

Economic Development Commission

Town of Bethel, Connecticut

*Bethel Municipal Center * 1 School Street * Bethel, Connecticut 06801*

(203)794-8540 Facsimile (203) 778-7520

MINUTES OF SPECIAL MEETING

Wednesday, October 19, 2016

4:00 P.M.

CJH MUNICIPAL CENTER-MEETING ROOM "A"

RECEIVED

2016 OCT 20 P 1:31

TOWN OF BETHEL
TOWN CLERK

PRESENT- Michael Boyle, Chairman, Members: Noel Gill, Bonnie Brown, Jay Streaman and Sharon Straiton.

Absent: Roy Steiner, Kevin McMahon

CALL TO ORDER- Michael Boyle called the meeting to order at 4:00 p.m. with the pledge of allegiance.

PUBLIC COMMENT- NONE

APPROVAL OF MINUTES- Noel Gill made a motion to approve the minutes of September 21, 2016. The motion was seconded by Jay Streaman. Vote was taken, the motion was accepted. Sharon Straiton abstained.

TOD UPDATE- Janice discussed meeting with DECD and a planned meeting with the Department of Transportation to discuss the crossing and obtaining financial assistance. The state has said it is open to conversations with the developer of the property not as much with the owner. The crossing is intended for 11 Durant Avenue, a road would be preferred however it may only be a pedestrian crossing over the tracks.

CLARKE BUSINESS PARK EXPANSION UPDATE- The RFP's for the final design of the property being subdivided into three lots will hopefully go out in November with a return date of January or February. The grant will be expiring the end of the year. Janice noted that she will be asking for an extension and this will be the second extension if granted.

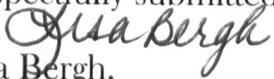
ECONOMIC DIRECTOR'S REPORT- Janice presented the report (see attached). She also shared some of the information gathered from other towns regarding tax abatement (see attached).

INVOICES- Bonnie Brown made a motion to approve Invoice #950 from "Sign Shop" in the amount of \$650.00; that motion was seconded by Jay Streaman. Vote taken; the motion was approved.

ADJOURN- A motion to adjourn was made by Noel Gill; the motion was seconded by Jay Streaman. Vote taken; motion approved.

The meeting was adjourned at 4:34PM

Respectfully submitted,


Lisa Bergh,

Recording Secretary



OFFICE OF ECONOMIC DEVELOPMENT

Clifford J. Hurgin Municipal Center, 1 School Street, Bethel, CT 06801

Telephone: 203-794-2822 – Fax: 203-778-7520

Email Address: eddirector@bethel-ct.gov

Economic Development Update – October 2016

COMMUNITY PARTNERSHIPS

Property and Business Owners

1. Personal Introductions - Total of 212 visits
2. Clarke Park
 - **Street sign** was installed the first week in October.
 - **Sign Landscape Maintenance** –Roots Landscaping is donating their services to maintain the bed around the sign and the monument, and one annual planting. They have already cleaned out and mulched the bed for fall.

BUSINESS DEVELOPMENT AND SUPPORT

Business Assistance

1. Business Assistance (relocation, financial, expansion, location, permit) – 172
 - Available Commercial Properties listed – 14 (+1), Available Sites listed – 5
2. Retain and Attract Business
 - Continuing **business visits** with First Selectman
 - **Incentives**
 - Focused research on Danbury, Brookfield and Newtown (attached)
 - Working with UCONN's Department of Extension for additional research
3. New Businesses
 - **Thrifty Hippy** (18 P.T. Barnum Square)
 - **Ribbon Cuttings** –
 - Noteworthy Chocolates - **October 21st** from 4:30-8:00 pm at 213 Greenwood Avenue.
 - Sheraton Homecare - **October 25th** from 3:00-5:00 pm at 208 Greenwood Avenue.
4. Old Bethel Train Station
 - **Public hearing** is scheduled for November 1st at 7:00pm.
 - Structural engineer has provided us with a plan for the repair of the **canopy**. Plan will be reviewed with Metro North.
5. Educational Workshops
 - October 6th - Hosted a presentation by the state's DOL **Wage and Workplace Standards** department.

