMIC DEVELOPMENT COMMISSION

## REGULAR MEETING

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*March 15, 2023 – 5 PM – Ludlow Room, Windsor Town Hall and via Zoom*

**PRESENT:** *Randy Graff, Tim Rice, Sharran Selig-Bennett, Al Loomer and Jermika Cost*

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

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

**GUESTS:** *Bill Davis, Ken Fredette*

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

Chairman Graff called the meeting to order at 5:00 PM.

### **2. PUBLIC COMMENT**

No public comment.

### **3. DISCUSSION ITEMS**

McMahon introduced and welcomed Ken Fredette, the new Executive Director of First Town Downtown and mentioned that they had attended Small Business Development Center Day at the State Capitol earlier in the day.

#### Introduction of Office Vacancy Challenge

McMahon gave some background into Windsor's office portfolio that the Assessor tracks. He discussed how office space is classified. Class A are newer building with high quality finishes and amenities like Voya and The Hartford. Class B are generally quality office space but somewhat dated like buildings on Northfield Drive, Waterside Crossing and Corporate Drive. Class C generally refers to property and finishes that are over 40+ years. Windsor has 4.2M SF of office space. Commercial realty firms like CBRE and Cushman and Wakefield track the vacancy rate.

CBRE Quarter 4 2022 Report showed 28 buildings with 34% vacant. The North market running from Windsor to Enfield has historically had a higher vacancy rate than Hartford and the south of Hartford markets. We are meeting with the larger property owners to get a sense of the status and their plans moving forward.

The goal for the EDC meeting is to lay out the issues and at a future meeting discuss strategies the town could pursue to reduce office vacancy.

McMahon showed the promotional materials on the Voya and Hartford properties and stated that the commercial brokers are aggressively marketing these properties. Commercial brokers are partners in pursuing the use/reuse of office space in town. Graff asked if Voya and the Hartford owned the properties and McMahon answered in the affirmative. Graff said it was to their advantage to get the buildings leased out.

Souza and McMahon met with the commercial brokers for the Hartford and they said they were patient to see how the market plays out. Graff asked if the Hartford wanted to lease the space and McMahon stated they want to sell. Voya would like to sell with an 85K SF leaseback.

McMahon stated that the feasibility of conversion to other uses like housing needs to be property by property as it would be influenced by location, floorplates, the age of mechanicals, window systems, etc. Not every property lends itself to conversion.

1 Targeting Center – there is interest from a group to convert to residential. Started conceptual designs.

We are expecting a significant reduction in office values which will impact revaluation. The more space that is occupied the better as the buildings will maintain value.

415-425 Day Hill Road, former American Airline call center is going to be demolished and replaced by a 170K SF flex industrial building. We may be approached about demolition of other older office product in the town to make way for other uses. Souza stated that the vacancy rate for industrial is currently far less than for office product. Souza said the developer for 415-425 Day Hill Road has no tenant lined up and is building on spec.

Souza said that with property revaluation if the total valuation of office is \$271M, a 30% drop in valuation would have as high as \$3M impact on the budget.

Rice asked about the Konica property. McMahon stated that it is mostly vacant as Konica moved operations to New Jersey.

What are landlords doing to reposition properties? There is a flight to quality. Landlords are looking to amenitize their spaces and properties like a Google Campus with food courts, bocce courts, outside sitting areas, etc. Collaborative spaces are important. Communities are also looking to amenitize office parks with restaurants, trails, etc.

Some companies are offering incentives to come back to the office. It is unlikely that there will be a return to five days in the office. We will continue to see some form of a hybrid model.

Most of the conversions to residential or hotels have been in hotter downtown markets. Conversions require project proformas to pencil out. If you have a 40 or 50 year old office building, the investment that would need to be made on replacement of mechanicals, roof and windows is substantial, not to mention the new layout of interior

plumbing and walls. At \$100 to \$180 per square foot – renovations could run in millions.

