

**MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION & TAX INCREMENT
FINANCING (TIF) ADVISORY COMMITTEE
HELD ON
TUESDAY, November 27, 2018 AT 8:30 A.M.
CHESHIRE TOWN HALL – 84 SOUTH MAIN STREET
ROOM 207 – TOWN HALL**

Commissioners Present:

David Pelletier, Derek Gromko, Don Dobbs, Peter Nichols, Steve Sidoruk, William Stanley, Dan O'Connell

Staff Present:

Jerry Sitko, Economic Development Coordinator, Sean Kimball, Town Manager, Bill Voelker, Town Planner, Jim Jaskot, Finance Director, Chris McCardle, Assistant Assessor.

Others Present Including Members of the TIF Advisory Committee:

Victoria Storrs and Jim Damicis from Camoin Associates, Jim Miele, Miele Law Offices, Mark Thomas, Cheshire Chamber of Commerce, E.J. Kurtz, Chairman, Planning and Zoning Commission and Michael 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. MINUTES OF THE JULY 24, 2018 MEETING OF THE EDC & TIF ADVISORY COMMITTEE

Mr. Gromko made a motion to accept the meeting minutes from the July 24, 2018 EDC & TIF Advisory Committee. Mr. Stanley seconded the motion which passed unanimously.

IV. DISCUSSION CAMOIN RE: DRAFT TIF MASTER PLAN & POLICY CONSIDERATIONS

(Technical interference prevented a PowerPoint presentation from being shown. Hard copies of documents were distributed to those present, i.e., TIF District Master Plan

Draft, Camoin Memorandum for Revised TIF Master Plan Policy Considerations, Sample of TIF used in Connecticut Municipalities, Murtha Cullina LLP Town Charter's Referendum Memorandum)

Ms. Storrs and Mr. Damici recapped context/basics stating that TIF revenue may be used to fund, among other uses, public infrastructure, facilities and private commercial improvements in the master plan. Multiple parcels can be included in the TIF.

The TIF District is identified as the Interchange Zone, which runs north from the East and West Johnson Avenue intersection (quadrant) to the Southington town line. The properties were identified by Mr. Voelker, Mr. Sitko and Ms. Waller. TIF districts are implemented with the intention of reserving a portion of taxes received from new developments and using those funds to finance future economic development-related activities within the district. District boundaries need to be noted relative to properties in the Interchange Zone. Residential parcels within the zone will be taken into consideration when development is determined and incorporated into projects.

Commissioners supported reserving 75 percent of all new taxes from development within the TIF District for future TIF-related projects to be captured annually. The 75 percent is enough to allow the support of infrastructure and other needs. This percentage may be reduced (50%, 40%) and must be approved by the Cheshire Town Council. The town may authorize the return of excess money to the General Fund each year as long as TIF obligations are met. Several projects identified are extending water and sewer lines to the north end of town, a new fire station, and road improvements. A portion of the TIF revenue captured can be rebated back over time to a developer that is making an investment. State law requires identification of projects even though they may be broad in nature. To protect the public, it is best to be clear about how much money will be going into the General Fund vs. the TIF Development Fund. All parties need to be on board: Finance, Assessor, Economic Development, Town Manager and Planning.

A Management Committee will be established to advise and provide ongoing advice on the development of the TIF Master Plan. It may be comprised of town staff including economic development coordinator and two EDC members, town planner, town council member, and a business member. District boundaries for the Interchange Zone will be determined based on what the town is trying to achieve and where, and development potential.

All components of the TIF: parcels and how money is spent are subject to the TIF Master Plan. All components are vetted by the Management Committee. The approval process includes planning at the TIF Advisory Committee level and submission to the council and the Planning and Zoning Commission. The P&ZC determines if the TIF Plan is

consistent with the Plan of Conservation and Development. It is then subject to approval by the town's legislative body. If approved it becomes effective immediately.

Information about the TIF should be made available to the public. Finance tracking and reporting will be done on a yearly basis because it is a multi-year program.

Original Assessed Value (OAV) date of October 1, 2018 has been confirmed along with the taxable real estate property in the Interchange Zone. The list can be modified as the plan progresses. Development does not affect personal property. The same mill rate in town applies to the TIF District. It is neither a new tax nor a special assessment tax.

Camoin Memorandum for Revised TIF Master Plan Policy Considerations was discussed including a summary table of key TIF District characteristics.

Credit Enhancement Agreements (CEA) should be clearly defined so that there is no "double dipping" and emphasis that agreement applies to expansion "only" in the district. The minimum investment requirement for CEA is \$1M (excluding the purchase of land) to secure businesses that are seriously committed to development. CEAs are determined on a case by case basis and approved by the town council.

