

MINUTES OF THE CHESHIRE PLANNING AND ZONING COMMISSION REGULAR MEETING HELD IMMEDIATELY FOLLOWING THE 7:30 P.M. PUBLIC HEARING ON MONDAY, FEBRUARY 25, 2019, IN COUNCIL CHAMBERS, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Earl J. Kurtz, Jr., Chairman; Sean Strollo, Vice Chairman; Jeff Natale, Secretary;
Members: Robert Brucato, S. Woody Dawson, John Kardaras, Gil Linder, Louis Todisco
Alternates: Robert Anderson, Tom Selmont and Donald Walsh

Absent: Matthew Bowman

Staff: William Voelker, Town Planner; Gerald Sitko, Economic Development Coordinator.

Guest: David Pelletier, Chairman, Economic Development Commission.

I. CALL TO ORDER

Chairman Kurtz called the meeting to order at 8:00 p.m.

II. ROLL CALL

The Clerk called the roll.

III. DETERMINATION OF QUORUM

Following roll call a quorum was determined to be present.

IV. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

V. ACCEPTANCE OF MINUTES – PUBLIC HEARING 2/11/19 AND SPECIAL MEETING 2/11/19.

Due to a lack of quorum of members present for the 2/11/19 meeting the approval of minutes was tabled to March 11, 2019.

VI. UNFINISHED BUSINESS

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| 1. Special Permit Application | PH 01/28/19 |
| <u>Royal Vision Management & Investments</u> | PH 2/11/19 |
| 831 South Main Street | PH 2/25/19 |
| Conversion from Motor Vehicle repair use to Retail use and parking improvements. | MAD 5/01/19 |
| PUBLIC HEARING CONTINUED TO MARCH 11, 2019. | |

VII. NEW BUSINESS

1. **8-24 Review-Discussion, review and recommendation as required by Public Act 15-57 of the Proposed Interchange Zone Tax Increment Financing District Master Plan.**

EDE Chairman Pelletier addressed the Commission on the proposed TIF district in the I-C zone in the north end of Cheshire. The establishment of the TIF district came out of the Muldrow Report which recommended the town look into such a district as a tool to help promote new business development in the north end. The TIF would encompass all properties in the I-C zone. The idea behind a TIF is for a piece of land to be developed; the town carving out the increased in tax revenue, using it for infrastructure improvements in the district; and the revenue would be set aside to pay for these improvements.

The role of the PZC is to determine if the TIF document complies with the Plan of Conservation and Development (POCD).

Public Act No. 15-57 established Tax Increment Financing Districts.

The EDC subcommittee started work with Camoin Associates on the TIF districts. This firm has put TIF districts in place throughout Connecticut. Mr. Kurtz and Mr. Voelker were members of the subcommittee. State statutes require PCZ review of the TIF document to insure it complies with the POCD. The role of the PZC in bringing a project into the district does not change. The TIF is to use all of the increase in tax revenue to help pay for infrastructure and other economic development goals in the area.

On page 5 of the Cheshire TIF draft plan, Mr. Sitko noted that Town Council has the final say and approval of the plan. He cited the areas outlined in the plan for use of TIF funds – Infrastructure Improvements, Streetscape Improvements, Public Facilities, Administration, Traffic Improvements, Road Improvements, Economic Development Studies. The Town Council decides on the use of the funds and length of time the TIF is in place. If the TIF is not working the Council can do a reverse sequence of events and be finished with the TIF district. The Council can amend the plan stating no revenue will be captured, or some revenue can be used for another compelling need in town and revenue can be put into the General Fund.

Mr. Sitko explained that TIF is a tool, similar to tax abatement and tax incentive programs. The TIF gives the town flexibility in entering agreements with developers. It does not alter the role of the PZC. It is something to be used in the future and help development to come into the north end of town.

The Commission was informed by Mr. Sitko that the ECD subcommittee talked about TIF in other areas of town, but decided to concentrate on the I-C zone.

Mr. Todisco said the TIF does not raise taxes; the increase in taxes paid by the developer has a portion set aside for these particular properties; and the taxes are not given to schools and other town expenses. He said the TIF is a benefit to the developers, with funds used for the betterment of businesses in town.

This is not a new tax. Mr. Sitko clarified that the TIF funds could be used for properties in the district, or the Council could put the money into the General Fund.

Mr. Pelletier explained that there could be no other tax incentive or CEA received by the properties in the TIF district. Tax revenue comes from the developer.

Chairman Kurtz stated there is additional revenue generated by the town, and the funds will not affect people in Cheshire, and be used for infrastructure improvements in the district.

All CEA's between the town and property owner are subject to public hearing and Mr. Sitko said there is transparency on tax incentives approved by the Council.

The issue of one large developer or multiple small developers in the I-C zone using the TIF plan was raised by Mr. Kardaras.

There are 24 properties in the I-C zone that could come under the TIF district. Mr. Sitko said some could be packaged together; some could be larger developers or smaller development. The town still wants to get the State's 45 acres in the northeast quadrant of the I-C zone.

Mr. Natale asked about quarterly review of the TIF funds used and allocated by the Council.

Mr. Sitko said there could be an annual report on the funds.

This is not tied to any particular land owner, and Mr. Natale talked about a property owner selling and selling property, and qualifying for TIF.

Mr. Anderson questioned the additional revenue being beneficial to the properties, and more development taking place in the district. The business pays additional revenue before the benefits come, and the assumption is there is a project.

