

Newtown Municipal Center
3 Primrose Street
Newtown, CT
www.newtown.org



MINUTES

November 21, 2017

Meeting Room 3 - 7:00pm

Present:

Bob Rau, Al Roznicki, Wes Thompson, Dana Trado, Steve Gogliettino, Amy Dent, Cramer Owen, Scott Orlando, Nick Roussas, Matthew Mihalcik (arrived 8:11 p.m.), Christal Preszler – Deputy Director Economic and Community Development,
Kim Chiappetta – Economic and Community Development & Fairfield Hills Coordinator (clerk).

Public Participation:

Bill Donahue – Teton Capital, Frank Scinto - Gager, Emerson, Rickart, Bower & Scalzo, LLP, Harry Freeman – Rock Solid Development

Absent:

none

The meeting was called to order at 7:05 p.m.

Cramer Owen made the motion to accept the minutes from October 17, 2017 and Amy Dent seconded. Motion passed with all in favor.

Reports:

Deputy Director Economic and Community Development:

Christal Preszler began by informing Authority members that she and Kim will be attending brokers meetings to network with commercial brokers.

She is also working on budgets for the CIP for the upcoming year with the goal of obtaining more money to accomplish more objectives in the next fiscal year. Materials are being updated for various annual reports. The annual report still must be completed.

In addition, Christal attended a manufacturing group meeting which included Tier One. In the meeting they discussed manufacturing programs in Danbury and Naugatuck Valley. She has linked them with teachers at the high school, and will be getting together in January to discuss communicating these programs to high school students.

Finally Christal noted the continued interests in businesses in town, and that it is Small Business Saturday so she encouraged members to spread the word to shop at local businesses.



Economic and Community Dev & Fairfield Hills Coordinator:

Bob asked Kim to provide an update of the activities on the campus. Kim highlighted that Christal is actively working on interests in Stratford Hall. The last campus event for 2017 is a Red Cross Blood drive being held Thursday, December 28th and that she is receiving applications for 2018 events.

Kim Chiappetta informed members that she was distributing the 2018 meeting dates for review and approval. Wes Thompson made a motion to approve next year's meeting dates. Cramer Owen seconded. All in favor.

Public Participation:

Possible Business Incentive Program Revision – Assisted Living:

Mr. Bill Donohue of Teton Capital introduced himself as the developer of the assisted living property. Mr. Frank Scinto of Gager, Emerson, Rickart, Bower introduced himself as the representative for Teton Capital. Mr. Scinto explained that he was asked to attend the meeting to listen and see if he could be of some assistance in providing information to help determine if assisted living fell within the purview of the State Statue for Business Incentives. He explained this determination was a matter of town policy. Wes explained to Mr. Scinto that apartments were recently added to the program. Mr. Scinto found information regarding Seymour, Middletown and Trumbull providing incentives to assisted living facilities. In addition there was an article on Torrington providing incentives for assisted living. Wes expressed how he was impressed with their presentations at the Borough meetings.

Wes asked if this is their first assisted living facility being developed. Mr. Donohue explained that personally this is his first as well as Teton Capital's; however, the company Senior Lifestyle Corp, which is out of Chicago currently owns and operates 200 communities throughout the country. Mr. Donohue clarified that there would be no independent living at the facility therefore there will not be additional parking required or additional traffic. The average age of the tenants will be around 80 years old. Bob asked where they are in the project. Mr. Donohue answered that Zoning approvals were obtained as of October, and that they had submitted and received a preliminary approval from Water and Sewer. The next approval is with the State for an encroachment permit for a new curb cut for the entrance from Churchill Rd. Wes clarified that the main lobby will be located on the Boulevard and that the truck service entrance would be located on Church Hill Rd. Mr. Donohue informed the group that the plan is to break ground in March of 2018 and the expected completion is 12 months from that date. Wes asked if other sites were under consideration, and if the business incentive is important to their decision making process. Mr. Donohue responded that the ramp-up for the assisted living community is significant and that it will take between 18 - 20 months to fill the facility. The plan is to hire 9 months prior to the opening, which will mean that they will be accumulating losses during that time period so any relief would be very important. Amy asked how many people do they anticipate will be employed, and Mr. Donohue responded that there will be close to 60 people. Wes asked why they were asking for



