

TOWN OF WINDSOR, CONNECTICUT

NOTICE OF SPECIAL MEETING

AGENCY: Economic Development Commission
DATE: Tuesday, July 24, 2018
TIME: 4:00 PM
PLACE: Ludlow Room – Town Hall – 275 Broad Street

AGENDA

1. CALL TO ORDER
2. PUBLIC COMMENT
3. DISCUSSION ITEMS
 - a. Fixed Assessment Application – Fabbrica, LLC
Commission will discuss an application for assessment abatement for a proposed manufacturing facility at 11 Goodwin Drive.
 - b. Review of Economic Development Incentive Policies
Staff will present background information on changes to state enabling legislation regarding economic development incentives and a survey of current policy and practice in other communities.
4. ITEMS FROM ECONOMIC DEVELOPMENT PARTNERS
5. ITEMS FROM COMMISSION
6. ITEMS FROM STAFF
7. REVIEW OF DRAFT MINUTES – January 24, 2018
8. ADJOURNMENT

DISCUSSION ITEM a
FIXED ASSESSMENT APPLICATION
FABBRICA, LLC

FABBRICA, LLC PROJECT INFO SHEET

July 24, 2018

Type of Project

Fabbrica, LLC designs, engineers, manufactures and installs curtain wall systems and building interiors. The company was formed in 2015 by two former officers of Permasteelisa. In 2016, it established administrative offices in Enfield and a manufacturing facility at 25 International Drive in Windsor. They expanded production space into 35 International Drive in 2017. In addition, they have since leased warehouse space in Windsor Locks and outdoor storage space in New Haven.

The company has been successful in signing contracts for building projects in New York, Boston and Washington, DC. As a result of this growth and a desire to consolidate their multiple locations, the company has considered a number of options – leasing larger existing space in Enfield or Westfield, MA; keeping only the 25 International Drive location and leasing additional production space in Montreal; or the lease/purchase of new space to be constructed at 11 Goodwin Drive in Windsor.

The Goodwin Drive project will be a build-to-suit or land purchase and construction for Fabbrica. There will be significant investment in equipment, facilities, and employees.

Site/Building Info

- Square footage of building: 189,000+/- sq. ft.
- Land area of site: Approximately 26 acres
- Location: 11 Goodwin Drive, Windsor, CT

Planned Investment

Building	14,000,000
Office Equip.	300,000
Manufacturing Equipment	<u>3,000,000</u>
Total	\$ 17,300,000

Employment Info

Company plans to create 140 new full-time jobs within 5 years. This is in addition to the 100 current employees in Connecticut. Annual payroll in Year 1 is estimated at \$7.5 MM. See following page for additional wage information for production employees.

Project Timing

- Complete lease signing by: Q3 2018
- Start construction in: Q3 or Q4 2018
- Certificate of occupancy by: Q2 or Q3 2019
- Operational by: Q3 2019

Competing Locations

As noted, Fabbbrica has considered a number of alternatives to meet its need for an expanded facility. It has identified options in: Enfield, CT; Westfield, MA; and Montreal, Canada.

Traffic Info.

- Number of truck trips per day: 10 - 20
- Outbound truck shipments leave in the early morning to be at building sites in New York and Boston before 8 AM. Inbound trucks arrive after AM peak.
- Traffic Assessment by Langan Engineering (June 18, 2018) concludes that anticipated traffic from a fully developed manufacturing facility at this location will have no significant adverse impact on traffic conditions in the area.

State Assistance Requested

Fabbbrica has requested assistance from the state.

Local Assistance Requested

Fabbbrica requests a four year, forty percent tax abatement.