It was clarified by Mr. Pelletier that additional revenue only comes from development of a piece of property. The benefits are tied with an actual project. If a TIF is in place a project could come in, and it is hoped that TIF would trigger a project to be done.

In the draft plan, Mr. Sitko pointed out there are 8 or 9 towns cited as having TIF districts, and Old Saybrook CT just approved their TIF district.

There is no sewer or water in the I-C zone and Mr. Dawson talked about using TIF money from the developer(s) to hook up to these utilities. Some towns take the land, put in a road, and this gives developers the appetite to develop. He asked where the

money is coming from, and the town getting only 3/4ths of the revenue, and the input from the PZC.

Mr. Sitko explained the town enters into a CEA with a developer; the TIF is flexible; the developer may run with sewer and water; the town will pay an extra percentage of the increment to recoup the developer's cost.

The PZC is the land use part and Mr. Sitko said the Commission has input. There are requirements from the developers, and this also affects the CEA.

Chairman Kurtz explained that the Commission is looking at whether the I-C zone is the right district for a TIF district.

Mr. Sitko explained the Town Council votes on the length/amount of time for the TIF district, the location of the district, and other things in the district. And, there is no double dipping of benefits for a property.

The TIF is only for development in the I-C zone and Mr. Brucato said once set it could be for any development.

It could be different for different developers and Mr. Sitko said it depends on the need. There is a function to market the area.

Mr. Anderson questioned the incentive for a developer to come in with a TIF plan.

This is a financing improvement and Mr. Voelker said it is using tax incentives. He cited a site with \$1M in taxes; with a project it would be \$1.5M in taxes; the \$500,000 increase in taxes could be used for infrastructure improvements; or the town could use the money for general municipal purposes. The TIF isolates additional tax revenue to support a project or to be beneficial to the area.

Facts:

TIF is used in Connecticut;
the General Assembly made changes to the TIF statute;
this is why more towns are looking at TIF;
all the hard work of the PZC will be promoted through TIF;
all the expenditures are discretionary; they must be negotiated;
there is a commitment deadline of July 2019.

In response to a question about North Haven getting Amazon as a town business, Mr. Sitko is unsure if TIF funding was used or State bonding. The needs of the business define how the funding is structured.

There are tax incentives in place for the entire town, and Mr. Pelletier reiterated that TIF is only for the I-c zone in the north end. There is no double dipping for projects.

A scenario was cited by Mr. Natale whereby a developer is in the TIF plan, sells to a new property owner, and the new owner goes for a tax abatement program.

Mr. Sitko said it depends on the structure of the CEA and other agreements. The TIF money is used to recoup some of the developer's costs. There would be legal review and opinion by the Town Attorney on the TIF and other incentive programs.

The benefits to the town were pointed out by Chairman Kurtz who said they are for the developer and the town, and the infrastructure would be used for developments.

This all sounds good and is going in the right direction, and Mr. Selmont questioned any down sides or TIF failures or where things go wrong.

Mr. Sitko said from his experience and town experience with tax abatement programs there are fall backs in the agreements...such as employment, 10 year stay in Cheshire, number of employees. Cheshire has not lost one dollar due to issues with tax incentives, the town's interests are protected, and Mr. Sitko expects the same with the TIF district plan.

The TIF was not anticipated when the Commission developed its new POCD, and Mr. Voelker said the I-C zone is cited in the POCD as a location for economic growth and increase in the economic base. There are amendments to the zoning regulations to promote economic development in the I-C zone.

MOTION by Mr. Brucato; seconded by Mr. Kardaras.

MOVED that the Planning and Zoning Commission finds that the proposed Interchange Zone Tax Increment Finance District is not in conflict with the 2016 Cheshire Plan of Conservation and Development.

Discussion

Mr. Dawson stated his hesitation in voting in favor of the motion on the floor. He cited the fact that all Commissioners have not read the information on the TIF District.

Mr. Todisco said the Commission is voting that the TIF program is not in conflict with the existing POCD...and this is an 8-24 referral with PZC approval before the Council can take action.

Mr. Voelker read PA 15-57 into the record.

Mr. Pelletier informed the Commission that the TIF plan requires a public hearing at the Town Council level.

The Commission has 90 days to vote on this matter. Mr. Voelker said the question is what the Commission wants know and needs to know.

The Commissioners agreed that further review of the TIF proposal is required. The matter was referred to the March 11, 2019 meeting.

The motion on the floor was withdrawn by Mr. Brucato and Mr. Kardaras.

2. **Site Plan Application**
Summit Growers/Matt Switajewski
1681 Waterbury Road
Vegetable stand associated with Farm and Storage
SET FOR PUBLIC HEARING ON MARCH 11, 2109
3. **Special Permit Application**
Sheela Tummala
95 Higgins Road
Cottage Food Operator
SET FOR PUBLIC HEARING ON MARCH 25, 2019
4. **Special Permit Application**
Wally Kerrigan, Engineer, Greenskies
490 Highland Avenue
Installation of two (2) solar carports in the
Police Dept. parking lot, in rear of building
SET FOR PUBLIC HEARING ON MARCH 25, 2019
5. **Other Planning and Zoning Commission Business**

VIII. ADJOURNMENT

MOTION by Mr. Dawson; seconded by Mr. Kardaras

MOVED to adjourn the regular meeting at 8:40 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk