

**MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION WITH MEMBERS OF  
THE TAX INCREMENT FINANCING (TIF) ADVISORY COMMITTEE  
HELD ON  
THURSDAY, MAY 24, 2018 AT 8:30 A.M.  
CHESHIRE TOWN HALL – 84 SOUTH MAIN STREET  
COUNCIL CHAMBERS**

Commissioners Present:

David Pelletier, William Stanley, Derek Gromko, Don Dobbs, Daniel O'Connell

Commissioner Absent:

Peter Nichols, Steve Sidoruk

Staff Present:

Jerry Sitko, Economic Development Coordinator, Bill Voelker, Town Planner, Diane Waller, Assessor

Others Present:

Michael Milone, Town Manager Emeritus, Sean Kimball, Town Manager, Arnett Talbot, Assistant Town Manager, Walter Gancarz, Town Engineer, Jim Miele, Miele Law Offices, Robert deJongh, Chairman, Inland Wetlands and Watercourse Commission, Patti Flynn-Harris, Town Council Liaison, Mark Thomas, Cheshire Chamber of Commerce, Jim Damicis and Victoria Storrs, Camoin Associates, Mike Torelli, Cheshire Herald.

**I. CALL TO ORDER**

Chairman Pelletier called the meeting to order at 8:30 a.m.

**II. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**III. COMMENTS FROM ECONOMIC DEVELOPMENT COMMISSION CHAIRMAN**

Chairman Pelletier stated that this is the kick-off meeting of the Tax Increment Financing Advisory Committee (TIF). The consideration for a TIF District came from recommendations from the Arnett Muldrow study.

#### **IV. INTRODUCTION OF CAMOIN ASSOCIATES**

Chairman Pelletier introduced James Damicis, Senior Vice President and Victoria Storrs, Senior Project Manager, who are giving today's presentation. Mr. Pelletier asked for introductions from those present at the meeting.

#### **V. PRESENTATION BY CAMOIN ASSOCIATES**

Jim Damicis and Victoria Storrs of Camoin Associates discussed Tax Increment Financing (TIF). A PowerPoint presentation was given to the meeting attendees. Camoin Associates conducts business in over 30 states including New England and upstate New York.

Camoin has worked to establish TIF districts in Connecticut communities: Canton, New Britain, Suffield, and Groton. In addition, it has developed TIFs for multiple municipalities within the same district.

Camoin has been instrumental in developing new legislation (Public Act. No. 15-57) during the overhaul of TIF in Connecticut. The former TIF was burdensome, required state-level approval, had limited business uses and was rarely used. The new TIF is streamlined, approved at the local level, has mix use for business and is easier and more readily used.

Camoin is available to consult and guide the TIF process. It also partners with Michael J. Andreana, Esq. of Pullman and Comley, LLC, the attorney who developed the new legislation in Connecticut.

With the TIF property tax benefits used to help finance projects, a TIF can be utilized to support both public and private development costs.

TIF is not a new tax or a special assessment on top of the existing property tax.

Portion of incremental revenues not dedicated for TIF go to the General Fund.

Estimating future value and revenues should be based on: projected new development and redevelopment in the district and overall anticipated changes in valuation due to market conditions.

TIF revenues are identified in project cost accounts and are audited yearly.

### TIF Process in CT

Legislative body affirms that TIF will benefit the municipality. Submit Master Plan to Planning Commission for advisory opinion. This is submitted 90 days prior to approval of the plan. Hold public hearing on the proposed Master Plan. Confirm eligibility criteria and assessed value requirements. Submission of Master Plan to municipal legislative body. Municipal legislative body approves Master Plan and TIF district is established.

### Recommendations

Fit use of TIFs into long-term economic development strategy. Advisory board to oversee the planning, construction and implementation of the district. Identify public and private needs. Devise a master plan that will be transparent and mitigate risk.

Consider TIF within a mix of financing options. Consider going beyond use of TIFs for business incentives including to fund infrastructure and activities to support economic development.

### Preliminary District Boundaries

The establishment of a preliminary district defines the parcels (uses, square feet, etc.) where projects, public and private can be developed/redeveloped to support economic growth. The taxable assessed value cannot exceed 10% of the total taxable assessed value of the town. There is no limit to the number of districts established. Ongoing administration and management should be considered if multiple districts are planned.

All TIF districts and related agreements with developers must be approved by a vote of the town council during a public meeting. All agreements with private property owners and developers must meet municipal guidelines and be part of an approved TIF Master Plan.