**SCHEDULE OF WAGES
FABBRICA LLC**

SOC	POSITION TITLE	COMPANY MEDIAN STARTING WAGE	NO. OF EMPLOY EES	Proposed Jobs
11-3051	Production Manager	72.12	1	
11-9021	Director of PM	120.19	1	
11-9021	PM Director	96.15	1	2
11-9051	Chef	26.44	1	
11-9199	Technical Manager	74.52	1	
13-1022	Buyer	20.26	3	5
13-1022	Purchasing Assistant	18.00	1	5
13-1022	Sr. Buyer	33.65	2	
13-1082	Assistant Project Manager	27.88	1	5
13-1082	PM Coordinator	20.08	1	
13-1082	PM Intern	15.00	1	
13-1082	Project Manager	46.15	3	5
13-1082	Site Manager	72.12	1	5
13-2011	Accounting Manager	40.87	1	
13-2011	Accounts Payable Specialist	20.00	1	5
13-2011	Senior Accountant	36.06	1	1
17-2199	Engineer	33.65	1	5
17-3011	3D Designer	15.39	4	5
17-3011	Design to Production	40.87	1	
17-3011	Designer	9.09	3	10
17-3011	Sr. Designer	46.65	6	
43-3061	Asst Buyer	17.50	1	3
43-6014	Project Manager Asst	32.00	1	5
51-1011	Assembly Lead	32.10	2	2
51-2099	Assembler	13.92	18	55
51-4031	Machine Operator	18.39	3	10
51-9061	Quality Inspector	21.43	2	2
43-5071	Shipping/Receiving	22.84	1	5
53-7062	Crating Specialist	17.50	1	5
53-7062	Receiving	15.00	1	

**PRELIMINARY PROJECTION
FABBRICA PROJECT**

BUILDING ASSESSED VALUE	LAND ASSESSED VALUE	MILL RATE	BEFORE ABATEMENT	AFTER ABATEMENT	ABATEMENT %	ANNUAL BENEFIT	BLDG PERMIT	PERSONAL PROPERTY	ANNUAL TAX REVENUE W/ABATE
\$9,310,000	\$2,730,000	0.03296	\$396,838	\$158,735	60	\$238,103	\$182,000	\$9,484	\$168,219
\$9,310,000	\$2,730,000	0.03296	\$396,838	\$198,419	50	\$198,419		\$7,514	\$205,933
\$9,310,000	\$2,730,000	0.03296	\$396,838	\$277,787	30	\$119,052		\$5,999	\$283,786
\$9,310,000	\$2,730,000	0.03296	\$396,838	\$317,471	20	\$79,368		\$4,564	\$322,035
			\$1,587,354	\$952,412	40.00%	\$634,941	\$182,000	\$27,561	
			Total Company Benefit =	\$634,941			Total Town Revenues =	\$1,161,973	

NOTES

- 1) Fixed assessment on land and real property improvements provides an average annual abatement of 40% over a four year term.
- 2) Projections do not account for changes in mill rate, property revaluation, personal property or reinvestment in equipment
- 3) Assumes land value of \$3.9MM, building construction value at \$14MM and taxable personal property of \$300K.
- 4) Building permit is calculated at \$13.00 per \$1,000.00 of construction cost.
- 4) Building Assessed Value is calculated by depreciating construction cost (\$14MM) by 5% and then applying 70% assessment rate.
- 5) Personal Property Tax is calculated by depreciating original cost (\$300K) by annual percent, applying 70% assessment rate and the current mill rate (.03296)

7/20/2018

Town of Windsor, Connecticut
Fixed Assessment Application

The purpose of this application is to present the Town of Windsor a reasonably comprehensive outline of the project for which an economic development incentive is sought. The applicant shall provide all required information in sufficient detail to allow the Town to determine costs and benefits associated with the implementation of a requested tax incentive. The Town may require additional information as it reviews the application.

Each application shall be accompanied by a filing fee of five hundred (\$500.00) dollars.

SECTION A. COMPANY NAME AND CONTACT INFORMATION

1. Official Name and Address of Company _____ Fabbrica LLC _____

2. Name of Contact Person ____ Claudio Daniele _____
Phone (860) 2534136 _____ Fax () _____ Email :cdaniele@fabbricausa.com

3. Nature of Business _MANUFACTURING CUSTOM
CURTAINWALL _____

SIC or NAICS Code _____ **3449** _____

Type of Product or Service:

Manufacture Custom /HI End CURTAINWALL Product for major Commercial/Residential Building in NYC, Boston and DC. Our customers are major developers (Brookfield, Tishman Spyer, MCR, Durst) and we work with most prestigious Star Architects (SOM, KPF,).

