



SPECIAL MEETING MINUTES

January 24, 2018

Meeting Room 3 - 7:00pm

**Present:**

Wes Thompson, Cramer Owen (phone), Bob Rau, Matthew Mihalcik, Nick Roussas, Steve Gogliettino, Amy Dent, Scott Orlando, Al Roznicki, Dan Rosenthal (arrived 7:04), Christal Preszler – Deputy Director Economic and Community Development, Kim Chiappetta – Economic and Community Development & Fairfield Hills Coordinator (clerk).

**Public Participation:** None

**Absent:** Dana Trado

The meeting was called to order at 7:01 p.m.

**Business Incentive Program – Application for 37 Church Hill Rd:**

Amy Dent moved to reopen the tabled discussion regarding the Church Hill Village business tax incentive application. Matt seconded.

Wes Thompson began by noting that members heard the Teton Capital's proposal of aggressive incentives in the last meeting (Tuesday, January 16, 2018) and that he believed everyone agreed in concept with the proposal and project, but tabled the discussion to think about it further. He added that he believed all members agree on the value add to town. In the past week Christal and Wes met with town leaders and the developer to better understand inhibitors and competitive issues. The town is still at a disadvantage due to the mill rate in comparison to surrounding towns. Also, the Borough has an additional tax. There are sewer connection fees for the project which are necessary and slightly higher because the sewer is newer. Another potential inhibitor is overlapping permit fees; both the town and the Borough charge permit fees which are significant. Wes recognized First Selectman, Dan Rosenthal, joined the meeting and quickly summarized what was said prior to his arrival. Wes continued that he believes the town is at disadvantage financially so the incentive would level the playing field. Over the weekend he reviewed on-line tax bills of existing businesses, and determined that the assisted living facility is one of the best types of buildings in terms of tax revenue, low traffic, and no added children so there is no burden on school system. Wes reminded members that the developer is investing \$16 million on the project. The current tax on the property is around \$9,000 which would be increased to an estimated \$338,700. Based upon the proposed investment and the current program, the project qualifies for a 45% incentive over 3 years with a 1.25% multiplier on personal property as the personal property will be over \$500,000. This would give a tax incentive of 56.25% which would deliver



after development an estimated \$153,311 per year (for 3 years) in comparison to the current tax of \$9,000 per year. Wes then opened the discussion to the group.

Matt Mihalcik felt his original proposal at the 80% discount was aggressive and would set a precedent that may not want to be set. Wes informed the group that he explained to the developer that aggressive incentives have been awarded in the past but were for empty buildings or blighted properties. Matt asked if there was anything stopping another town from awarding the developer the incentive he presented in the prior meeting, and Wes responded that the state allows incentive up to 7 years at 100%. Mr. Rosenthal noted that another town had been approached by the developer. Wes reminded members that other locations would loan to more units. Amy asked if there was any way to negotiate with the Borough to drop their building permit for this project. Mr. Rosenthal informed members that he directed the developer to discuss the permit with the Borough. Wes also offered to join him at the Borough meeting. Matt asked if anything can be done on the sewer side. Wes explained that the sewer is fairly new and that it is the responsibility of the Water and Sewer Authority to recover previously bonded costs. He has also informed the developer that he can address the Water and Sewer Authority directly. In the past they have made accommodations regarding the speed at which the fee was recovered.

Amy asked if the EDC is considered ombudsman in development, why the EDC wasn't also speaking with these two entities. She also asked if there was a way to extend the incentive to year 0 making it 6 years so he can recoup excess costs up front with regards to the building permits. Mr. Rosenthal answered that he spoke with the developer earlier in the day and found he is now amenable with working within the established plan. He will continue to pursue the permit fee with the Borough, but is willing to work with the existing schedule.

Wes confirmed there are no conceptual objections and that the incentive is beneficial as this is a competitive situation and the future benefit to taxes. He reiterated the incentive percentages to the group, and explained that other towns also require a CO in order for the incentive to begin. The group had a brief discussion regarding the incentive and the time at which the incentive begins.

Wes asked for a motion to offer Teton Capital Co LLC the standard incentive (based on their proposed investment at 37 Church Hill Rd) of 45% abatement on RE taxes with a 1.25% personal property multiplier resulting in 56.25% abatement for 3 years. Amy Dent motioned. Matt Mihalcik second. All voted in favor. The motion was approved.

**Adjournment:**

The meeting was adjourned by Matt Mihalcik at 7:20 pm and was seconded by Amy Dent.

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*Respectfully Submitted,*

*Kimberly Chiappetta, Clerk*