These minutes are subject to the approval of the Economic Development Commission at their next meeting.
distribution center. They found 14 Prospect Drive to be a great location despite the necessary updating. Wes explained to members that Hubbell wanted the building sold by the end of March when they were closing their books which left Kimball Midwest under extraordinary pressure by Hubbell to close on the building. Kimball decided to purchase the building ahead of deciding to locate their northeast distribution center in Newtown. He continued to explain that this continues to be a competitive situation as they are looking at other locations in CT. Valerie Fallon asked Mr. McCurdy what he felt was the rational for selecting Newtown over other towns. Brendan explained that from a business perspective it’s the proximity to NYC where one of their larger customers, MTA, is located. This location also allows for next day service to customers in the northern point of Maine. Jeffrey Robinson asked if Kimball would occupy the entire building. Brendan explained that Kimball carries a large inventory so they would occupy the entire building. They have been going over plans with an internal operations team to ensure the building could handle the flow. They have already identified some challenges with the second floor. Repairs are necessary to operate the fork lifts and dividing walls must be installed to create sales training areas. Kimball Midwest has a goal to get 2,000 sales reps across the country. Mr. McCurdy continued to inform the group that the roof isn’t in great shape and they are getting quotes for necessary repairs. Steve Matiatos asked what the timeline was for Kimball Midwest to occupy the building. Brendan explained that if they decide to locate in Newtown, the work would take 4 – 5 months, then inventory would have to be moved in. They are planning to have their northeast distribution center up and running in early 2022. Christal returned to the presentation to provide more information. The First Selectman wrote a memo in support of this incentive if Kimball Midwest would locate their northeastern location in Newtown. The group discussed the critical environmental issues at the site. Christal then reviewed the numbers showing that planned improvements to the site are estimated to increase the assessed value to over $500,000. Jim Maguire asked what was involved in the environmental clean-up. Brendan said he did not have the details but estimated the cost to be between $100,000 and $200,000. Wes reminded members that the objective of incentive is to get Kimball to locate their distribution warehouse in Newtown. Wes said that he equated Kimball Midwest to Amazon of the industrial business sector and asked members to visit their website. Christal reminded members that the incentive would have 3 more boards to go through.

Wes asked for a motion to support the Kimball Midwest incentive as presented and recommend it to be moved forward to the Board of Selectman and Board of Finance with support.

Steve so moved. Jim seconded. Motion passed with all in favor.

Mr. McCurdy said it was nice to meet everyone and appreciated their time.

Wes told members that Kimball Midwest is also looking at New Britain which is an opportunity zone with good tax incentives. The group then discussed the small amount that Kimball would receive as a tax abatement. Jim asked if the EDC could increase the discount to be more competitive with other towns. Christal explained that this is a State program and she was not certain if the Town could change the way in which the discount is calculated.

**Member Comments and Questions:**
Wes told the group that Barbara Snyder attended the Pleasant Paws ribbon cutting. Barb informed the group that the ribbon cutting was sponsored by the Chamber of Commerce of Newtown and the First Selectman attendance. The event was great and included a radio station and food truck. The business

*These minutes are subject to the approval of the Economic Development Commission at their next meeting.*
owner said things are going well and they are still working to get the word out. People coming out of
the pandemic and beginning to travel. Wes then told everyone that he and Christal attended the
Stockman, O’Connor, and Connors ribbon cutting at their new location in Lexington Village. Wes asked
Steve for a status update on ReOpen CT. Steve said that the work now is to get things back to normal
and determine who needs assistance. Wes asked Valerie how they could help local small businesses.
Valerie said that more marketing awareness would be helpful. She has seen social media posts from
Economic and Community Development and the Chamber of Commerce of Newtown’s, The Great
Newtown Shopping Spree. Christal Preszler informed the group of upcoming marketing by Economic
and Community Development in the Stay & Play special section of Hearst newspapers throughout the
State. Kim Chiappetta added that the ad will direct readers to NewtownSandyHookEats which has been
updated to include shops, services, the town’s two breweries, and vineyard. The website has a new
Things to Do tab that directs people to the Newtown page on CTVisit where they can best capture
events and activities in town. Christal and Kim then explained to members that only 3 restaurants are
on the Newtown page. They had shared information with restaurant owners and managers on how to
register for CTVisit during their visits prior to restaurant week in 2019. Both Christal and Kim
understand that owners are busy running their business, but unfortunately the way in which the State
Office of Tourism operates the website, only restaurant owners can register. Christal then shared with
members the ad Economic and Community Development ran in Site Selection magazine’s CT insert. The
department will be gearing back up for the website redesign project. The vision is to have a more
current, vibrant look similar to the NewtownSandyHookEats website. Gino’s Pizza will be opening soon
and have hinted on social media that there will be a surprise across the street. Kim added that Uncle
Matt’s Bakery will also be opening soon in Sandy Hook Village in the same building as Figs. The
corversation continued around Sandy Hook Village. Wes noted that the Riverwalk apartments are
taking shape and the benefits of the apartments on local businesses. Wes announced a new Town staff
member Helen Fahey who will be working for Land Use and supporting Economic and Community
Development.