an incentive after moving down through the process. Mr. Donohue informed the group that he had discussed the incentive with the former Economic and Community development representative in July of 2016 and that she was confident that there was no reason why wouldn't get approved for the incentive, so they did not pursue the request until after obtaining zoning approvals. Wes explained that the reason for this questions was due to a recent experience with difficulty having an incentive approved. Wes wanted to ensure it was on record that Mr. Donohue had come forward earlier in the process with his request, and that he did not feel it was necessary to come back with this assurance until after the permits were approved. Wes asked for the investment cost, and was informed that it was around \$15 million. Scott Orlando asked what the full tax burden was, and Mr. Donohue estimated \$200,000. He added that it would be best to receive a bigger break early on. Other towns that were considered for this facility were Stamford, Milford, and Madison. Bob asked if either Mr. Donohue or Mr. Scinto had any questions. The group then discussed adding assisted living to the Business Incentive Plan. Wes highlighted that assisted living is a different consideration than apartments because there is no added traffic or impact to schools and therefore is more advantageous to the town. Christal reminded the group that there would also be personal property tax to consider.

Cramer Owen made a motion to add assisted living services agency facilities to the Business Incentive program. Amy seconded. All in favor.

Finally, Wes informed the group that Masonicare was purchased by Athena which is for profit business.

Educational Playcare Application – 2 Saw Mill Rd - Mr. Harry Freeman – Principle for Rock Solid Development– Educational Playcare:

Mr. Freeman of Rock Solid Development returned to discuss the business incentive request for Educational Playcare. He began by stating that in the last meeting there were questions raised which needed to be addressed by the Tax Assessor's office. The assumed property assessment is \$1.9 million dollars, with the property tax at \$66,000. The existing real estate property bill is \$14,600, which is an increase of \$51,400 per year not including personal property estimated at \$300,000. Mr. Freeman re-explained the history of the property and the plans for the Educational Playcare facility. He added that the owners almost did not buy the property out of concerns with bedrock. Mr. Freeman continued to explain that when he first contacted employees at town offices, he found it to be a pleasant experience. As a former Executive Director of Economic and Community Development, he felt Newtown was doing things right. Wes asked Mr. Freeman if he had conversations regarding the incentive earlier in the process. Mr. Freeman explained that conversations did occur earlier and that there was nothing in the policy that specifically states when incentive requests need to be submitted. He then informed that group that Education Playcare recently received approval in Trumbull to build within an industrial area. Wes asked if the town of Trumbull provided an incentive. Mr. Freeman explained that they have not gotten that far into the project at this time. He further explained that Educational Playcare did not want to request the business incentive until the project was more solidified and provided examples of



numerous incentive requests in the city of Hartford where the development projects did not come to fruition. There were some challenges with the purchase of the property. There had been discussions regarding the incentive in the initial meetings close to 1 year ago, and at that time the town had been informed that they would be pursuing an incentive request. Mr. Freeman continued to highlight that the start-up of a business is the most difficult time period. The Newtown Educational Playcare facility will be fully occupied between 24 – 36 months out from the opening date, so anything to assist with the overhead expenses will be beneficial. The Educational Playcare owners wants to put the best into their Newtown location and that can be challenging considering that the taxes in Newtown are \$20,000 - \$30,000 more than some of their other locations. Mr. Freeman continued to provide more information and said he could guarantee that if they receive the incentive they will break ground within 8 – 12 months and complete construction within 24 months as required by the program. They are planning on being fully operations by September of 2018 which means they will be fully implemented in the October 2018 grand list. Mr. Freeman reiterated that based upon past conversations they were confident that they would receive the incentive. Bob asked if everyone had the financials. Christal informed the group that currently the town is receiving \$14,000 per year in property tax for the location. If there is no incentive the town would receive \$66,153 per year and with the incentive would receive an estimated \$48,000 per year. Christal informed the group that she has learned the landscaping does not impact the assessment and Educational Playcare is installing high quality landscaping as part of being a good community member. She then suggested that the potential of not receiving the incentive may result in cutting back on landscaping costs. Mr. Freeman closed by informing the group that the investment into the property is well above \$4 million and \$3 million is in construction alone, and that they would only be receiving an \$18,000 reduction in taxes. Educational Playcare would still be paying \$34,000 plus personal property tax which is still a significant increase to the grand list. The group briefly discussed the locations of Educational Playcare and the longevity of their business.