Development Opportunities

1. **Bethel Forward**
 - Met with **DECD** Deputy Commissioner (Tim Sullivan) on September 28th.
 - Follow-up meeting with **CT Transportation Commissioner** (James Redeker) and DECD Deputy Commissioner on October 27th.
2. **Clarke Business Park**
 - Expansion
 - Waiting on state review of the botanical survey. Expect notification this week.
 - Drafting RFP for Final Design

3. **Downtown Revitalization/ Town Commercial Improvement Plan**

- **Phase I –**
 - **Bus Shelters** have been delivered. Working on property easement and cement pad installation.
 - Remainder of the project which includes **sidewalk and streetscape expansion, community gathering place, and Front Street improvements** are being reviewed by the DOT. Once approved, the project will go out for bid.
- **Phase II –** May 2016 - Applied for second round of Main Street Investment fund grant for continuation of Greenwood Avenue streetscape. We were recently awarded \$450,000.

PHYSICAL IMPROVEMENTS

Appeal

1. **Maintenance of Streetscape**

- Repair of downtown pavers – Project went out for bid and is planned for the fall.

MARKETING & PUBLIC RELATIONS

Publicity & Advertising

1. Working with the New York Times on an article about Bethel that will be published in early November.

Matias Razuri
 Economic Development (Bethel)
 New Businesses/Investments (focused)
 Tax Abatements
 October 14th 2016

Tax Abatements

- Brookfield
 - Four Corners (<http://www.newstimes.com/local/article/Brookfield-s-first-tax-incentive-program-moves-5807665.php>)
 - The developers of Brookfield Village are seeking an incentive plan that allows for some \$1.3 million in tax breaks over its first seven years, which is more than the minimum tax benefit allowed by a new ordinance passed in June. The formula would be abatements of 20, 40, 60 and 80 percent of the total tax bill over the next four years. Taxes would total about \$11 million over 30 years.

Project	Investment	Abatement	Current Tax Bill	Anticipated tax bill with no abatement
79 apartments and 22,000 sq. ft. of commercial	\$21 million	Full abatement on increased property taxes for first 3 years after construction is complete, 20, 40, 60, 80% over the following 4 years.	\$45,000	\$411,000

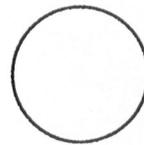
- Incentive Housing (<http://www.newstimes.com/local/article/Incentive-housing-offers-towns-and-developers-5198724.php>)
- The complexes must offer 20 percent of their housing units to prospective tenants based on 80 percent of the community's median income, which is \$86,300. at that rate, could cost no more than \$1,553 a month for rent and utilities. This incentive may include the following projects:
 - High Meadow Condos
 - Rollingwood Condominiums
 - The Renaissance
- Danbury
 - Kennedy Flats (<http://www.newstimes.com/business/article/Tax-deals-sometimes-needed-on-tough-projects-8304887.php#photo-10403826>)
 - Praxair (<http://www.newstimes.com/business/article/State-aid-will-keep-Praxair-in-Danbury-5862364.php>)
 - Greater Danbury Chamber of Commerce that the company will build the headquarters in Danbury with the assistance of a \$30 million state incentive package.
- Newtown
 - Route 6 (<http://newtownbee.com/newest-development-on-hawleyvilles-medical-mile-seeks-tax-break/>)

- The benefit for the existing 164 Mt Pleasant Road provides a 45 percent abatement over a maximum period of three years.

Project	Investment	Abatement	Current Tax Bill	Anticipated tax bill with no abatement
30,000 sq. ft. of medical building	\$3.8 million	45% of the increase, approximately \$133,000, forgiven for 4 years. Approximately \$279,000 over four years.	\$6,041	\$140,000

- Hawleyville Road and Dodgintown Project (<http://newtownbee.com/year-in-review-incentive-housing-comes-to-newtown/>)
 - Incentive housing which resulted in the approval of these two multifamily housing complexes.

ADVERTISING



Replay

3

newstimes

<http://www.newstimes.com/local/article/Brookfield-s-first-tax-incentive-program-moves-5807665.php>

Brookfield's first tax-incentive program moves forward

Nanci G. Hutson Updated 9:41 pm, Tuesday, October 7, 2014



Buy Photo

Brookfield First Selectman Bill Tinsley

BROOKFIELD -- The urgency to move ahead with revitalization of the **Four Corners** led the **Board of Selectmen** on Monday night to favor a proposed tax-incentive plan for the flagship development in the heart of town.

But the selectmen made it clear they want something in return.

The developers of Brookfield Village are seeking an incentive plan that allows for some ~~\$1.3 million in tax breaks over its first seven years~~, which is more than the minimum tax benefit allowed by a new ordinance passed in June.

Selectmen, however, want assurance from developers that tax incentives will lead construction to begin by next spring.