Chairman’s Closing Comments:
Wes discussed with members the possibility of meeting in person for the July meeting. If they are
unable to find a meeting location that allows for proper spacing, they will hold the July meeting
remotely.

Adjournment:
Wes asked for a motion to adjourn the meeting.

Barbara Snyder made a motion to adjourn the meeting at 8:03 p.m. and was seconded by Nick Roussas.

Respectfully Submitted,
Kimberly Chiappetta, Clerk
Newtown Economic Development Commission
June 15, 2021
Business Incentive Request – Kimball Midwest
14 Prospect Drive, Newtown, CT
Attachment A

Current Google Maps photo of property – 6/15/2021
Kimball Midwest
(KimballMidwest.com)

Brendan McCurdy

• Distributor of maintenance, repair, operations (MRO) supplies
• Hubbell corporate decisions impacted use of site

• Various interested parties

• Purchased 14 Prospect Drive for $4,400,000

• Possible repairs/upgrades to the facility costing between $1.6 and $2.3 million

• Consider awarding business incentive in hopes of bringing Kimball Midwest’s NE operations to Newtown

• Create 30 new jobs

• Kimball Midwest is considering other locations for their operations

• Incentive would be contingent on Kimball Midwest opening distribution operations at 14 Prospect within 18 months of the incentive being approved
March 24, 2021

Wes Thompson
Economic Development Commission Chairman
3 Primrose Street
Newtown, CT 06470

Dear Wes:

As a follow up to our discussion yesterday with Dave McCurdy of Kimball Midwest, which also included George Benson and Christal Preszler, I thought it would be worthwhile to document my thinking in the event we are able to recruit Kimball Midwest to Newtown and especially given the timing of the property acquisition.

It is clear to me from the conversation that Kimball Midwest is taking advantage of an attractive purchase price offered by Hubbell Inc. and they have not yet determined whether to make a capital investment in the space and set up operations. At this point, Kimball Midwest may simply sell the property to clip a quick return based on a deeply discounted sale price.

I believe we conveyed to Dave our interest in recruiting his business to Newtown, including my offer to pursue the use of the business incentive program for any resulting improvements to the property. Given the offer for sale is contingent upon being closed before March 31, 2021, it is likely Kimball Midwest will own the property before further discussions on the incentive program can take place and, of course, be approved by the Economic Development Commission and all of the related fiscal authorities. As such, I wanted to make sure my thoughts on the matter and willingness to continue the conversation were well documented.

Thank you for your contribution to the discussion and I look forward to working with you and the Economic Development Commission should the matter continue to proceed favorably.

Thank you,

Daniel C. Rosenthal
First Selectman

cc: George Benson, Director of Planning
Christal Preszler, Deputy Director, Economic & Community Development
Selectman memo highlights:

• Kimball Midwest took advantage of an attractive purchase price – March 31, 2021

• Determining if company would make capital investment and set up operations in Newtown, or resell

• Newtown interested in recruiting the business to Newtown, thus pursuing incentive
Attachment A

Application – Kimball Midwest

Town of Newtown
Business Incentive Program Application

Negotiations of Business incentives will be conducted by the First Selectman. The findings and conclusions of the First Selectman will be submitted to the Board of Selectmen for acceptance or denial. Board approved applications will be forwarded to the Finance Board and Legislative Council for consideration and action.

Name of Company: Midwest Motor Supply Co. DBA Kimball Midwest
Address: 14 Prospect Dr, Newport CT
Company Contact: Brendan Ryan McCurdy
Phone Number: 614-557-7155

Types of Products Manufactured or Distributed: Maintenance, Repair & Operations Distributor

Project Description: Interior and Exterior Renovations

Estimated Cost of Proposed Improvements: $2,000,000
(Attach itemized list of these costs and improvements)

Number of Jobs to Be Retained in Newtown: 30
Number of Jobs to Be Created: 30

5/18/2021 brendan r mccurdy
Date Signature of Company Representative

Phase I and Phase II Environmental Clean-up $100,000 - $200,000
Parking Lot Improvements and re-paving $50,000-$100,000
Demo of Interior $50,000 - 100,000
Repair Current Roof $900,000 (~6.50 sq. ft.),
Interior renovations including floors, warehouse and offices/conference rooms/bathrooms, $500,000-$1,000,000
April 29, 2021

Good afternoon Bob:

I have reviewed the Business Incentive Preliminary information that you provided me with on 14 Prospect Drive along with the street card, deed, agent offering memorandum and internet searches. I have tried to establish what components would change the Fair Market Value (Assessment for the October 1, 2021 grand list and I tried to project a range of value for the upcoming revaluation as of October 1, 2022 grand list. As you are aware, there is no definitive value/assessment on any property until all building permits and any changes to the property have been entered into the Town Cada system. I checked with the Building Department on April 28th and no permits have been taken out. I would think they will not be able to get all of the proposed work listed on the Business Incentive Program list completed by October 1, 2021 to have the certificate of compliance from the Building Inspector.

