

**Town of East Windsor
Economic Development Commission**

11 Rye Street
Broad Brook, CT. 06016
Website: <http://www.eastwindsorct.com>

Regular Meeting
Monday, April 16, 2018
Town Hall Meeting Room, 6:00 p.m.

Meeting Minutes

**** These Minutes are not official until approved at a subsequent meeting****

Economic Development Commission

Eric Moffett, Chairman
William Kehoe
Gil Hayes
Nicholas Laskos
Bob Lyke

Members Present: Eric Moffett (Chairman), Gil Hayes, Nicholas Laskos, and Bob Lyke

Members Absent: William Kehoe. .

Guests: None.

Chairman Moffett called the Meeting to order at 6:05 p.m.

ESTABLISHMENT OF QUORUM:

A quorum was established with four Regular Members present.

PUBLIC PARTICIPATION: None.

APPROVAL OF MINUTES/ March 19, 2018 REGULAR MEETING:

MOTION: To APPROVE the Minutes of the Economic Development Commission Regular Meetings dated March 19, 2018 amended as follows:

Page 3, **Discussion of Economic Development Issues:** .Mr. Lyke provided photos he took while attending the demolition ceremony hosted by MMCT. Mr.

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Lyke wanted to personally thank Representatives Chris Daley **DAVIS**, Carol Hall, and Senator Tim Larson for their support of the third casino in East Windsor.

Lyke moved/Hayes seconded/DISCUSSION: None.

VOTE: In Favor: Unanimous

GENERAL DISCUSSION:

EDC Bylaws:

The Commission reviewed the draft Bylaws, and proposed several revisions.

MOTION: To APPROVE the Economic Development Commission Bylaws as amended.

Hayes moved/Laskos seconded/DISCUSSION: None

VOTE: In Favor: Unanimous

Separate EDC Website:

Work continues to develop the base for the EDC's webpage. Mr. Lyke suggested the website should include an inventory of available properties. The Commission prefers links to the East Windsor Chamber of Commerce and the Tobacco Valley Chamber. The Commission continues to favor the Simsbury website as a model.

Job Description – Full-time Economic Development Coordinator:

Mr. Lyke reported the Board of Finance (BOF) failed to fund the request for a full-time Economic Development professional despite Selectman Hoffman's presentation and Mr. Lyke's comments of support for the position. (*See Attachment A*). The BOF chose instead to fund \$26,500 for Professional Services under the Planning Department Budget. Mr. Lyke summarized the BOF's deliberations. Discussion continued regarding the level of assistance this funding can provide.

CERC Proposal:

Mr. Lyke reported he recently attended a meeting of staff with CERC (Connecticut Economic Resource Center). Mr. Lyke reviewed e-mail provided by Town Planner Whitten which discusses options for assistance for a rate of \$80/hour. CERC can assist with the development of the EDC web page, collect data to create a labor force map, and other administrative tasks. Mr. Lyke suggested CERC can assist the Commission write the job description for the Economic Development professional, as the need for the addition of this staff member continues as East Windsor's opportunities increase. Discussion continued regarding the use of interns from local colleges to assist with research as well.

Discussion of Economic Development Issues:

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No additional discussion.

ADJOURNMENT:

MOTION: To ADJOURN the Meeting at 7:00 p.m.

Hayes moved/Laskos seconded/DISCUSSION: None

VOTE: In Favor: Unanimous

Respectfully submitted:

A handwritten signature in cursive script, appearing to read "Peg Hoffman", is written over a horizontal line.

Peg Hoffman, Substitute Recording Secretary, East Windsor Economic Development Commission.

Attachment A

Point Paper – Economic Development Professional

Background

The position of Economic Development Director (professional) is a needed addition to the Town of East Windsor's professional staff. East Windsor is in competition with surrounding towns for commercial development. To date East Windsor is not a major player in regional commercial development. Each town needs a mix of commercial and residential properties. The position of economic development director requires a knowledge of regional, state and federal government agencies and organizations that direct private sector companies to locations that fit their needs and will enhance local economies. To be a player in the regional economy it is essential that East Windsor has a fulltime specialist that knows the organizations and people who can influence site selection.

There are parameters that should be understood when giving consideration to what benefits this staff member can bring to a municipality.