They also want a promise of 24 market-rate condominiums to be built on the back three acres and a donation of two adjacent acres for public use.

For the \$21-million investment which would include about 22,000 square feet of new retail and commercial space and 79 moderate-income apartments, Brookfield Village is asking for a full abatement of taxes based on increased property values for the first three years after construction is complete. The formula would be abatements of 20, 40, 60 and 80 percent of the total tax bill over the next four years. Taxes would total about \$11 million over 30 years.

More Information

The developers of Brookfield Village are seeking an incentive plan that allows for some \$1.3 million in tax breaks over its first seven years, which is more than the minimum tax benefit allowed by a new ordinance passed in June.

The annual tax bill with no incentives would be \$411,000. If there is no development, however, there would be no tax increase.

The current tax bill for the Federal Road property is about \$45,000 annually.

"We have been creeping and crawling at Four Corners forever," **Selectman Bill Davidson** said. "This is a centerpiece. This is the retail we need. Without it, we won't have a Four Corners."

Tinsley and Selectman Marty Flynn agreed as long as their stipulations are met.

If developers agree to those terms, Tinsley said he believes the more aggressive tax breaks make sense. Without them, he suggests developers be offered the minimum formula for projects more than \$3 million, beginning with a requirement the developer pay 25 percent of increased value up to 80 percent.

Project Manager **Allan Rothman** said he believes the plan they outlined is reasonable.

"They want us to start and so do we," Rothman said. "But we didn't want to start until we had tax incentives."

The selectmen voted unanimously to allow Tinsley to negotiate with the developers and then bring a contract to the full board for approval.

Tinsley said he hopes an agreement can be reached soon, and if so he would schedule a special meeting to vote on the plan. Otherwise, Tinsley expects the agreement to be on the November agenda.

"When this is done, there will be a backbone on which other developers will move forward," Davidson said.

nhutson@newstimes.com; 203-731-3332; <http://twitter.com/NTNanci>

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H E A R S T

newstimes <http://www.newstimes.com/business/article/Tax-deals-sometimes-needed-on-tough-projects-8304887.php>

Tax deals sometimes needed on tough projects, experts say

By Dirk Perrefort Updated 5:01 pm, Sunday, June 19, 2016



IMAGE 1 OF 5

Buy Photo

Dan Bertram, of BRT Corporation, points out the view from the fifth floor at Brookview Commons in Danbury.

Taxpayers have been known to criticize them as giveaways to wealthy developers, but tax abatements can prove a useful tool to make high-risk projects a reality, local experts say.

According to state law, towns in Connecticut have the ability to give developers an abatement on up to seven years of the property taxes that would be paid on the value of any new construction on the site. The abatements, particularly in difficult economic times, have been used by towns across the region to help move projects forward.

"It's one of the most effective tools that towns have, and a lot of people see it as a giveaway, but that is a gigantic misconception," said Dan Bertram, a principal with Danbury-based BRT Corp. "Frankly, a lot of the redevelopment we see in downtown Danbury today wouldn't have happened without them."

He said that much of the remaining developable land, particularly in downtown areas and urban cores, is fraught with issues, including environmental concerns, that can make the project more expensive and riskier to the investor. By offering an abatement, Bertram said, the developer can calculate the savings into the business model and reduce the "burn rate" of cash in the first few years that's needed to maintain the project.

When BRT constructed the Brookview Commons on Crosby Street in Danbury, Bertram said a tax abatement was the only way that he could get the project off the ground given the soft economic environment at the time. The apartment complex, he said, was also a test of sorts to prove that the nearby Kennedy Flats luxury apartment complex with more than 300 units was feasible.

That project, which is partially completed, has already leased out about 50 apartments. Both have been hailed as cornerstones to downtown redevelopment efforts by increasing the number of professionals and interest among retailers and merchants to provide services.

"When you get someone spending more than \$10 million on a project, there is sure to be ripple effect that can benefit the entire neighborhood," Bertram said.

While officials who have approved tax abatements say they can be useful, they are also needed in certain circumstances when the risk is higher to the developer, particularly in revitalization efforts.

Brookfield First Selectman Stephen Dunn said that while a tax abatement was necessary to provide an incentive for the long-delayed Brookfield Village project, additional projects near **Four Corners** likely won't need the abatement. Officials hope the village project will become the key to redevelopment of the area.

"How many towns get the opportunity to build a new downtown from scratch?" Dunn asked. "The first developer in is taking a much bigger risk, but the next developer won't need the same kind of incentives once the neighborhood is already established."