An estimate of what the Revaluation Company will value the property as of October 1, 2022 will be based on the three approaches of value: income, cost and sales at that time. That being said, the sale of 14 Prospect Drive based on the conveyance stamps shows a sale price of $4,400,000. I did not see a mortgage deed for the property when I searched the Town Clerk’s office in the new owner’s name. The Revaluation Company will more than likely use their sale for establishing commercial values. The Cost approach will be based on cost tables (usually Marshall and Swift based) that will change with the next revaluation. The Revaluation Company will also check the building department and establish what improvements add to the value of the property. Depending on those improvements the depreciation on the building may change.

The information from the Business Incentive list has a number of upgrades to the heating/cooling systems, bathrooms, demod and refurnishing of various areas, loading docks, roof, paving and some environmental cleanup. The heating/cooling systems shouldn’t trigger a change if they don’t change from the gas fuel system. The bathrooms, demo and refurnishing of various area may change the depreciation slightly based on the improvements. The loading dock improvements may change the assessment if they are open, closed or have levels. I requested Christal Presel to ask the owner questions pertaining to the roof, it will remain a flat metal roof with a covering the owner is leaning towards, a product by FiberTite it is an elwayl silicon Ethylene Ester (KEE) technology. That roofing material could also be an assessment change. The paving of the parking lot, new lights and new fencing will increase the assessment. The notation for the sprinkler system calls for a 40,000 gallon Bladder Tank for fire protection. Presently the street card shows a pump house of 506 sq ft and if that increases in size that would also change the assessment.

I think that there maybe a small discrepancy of 1.03 acres on the excessive land line on the street card that will need to be researched and corrected if need be. I believe that the acreage should be 40.565 not 41.59 acres.

Preliminarily, from an assessment standpoint it is my opinion that without completed alterations to this property the Fair Market value for October 1, 2021 will remain at $4,057,176 and an assessment of $2,888,025. Regarding the revaluation number a lot will depend on the computer models that are determined for the cost approach and the commercial sales over the next year. Some of the proposed improvements will not have an impact on the assessment but others may change the building grade and the depreciation percentages for the revaluation. I would estimate based on sale price and estimate of improvements that perhaps the October 1, 2022 Fair Market value will be between $4,400,000- $5,300,000 with an assessment range of $3,080,000- $3,720,000.

I hope that this is helpful to you.

Joyce
Assessor memo highlights:

- Purchase 14 Prospect Drive for $4,400,000 – March 31, 2021
- Current assessment $2,868,025
- Estimated assessment after potential repairs and upgrades $3,080,000 - $3,710,000 (mid-range = $3,395,000)
- Estimated increase in assessed value = $526,975
<table>
<thead>
<tr>
<th>Address</th>
<th>Grand List - Real Estate Assessment</th>
<th>Existing Real Estate Taxes (Based on 34.65 mills)</th>
<th>Estimated Investment (includes property purchase)</th>
<th>Estimated Real Property Assessment (After all improvements are Completed)</th>
<th>Increase in Real Property Tax Assessment (Existing vs. Post Improvements)</th>
<th>Assumed Real Property Tax Bill on New Assessment (34.65 mills)</th>
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<td>14 Prospect Drive</td>
<td>$2,868,825</td>
<td>$99,377</td>
<td>$6,350,000</td>
<td>$3,395,000</td>
<td>$526,375</td>
<td>$117,637</td>
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<tr>
<td>Total</td>
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<td>$99,377</td>
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</tbody>
</table>

*Project Description*: Kimball Midwest distributes parts for the maintenance, repair, operations class of trade (MRO). Total investment: $8,250,000. Land purchase = $4,140,000. Construction and equipment = $1,500,000. Site is approx. 40.85 acres. Zoned M-1.

- Personal Property value estimated at $200,000
- $6,352 Estimated Annual Personal Property Taxes

- Assumes 3 years.

<table>
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<tr>
<th>Approval Necessary</th>
<th>Date</th>
<th>Est. Annual FTE tax payment if abatement is awarded</th>
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<tbody>
<tr>
<td>EDC</td>
<td>June 15, 2021</td>
<td>$112,153</td>
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<tr>
<td>BOS</td>
<td>June 21, 2021</td>
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<td>BOF</td>
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<td>$336,476.53</td>
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<tr>
<td>LC</td>
<td>July 1, 2021</td>
<td>$16,433.72</td>
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Assumptions: No increase in mill rate over 3 year period.

| Incremental Real Estate Tax | $72,762 per year with abatement |
| Current Real Estate Tax | $33,377 per year |
| Est. Incremental Annual Taxes: (before abatement) | $18,260 |
| Once abatement period is complete: | |
| Annual Tax Payment (based on 34.65 mill rate) | $117,637 |

Approval for the Business Incentives must be given by the EDC (date voted), Board of Selectmen (date voted), Board of Finance (date voted) and the Legislative Council (date voted).
Graphical Representation of Tax Abatement Impact

14 Prospect Drive - Estimated Taxes

- Current Real Estate Tax
- Incremental payment with abatement
- Incremental