Amy Dent moved to recommend Educational Daycare & Rock Solid Development for a Business Incentive. Cramer seconded. All in favor.

Commissioner's Reports:

SHOP – Trado:

Dana Trado had nothing to report regarding SHOP at this time.

Marketing Plan – Trado, Gogliettino, Rousas, Dent:

Dana began by informing the group that he and Steve spoke early in the day and want to get clarity on the expected goals of the marketing plan as in the last meeting there were some dissenters on what was currently being done. Steve shared Dana's list with Kevin, the town's GIS specialist, who has the ability to highlight parcels to obtain information. In the last meeting concerns had been expressed regarding the legality of collecting and sharing information. Steve asked Bob if found any information from a legal



perspective, but Bob had not been able to follow-up. Wes expressed you can't represent someone else's property without their permission. Amy explained that the documentation she provided in a past meeting was an example that is filled out by a commercial realtor. Christal informed members that she couldn't speak to legalities but will refer people to Loopnet or Costar for listings of available properties in Newtown. The group continued their discussion which included updating the towns marketing materials.

Deep Brook West – Owen:

Cramer began by reminding members that George Benson is the lead for this project. The EDC has received a bill from the consultant and that there is additional work that must be done and therefore more bills. Cramer is not certain if the Army Chore of Engineers will need to be involved in the project. Cramer reminded the group that the initial project timeline was 6 months and that they are still well within the timeline. The EDC is still pending a final estimate on the 2nd stage.

Covered Bridge – Owen:

Cramer explained to members Mr. Lucera is planning to approach the new administration with his application.

Bob asked Nick Rousas if he had any updates to provide the group. Nick informed members that he was having meetings with Jeff Bishop from the Bridgeport Regional Business Council regarding marketing. He is also currently assisting a property owner by connecting his attorney with a Bridgeport firm to discuss opportunities for development on a 40 acre property. Nick clarified that the property is around the location of Nunnawauk and Mile Hill Rd South.

Amy informed the group that she attended the Fairfield County Commercial Realtor meeting and spoke with a realtor looking for a medical facility with a minimum of 10,000 square feet, and are currently looking for properties in Connecticut but have had no experience here. Amy informed the realtor of property available in the location of exit 9. The group then discussed available properties in town and the opportunity for a medical facility.

Chairman's Report:

Bob reminded everyone of the changes to the State's budget and the impact to Newtown, and that this further emphasizes the need for economic development in town.

He then informed the group that he contacted the realtor regarding a piece of property on South Main St. The realtor explained that the sale of the property is almost complete.

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Nomination and Election of Officers (Chair and Vice Chair) for 2018:

Al Roznicki recognized the service and dedication that has been provided by Bob Rau over the years, and all members agreed in applause.

Al nominated Wes Thompson for EDC chairman. Amy Seconded. All in favor.

Matt Mihalcik nominated Cramer Owen for Vice Chairman of the EDC. Dana seconded. All in favor.

As there were no other nominees for the open positions, all in favor of Wes Thompson for EDC Chairman, and all in favor of Cramer Owen for EDC Vice Chairman.

Adjournment: The meeting was adjourned by Amy 8:48 pm and was seconded by Matt.

Respectfully Submitted, Kimberly Chiappetta, Clerk