4. Federal Employer ID # _____ 32-048-0962 _____

5. Officers/Owners

Name	Title	% Ownership
Alberto DeGobbi	President/ CEO	
Claudio Daniele	COO/CFO	

6. Is the company current with all taxes or charges due to the Town of Windsor?
__YES__

SECTION B. PROJECT INFORMATION

1. Project Location __11 Goodwin Windsor CT _____

2. Provide an approximate number of FULL-TIME permanent jobs to be created in the next five years.

140 or More

Attach a table showing the five year hiring projections with annual average wage and salary estimates by position category.

Current	Year 1	Year 2	Year 3	Year 4	Year 5
	2019	2020	2021	2022	2023
100	25	35	35	25	20

In Year one 1, 40 positions would move from company's office location in Enfield. Based on current salary data, the annual payroll in year 1 is estimated at \$7,500,000. By Year 5 is estimated at \$15,600,000

3. Estimate of the costs of the proposed improvements.

Real property improvements (exclude land cost and soft costs) \$14,000,000 (estimated)

Personal property \$3,000,000 (New Investment in addition to the current 4.7MM)

New Equipment		
Cranes		700
Racks		200
Aircompressor		150
Assembly Line		150
Wiring Lht		250
Silicone Pumps		200
2 Cnc Machine		1,100
Additional Machine		250
Total New Equipment		3,000

Current Personal Property (mainly located in Enfield,CT)

Furniture	99,111
Computer Hardware	143,994
Computer Software	323,128
Assets Under Constructic	162,454

4. Project schedule.

Site Work Start : 9/18

Completion 3/19

5. If the end user of the proposed facility is a lessee, then the tax benefits created by this abatement must be clearly reflected in the lease as accruing to the Applicant Company and the lease must be at least for the term of the abatement period.

Town Policy Note:

A. Local Employment. The applicant shall commit to use its best efforts to make new job opportunities created by the project available to Windsor town residents.

B. Wages. The Town expects projects that pay at or above the median wage for similar positions in Hartford County.

SECTION C. PROPOSED ASSESSMENT ABATEMENT

1. Please identify the fixed assessment schedule requested.

Percent of assessment abatement : 40%

Term of fixed assessment : 4 Years

2. Please identify any other state or local incentives, financial or otherwise which are included in the project financing.

Under discussion with State (DECD)

3. Please provide a calculation of the taxes foregone based on the requested fixed assessment period.

Assuming a building value of 14 Million and a tax rate of \$32.96 per assessed value, the estimated tax Saving to the company over four years would equal to \$490,972

4. Please provide a statement of the benefits to the Town for granting the requested tax assessment abatement including an estimate of local taxes to be paid and purchases from local vendors and a description of any planned corporate community involvement.
 - Fabbrica development of vacant land will expand the commercial tax base and generate new revenue to the Town.
 - Having 240 employees in Town will patronize local businesses
 - Fabbrica offers professionals positions, with excellent benefits and will be able to attract talented professionals from different areas/industries
 - Fabbrica is committed to being a good corporate neighbor providing free lunch to our employees, training, fundraising, internship with local school.
 - The Company's project is an environmentally-compatible, and plans to conserve electrical energy usage by reducing A/C requirement.