In Cheshire the preliminary district for consideration is the 691 Interchange.

## VI. DISCUSSION AND QUESTIONS

Question: Mark Thomas, Cheshire Chamber of Commerce

How do initial TIF revenues get into an account up front to pay expenses?

Answer: Camoin

Revenues are not up front. An account gets money through the regular town assessment and finance process.

Example: As of October 1<sup>st</sup> tax assessment and tax bill money goes into the account based on the filter of what the percentages are. \$200K goes into a TIF account annually. This money flows into a separate account and pool. One of the challenges is that sometimes things have to be paid for right away and there is not enough money accruing to that account so it can either be supplemented with general funds or the developer can pay for the cost and get paid back over time through the Credit Enhancement Agreement (CEA) or the money can be borrowed.

Question: Robert deJongh, Chairman, Inland Wetlands and Watercourse Commission

If there is development in the industrial park where a method of transportation is needed from the north parking lot to bring employees to the industrial park; can expenses be used to offset the cost?

Answer: Camoin

Yes. The project and the determined need can be expensed.

Question: Michael Milone, Town Manager Emeritus

Who determines if an expense is legitimate?

Answer: Camoin

The TIF Master Plan should be prepared well enough so that there are not cases in question. The TIF Master Plan should define specifics up front so that there are less problems; information should be clarified with the TIF Advisory Committee and/or the Town Council. Legal process is determined if there is no response to disagreement.

Question: Arnett Talbot, Assistant Town Manager

Is there a formal process for the public to challenge a decision and is it mediated by the state or municipality?

Answer: Camoin

The TIF Master Plan follows a public hearing and notice period similar to ordinances. There is not an adjudication mechanism.

Question: Jerry Sitko, Economic Development Coordinator

Do CEA's require Town Council Approval?

Answer: Camoin

The TIF Master Plan will explain how to review and approve CEA's.

Question: Robert deJongh, Chairman, Inland Wetlands and Watercourse Commission

Can the Town Council tap money from the TIF account to offset overlooked expenses that would otherwise come from the General Fund?

Answer: Camoin

No. This would be considered "raiding" the fund.

Question: Jerry Sitko, Economic Development Coordinator

Why would a TIF be used versus a tax abatement?

Answer: Camoin

Law allows abatements to be used as the method to provide relief. Fixed agreements can be used. CEAs give the greatest flexibility. Abatements are for 5 – 7 years where CEAs can go as high as 50 years.

Example: A current tax abatement that is in place giving a percentage back cannot layer on top of a CEA with the same dollar value to get more money back. "No" double dipping.

Question: Robert deJongh, Chairman, Inland Wetlands and Watercourse Commission

If a large employer receiving tax credit does a major expansion, can the expansion qualify for a CEA?

Answer: Camoin

Yes - as long as another abatement is not being taken for the expansion.

Question: Jerry Sitko, Economic Development Coordinator

Is there a situation where a TIF Master Plan is completed but has yet to be approved by a Town Council and is put on hold?

Answer: Camoin

Yes, however it is not encouraged. TIF Master Plan should proceed when there is an actual development project. It works best when committed to doing something publicly in a district and that there is a feeling that a private project will be the result and fits the overall goals and objectives for economic development.

Question: Dan O'Connell, Economic Development Committee Member

Is there a limit to the number of TIFs that you can have?

Answer: Camoin

No. Cheshire or a smaller community may have several TIFs based on the needs in town.

Question: Dan O'Connell, Economic Development Committee Member

Have pilot TIF programs been set up in communities to determine efficacy before proceeding with additional TIFs?

Answer: Camoin

Yes. It is good practice to get one established and determine how it is performing rather than taking on too many at once.

Question: Dan O'Connell, Economic Development Committee Member

Have there been TIFs that have not shown positive outcomes?

Answer: Camoin

Yes. TIFs in Connecticut are new. There is yet to see development taking place for what TIFs have been devised. Underperformance has occurred due to lack of development or where an allotted dollar amount for development has come in produced far less. Example: \$80M in development produced \$10M.

Next Steps

1. Create a list by name and title of the Advisory Committee Members
2. Draft a preliminary parcel list. The list cannot exceed 10%. Include the calculated 10% in the TIF Master Plan.

**VII. NEXT MEETING**

June 27, 2018 – to be confirmed

**VIII. ADJOURNMENT**

Meeting adjourned at 9:45 a.m.

Respectfully submitted:

Dawn Guite  
Recording Secretary, EDC