V. INFORMATION FROM CAMOIN RE: USE OF TIF IN CT MUNICIPALITIES

A discussion took place with an overview of what has recently been planned or adopted by communities where Camoin has provided guidance. Communities included are Bristol, New Britain, Groton, Canton, Windsor Locks and East Hartford.

VI. QUESTIONS AND DISCUSSION

Question: Mr. Nichols

Is there any contradiction for property in an opportunity zone?

Answer: Mr. Damici

"No"

Comment: Mr. Sitko

Opportunity Zones apply to urban areas.

Question: Mr. Stanley

If property values increase because of the TIF, is the money captured increased revenue from the project property or for the entire district?

Answer: Mr. Damicis

Any new value will go to the TIF fund. In the proposed plan 75 percent will be reserved for all new taxes from development within the TIF District for future projects. 25% will go to the General Fund. This is for the entire district.

Question: Mr. Sitko

What happens if the town does not see the 30 year approved plan performing as it had hoped?

Answer:

Credit Enhancement Agreement Obligations (CEA) must be met. Changes to the TIF Master Plan need to be discussed and approved by the town's legislative body. Termination can occur if all obligations have been met.

Question: Mr. Stanley

Do the CEA's tie to any improvements or rebates?

Answer: Mr. Damicis

CEAs are subject to the guidelines which have been discussed and must meet a specific purpose/obligation based on the plan. They must meet minimum qualifications as well as enhances economic development based on the purpose of the district.

Comment: Ms. Storrs

The contract is negotiated by the town and the private entity. The town can state thresholds/targets for the private entity to meet. If the private entity does not meet its targets, it has not met its obligations and the town can decide if it remains eligible for the allotted period of time or if claw back provisions are applied.

Question: Ms. McCardle

Does 100% of revenue from personal property in the TIF District go to the General Fund?

Answer: Mr. Damici

“Yes”. It is only “real” property, land and buildings. It excludes excise taxes and personal property,

Question: Peter Nichols

And it only applies only to new development, correct? It does not apply to facilities that have been in the district prior to its inception.

Answer: Mr. Damici

“Yes”.

Question: Mr. Stanley

Is a Fixed Assessment Agreement the same thing; you fix an assessment on the property?

Answer: Ms. Storrs

“Yes”. A TIF is not necessary to enact a Fixed Assessment Agreement. However, you can’t do a CEA and Fixed Assessment Agreement.

Question: Mr. Dobbs

Can master plan approval terms and conditions be adjusted at the time of the public hearing or does a subsequent hearing have to be in place?

Comment: Mr. Sitko

It can be approved as amended by the town council. The council may continue the public hearing.

Comment: Ms. Storrs

The town council will have the TIF Master Plan in front of them at least twice. The town council also makes a formal request that the Planning Commission review the draft plan.

Comment: Mr. Damici

Final vote may be tabled if amendments are going to seriously impact the plan. A discussion with the advisory committee can occur to address issues brought forward at the public hearing.

Question: Mr. Thomas

Asked about information on the implementation of the program. Once plan is approved does implementation of the infrastructure begin?

Answer: Mr. Damici

If bond or debt is not being issued, you cannot start paying for things until money starts to come in. Tracking of money will be done annually and through the budget process decide if there is enough money to begin a project. If there is debt, then expenditures can begin right away and pay back on the debt provided money is available.

Comment: Ms. Storrs

With each assessment year, the values of new property are determined.

Question: Ms. McCardle

If 5 years into the TIF it is decided to add parcels, are these parcels part of the next 25 years in which case assessments on the parcels will be needed for the previous 5 years to be part of the baseline?

Answer: Mr. Damici

You would amend rather than start new. You can both amend and extend. Parcels can be amended to become part of the district and extend the life of the district for 5 more years. If extending the life of the district, then it applies to all the parcels in the district. In these circumstances, establishment of a separate TIF may be a good approach. The base value begins at the time the parcels are included not at the original baseline date. Mr. Damici will get confirmation on this.

Next Steps

1. Camoin Associates to provide final draft of document to the TIF Advisory Committee.
2. Determination of final Grand List and confirmation of base mill rate for cost estimates.
3. Complete details needed for final draft of the Master Plan document.
4. Forward final TIF District Master Plan to committee for review and comment.

Mr. Nichols made a motion to support the draft plan and to proceed with finalizing the draft of the TIF District Master Plan document and submitting it to the town council. Mr. Stanley seconded the motion which passed unanimously by members present.

VII. ADJOURNMENT

Meeting adjourned at 9:50 a.m.

Respectfully submitted:

Dawn Guite
Recording Secretary, EDC