APPLICATION SUBMISSION

The completed fixed assessment application and filing fee should be submitted to:

Economic Development Director
Town of Windsor
275 Broad Street
Windsor, CT 06095
860-285-1877
burke@townofwindsorct.com

DISCUSSION ITEM b.
REVIEW OF ECONOMIC DEVELOPMENT INCENTIVE POLICIES

TO BE PRESENTED AT MEETING

**REVIEW OF UNAPPROVED MINUTES
JANUARY 24, 2018**

**ECONOMIC DEVELOPMENT COMMISSION
SPECIAL MEETING – JANUARY 24, 2018
WINDSOR TOWN HALL**

UNAPPROVED MINUTES

Present: James Martin, Chairperson; Sharran Selig-Bennett, Vice Chairperson; Randall Graff; Nathan Karnes; Tim Rice; Elliot Sirota; Trevor Thorrington; and David Earley

Absent: None

Economic Development Partners: none

Staff Present: James Burke, Economic Development Director; Peter Souza, Town Manager; Diane McDougald, Recording Secretary and Kelsey Hammerman, Intern.

1. Call To Order: Martin called the meeting to order at 4:03 p.m.
2. Public Comment: None
3. Discussion Items:
 - a) Annual Election of Officers: Martin opened the floor for nominations and Graff asked for a brief description of the duties of a Chairperson. Martin provided a quick explanation of the functions for the position. As a result, Graff volunteered for the office of Chairperson. Karnes volunteered as vice chairperson.

MOTION: Thorington made a motion to have Graff assume the role as chairperson and Karnes assume the role as vice chairperson, which was seconded by Sirota, which carried unanimously. Vote: 8-0-0

b) Fixed Assessment Application: CT Sports Management, LLC – Burke introduced the developer Andy Borgia and his advisor Anthony Ardolini. Borgia outlined what CT Sports Management application encompassed and he displayed maps, drawing and designs along with other supporting documentation. Borgia described the proposed project as a pay for play complex. The complex would include facilities that would accommodate housing dormitory for the players and basketball courts, soccer field, lacrosse fields and volleyball courts. The sports complex will include a 6,000 seat arena to host local events and perhaps school activities. It was asked why Windsor, and Borgia explained that Windsor was perfect because of its closeness to an airport, highway access and its proximity to the Basketball Hall of Fame. It was also noted that CT Sports Management is going to provide 400 full time jobs. The developers explained that they have built two other baseball facilities in Long Island, New York, which have since sold. Profit and losses information was requested, however Borgia stated that he is not ready to divulge that information. Borgia went on to further describe that the facilities will also contain a full service kitchen to feed the participants. Further clarification was made to

describe the 400 suites style rooms for each team. The complex will also contain stores and restaurants to accommodate the family's needs on the property.

The owners will host basketball tournaments in the summer and in fall & spring they will host soccer teams along with other sporting events. Projection date for opening the complex is the year 2020. The applicant wrapped up by reiterating that out of the 100% abatement he has applied for, he will only receive half because the other half will go to the Great Pond Developer. Finally, Burke reviewed the application process for the commission and the applicant.

MOTION: Selig-Bennett made a motion to approve the application as it is for CT Sports Management, Sirotta seconded the motion which was opened up for discussion concluding with a vote of 8-0-0.

4. Items from Economic Development Partners: Selig-Bennett announced that Kathy Kopacz has secured the position of Director of First Town Downtown. On January 31, 2018 First Town Downtown will hold a Main Street Matters program. Eric Barz, Town Planner will be providing and update on the Transit Oriented Development.

Bradley Development League: Burke reported that the League has issued an RFP for a consultant to conduct a business and industry analysis which will be completed May, 2018.

5. Items from Commission: none

6. Items from Staff: -

a) Annual Ethics Code Acknowledgement: - Burke distributed the Annual Ethics form for the commission, which was signed by all.

b) Business Breakfast – Burke reported that after contacting ConnDOT staff member Randal Davis it was decided that the breakfast should be held late March or early April, 2018. It was suggested that perhaps the meeting take place in the center of town near the rail line.

7. Review of Previous Meeting Minutes: - Graff made a motion to approve the minutes of the November 15, 2017 meeting, which was seconded by Rice and carried unanimously.
Vote 8-0-0

8. Adjournment – the meeting was adjourned at 5:40 p.m.

Respectfully Submitted,
Diane McDougald,
Recording Secretary