Dunn, who recently renegotiated the tax abatement for the village project, said crews are expected to break ground within the next few months.

Danbury Mayor **Mark Boughton** said the city gets more than a dozen requests for tax abatements every year, but only a few are usually granted. Members of the City Council, who must approve abatement requests, like to see some element of job growth added to the mix.

"The other test is if the site is a brownfield or there are some other issues that increases the element of risk for the developer," he said. "We get a lot of applications, but they have to come to us before the project is actually started."

Boughton said that some developers will attempt to get an abatement after a project is completed.

"Obviously those are going to get rejected," he said. "Tax abatements are a tool that a developer can use to leverage their own resources to make a project a reality. If they already built the project, it shows that they didn't need the abatement in the first place."

Bertram noted that while tax abatements are allowed by state law, local towns can pass their own ordinances to provide more stringent qualifications.

"There are infinite ways that towns and cities can calibrate this program to meet their needs," he said. "With active management, it can be a very useful tool, and as an area becomes more successful, the need goes away. It will be obvious to folks walking down the street when an abatement won't be needed anymore."

dperrefort@newstimes.com

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H E A R S T

Newest Development On Hawleyville's 'Medical Mile' Seeks Tax Break

February 26, 2015

John Voket **Latest News** 2 years ago

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There are so many medical and health care-related projects planned for, or already operating, along Mt Pleasant Road just east of the Bethel town line that Newtown's Economic Development Coordinator Betsy Paynter has nicknamed the stretch "Medical Mile."

Several of those developments have been attracted to Newtown thanks to a business incentive plan that grants limited property tax abatements to developers who build or improve commercial projects in town. The latest to come before the Board of Selectmen is a new medical facility being developed by Hunter Gregory, the real estate division for Maplewood Senior Living.

If approved, it would be the second Hunter Gregory development to receive the benefit.

The first was granted for a similarly outfitted medical facility at 164 Mt Pleasant Road that will be occupied in the coming months primarily by an outpatient dialysis center.

Andrew Deery, vice president of real estate with Hunter Gregory, joined Ms Paynter before the selectmen February 17, after the Economic Development Commission recommended the business incentive plan application for 170 Mt Pleasant Road.

The benefit for the existing 164 Mt Pleasant Road provides a 45 percent abatement over three years maximum.

The new site, on the opposite, westerly side of the driveway leading to Maplewood Senior Living, will contain a two-story, 30,000-square-foot medical office building including an elevator, sprinklers, appropriate parking, and a large retaining wall needed due to the slope of the land, according to a memo from Ms Paynter.

The memo states that the estimated development costs of the new facility will be \$3.8 million. Additional work will be needed along Route 6/Mt Pleasant Road, per a request from the state Department of Transportation that will involve some road widening to apparently accommodate a turn lane.

Hunter Gregory estimates approximately 20 to 30 new permanent jobs will be created locally as a result of this development, which is also expected to add value to the existing real property, which is currently assessed at \$181,360 with a tax bill of

\$6,041.

Should the value increase to approximately \$4 million once investments are completed, the annual real property tax bill has the potential to increase to approximately \$133,240, Ms Paynter stated. As a result, the EDC has determined using the program schedule, that 45 percent of the increase in assessment may be forgiven for a period of four years.

Should the real property assessment increase to approximately \$3,818,240 the tax abatement would be approximately \$279,000 over the four years, the memo states.

Speaking to selectmen about the project, Mr Deery said the ground floor tenant for the new facility is related to the Western Connecticut Health Network and Danbury Hospital. He said the interim tax abatement benefit would be passed through to building tenants for the duration of the program.

Following the presentation, selectmen unanimously approved the request. A similar approval will now be sought before the Board of Finance and the Legislative Council.

The Sign Shop & Neon Works

25 Francis J. Clarke Cir
Bethel, CT 06801

Date	Invoice #
10/10/2016	950

Bill To
Cliford J. Hurgin Municipal Ctr. 1 School St. Bethel, CT 06801

Phone #	E-mail	P.O. No.	Account #	Project
203-748-7446	thesignshopct@att.net			

Item	Quantity	Description	Rate	Amount
Signs	1	Clarke Business Park street directory	650.00	650.00

APPROVED
 10/19/16
 EDC 

Subtotal		\$650.00
Sales Tax (6.35%)		\$0.00
Total		\$650.00
Payments/Credits		\$0.00
Balance Due		\$650.00