- An economic development professional has the unique opportunity to offset his or her wages by securing commercial taxable assets for the town of East Windsor. For each \$1,000,000 taxable assets increase, the town derives \$32,770 of tax revenue (based on current mill rate of 32.7700). Therefore, if the taxable assets increase by \$2,750,000 the economic development professional will have paid his or her annual salary of \$90,000.
- All building projects require a Building Permit Application Fee. That fee is 1.55% of the buildout cost of the construction. For example, the Calamar project has a developer estimated cost of \$8M. At 1.55% this will return \$124K to the town coffers. Projects that can be attributed to the work of the economic development professional should be considered when weighing the benefit and financial burden of that employee. For each \$1M addition to the town's grand list that person will offset his or her salary by \$15,500 (first year revenue). The combined sources revenue gives reason to believe that this position will be revenue neutral over time.
- The following table shows a trend that speaks to the value of an economic development professional. Note that towns with an economic development professionals have larger commercial grand lists.

<u>Town</u>	<u>Commercial Grand List*</u>	<u>% of Grand list</u>	<u>EC Director</u>
East Windsor	\$288.9	32.1	No
Ellington	183.7	14.9	No
Somers	45.6	0.6	No
Vernon	233.4	14.3	No
South Windsor	486.3	19.6	Yes
Windsor	847.9	30.1	Yes
Windsor Locks	316.9	26.9	Yes
Enfield	546.5	20.6	Yes

*Values in above table x 1,000,000

- Towns should strive for the proper mix between residential and commercial properties. Residential growth that includes couples of childbearing age place demands on town financial resources. Commercial development taxes drop to the town's bottom line. The US Census Bureau states that the average family has 2.2 children. The annual cost to educate a child in East Windsor is \$17,837. The cost of educating 2.2 children is \$39,241/year. Therefore, at the current tax rate a residence must have a taxable value of \$1.2M to cover the education expenses.

Other Factors

- Location is an important demographic when considering commercial development. East Windsor has the second or third best location in north central Connecticut. It is located on Route 91 six miles from Bradley International Airport. It has two major state roads, Routes 5 and 140 that have significant frontage in town. There is a substantial amount of developable land on each state road.
- It is likely that a casino will be built on the abandoned Showcase Theater site adjacent to RT 91. This development will add significant taxes and fees to town revenue. It will also bring other commercial development opportunities. These must be managed in a timely and orderly manner to best serve the town. The town's location with easy access to highways and airport makes it a place of interest for developers. East Windsor must be prepared for the economic change that is likely to occur. Good planning and readiness to work with developers is essential.
- The Casino Impact Fund (\$3M annually) should be considered as a source of future funding for the economic development professional when made available by MMCT
- If the casino is not built in East Windsor it is incumbent on the town to become a major player in the development of the north central Connecticut region. Economic growth is essential to the improvement of town resident's quality of life and tax stability.
- Decreased state aid (resulting from growing state financial problems) are likely to shift additional funding responsibility to towns. Commercial economic growth can help alleviate this inevitable problem. It is important to act ASAP to minimize the impact on East Windsor.
- An economic development professional is needed because of his or her understanding of the processes, procedures as well as the people and organizations that influence development opportunities. Without this person the town cannot be a serious competitor in this arena.

Timing

- Town planning and preparation is essential prior to hiring an economic development professional
- Complete all up front work by December 15, 2018
- Place an economic development professional on staff January 1, 2019

Requirements – Preliminary List

- Five years of economic development experience
- Understands north central Connecticut commercial development opportunities
- Proven track record as effective performer
- Define clear and measureable annual goals
- Understands cost effective development processes

- Is a team builder
- Can work with other town organizations, use the EDC as a resource
- Knows the regional, state and federal players in the economic development arena
- Willing to take a portion of salary on a performance basis
- Willing to work with MMCT personnel (if casino is built)

Action

- **Fund economic development professional in 2018-19 fiscal budget starting 1/1/18**
- **Develop job description 9/1/18**
- **Develop year one goals 9/15/18**
- **Release RFP 10/21/2018**
- **Interview candidates 11/15 – 12/7/2018**
- **Hire economic development professional 12/15/18**
- **Start work 1/2/19**

Conclusion

The addition of an economic development professional is an investment in East Windsor's future. The 2018-19 fiscal year budget should make provisions for the hiring of this person.

Recommendation

It is recommended that the Town of East Windsor hire an economic development professional; start work date January 2, 2019.

Andrew Hoffman
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