We may need to be more flexible in the allowed uses under zoning and be prepared to step in a fill some of the financial gaps

Souza said it is more difficult to provide incentives on existing buildings than on new construction. Tax abatement projects have been based on added value. If you convert a floor to a food court that may not actually add value but may be important to maintain value. We need to look at how we can incentive under current state enabling legislation.

Souza said Voya and the Hartford are top notch and have been well maintained.

McMahon mentioned a regional task force on this topic has been convened by the MetroHartford Alliance and meeting on an ongoing bases. This is a challenge not only for Windsor but the region and communities across the country. Those communities are the most proactive will benefit the most. Souza mention for example a zoning approval in Farmington for a food court in one of their office buildings.

MetroHartford Alliance has communicated that there are not any large office user deals to be had at this point.

There have been conversations with Council about this topic.

McMahon stated that representative of AdvanceCT, the business recruitment arm for the state, have visited the community to understand opportunities for advanced manufacturing, datacenters and life sciences.

Souza mentioned opportunities related to Waterside Crossing with the office buildings built in the early 80s . Some of the buildings are functionally obsolete. Some form of light manufacturing/assembly may work. Also, maybe the large parking lots at the Hartford and Voya could be converted to multi-family or recreation use that could coexist.

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

The Chamber of Commerce will be interviewing candidates for their part-time executive director position and hope to have someone hired for April.

Ken Fredette, the new Executive Director of First Town Downtown, spoke about his experience in economics and data management. He has been a Windsor resident for 15 years and lives on Remington and can walk to the Center. Ken is also a cartoonist. He mentioned the brick ceremony on April 22<sup>nd</sup> and the upcoming Monarch Festival. FTDT is looking for upcycled planters, donations and volunteers for the event.

The Bradley Development League had a manufacturing forum at Almost Famous Brewery in East Granby. There were about 75 participants with manufacturers from all four towns. The State's Chief Manufacturing Officer, as well as representatives of

ConnStep, Connecticut Center for Advanced Technology and Capital Workforce Partners spoke. Manufacturers have positions open but are looking for employees with the skillset to work on the manufacturing floor. They are willing to train but need to have people with the soft skills to be successful. We have an aging manufacturing workforce and need to train a new generation. We had representatives at the forum from Windsor Public Schools, Loomis Chaffee and the Academy of Aerospace and Engineering, as well as Goodwin University and Asnuntuck Community College.

Souza mentioned that representatives of Blueprint Robotics flew up for the event, that they are pursuing site plan approval and hope to break ground later in the Summer or Fall. McMahon stated that the state has offered an incentive package to Blueprint and would be having a meeting with state agency representatives in Windsor the next week.

## **5. ITEMS FROM COMMISSION**

Loomer asked about the status of the Windsor Worx project. Windsor Worx held a fundraiser that was well attended with about forty people. It took place at Union Street Tavern and then people walked through 208 Broad Street. Annisa Teich has continued to look for capital to match the American Rescue Funds from the Town. She has been exploring personal loans to move the project forward. Ms. Teich has reached out to the owner of 41 Mechanic Street about leasing that space in the interim while the Loomis Chaffee property gets updated.

## **6. ITEMS FROM STAFF**

McMahon distributed a development activities report. He mentioned the design work for improvements to Baker Hollow Road and that the Town Council would soon be considering the funding for the project. 105 Baker Hollow has been leased by SafeLite Auto. The same developer acquired the land at 205 Barker Hollow for a companion 185K SF building. The Finance Committee would be reviewing the Credit Enhancement Agreement for the Windsor Center Plaza Redevelopment. Kevin Gremse from NDC would be making the presentation. The hope would be that the Finance Committee will recommend the CEA to the full Town Council the following Monday evening.

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

**Motion:** Rice moved to accept the January 25, 2023 meeting minutes; Cost seconded the motion. The meeting minutes were unanimously approved as distributed.

## **8. ADJOURNMENT**

Next meeting is scheduled for May 17, 2023.

Rice motioned to adjourn. Cost seconded. Motion approved unanimously. The meeting was adjourned at 5:52 PM.