

**CHESHIRE ECONOMIC DEVELOPMENT COMMISSION
MINUTES OF THE REGULAR MEETING HELD ON
TUESDAY, DECEMBER 20, 2011 AT 7:30 A.M.
CHESHIRE TOWN HALL – 84 SOUTH MAIN STREET
ROOMS 207 / 209**

Commissioners Present:

Chairman David Pelletier, Robert Formica, David Orsini, Robert Sepp and William Stanley

Commissioner Absent:

Kathleen Gannon and Brian Miller

Staff Present:

Jerry Sitko, Economic Development Coordinator and Michael Milone, Town Manager (departed at 8:10 a.m.)

Others Present:

William Freitag, Chamber of Commerce Liaison; Robert DeJongh, Inland / Wetlands Commission Liaison (departed at 8:20 a.m.); Arthur Hostage, former Economic Development Commissioner; David Schrumm, Town Council Liaison (departed at 8:40 a.m.); Peter Goia, Vice President and Economist from CBIA (departed at 8:20 a.m.)

I. CALL TO ORDER

Chairman Pelletier called the meeting to order at 7:30 a.m.

II. ROLL CALL

The roll was called.

III. DETERMINATION OF QUORUM

It was determined that a quorum was present.

IV. PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

V. WELCOME NEW COMMISSIONER ROBERT FORMICA

Commissioners welcomed Robert Formica to the Economic Development Commission.

VI. APPROVAL OF MINUTES – November 15, 2011

MOTION by Mr. Orsini that the minutes from the November 15, 2011 Regular Meeting of the Economic Development Commission be accepted as submitted. **SECONDED** by Mr. Stanley.

VOTE: In Favor – Orsini, Pelletier, Sepp and Stanley
Opposed – None
Abstain - Formica

The motion passed 4 – 0 – 1.

VII. APPROVAL OF 2012 MEETING DATES

MOTION by Mr. Stanley that the proposed meeting dates for 2012 of the Economic Development Commission be accepted as submitted. **SECONDED** by Mr. Sepp.

Discussion:

Commissioners talked about removing the July and/or August 2012 proposed meeting date(s) from the Economic Development Commission schedule but decided it would be easier to cancel a meeting than to schedule a special meeting(s).

VOTE: In Favor – Formica, Orsini, Pelletier, Sepp and Stanley
Opposed – None

The motion passed 5 – 0.

VIII. COMMUNICATIONS

A) Revised Roster of EDC

The revised roster for the Economic Development Commission was include in this meeting's packet.

IX. BUSINESS

A) Discussion with Peter Goia of CBIA

Mr. Sitko introduced Peter Goia, Vice President and Economist at the Connecticut Buisness and Industry Association (CBIA) to the Commission. Mr. Goia asked the Commissioners what questions of concern or worries the Economic Development Commission has? Commissioners talked about Catherine Smith, Commissioner of the Connecticut Department of Economic and Community Development, who is

coming to next month's meeting and asked about what she should be asked about? Mr. Goia suggested asking about new legislation that was passed in October. Mr. Goia stated that he was impressed with Governor Malloy going around Connecticut, listening to the concerns of the people. He feels that the bill passed reflected a lot of the issues the people of Connecticut are concerned with. Mr. Goia feels that the Governor and Legislators will try to continue to work together, which seems to be a sharp contrast to what he is seeing in Washington D.C.

Mr. DeJongh talked about the financial impact the retro payroll tax has had as it wreaks havoc on small businesses. Mr. Goia agreed that for privately held and family businesses, this is just another struggle for them. Chairman Pelletier commented that it will be even worse in the upcoming year if the social security tax is not put back in.

Mr. Sitko asked if the General Assembly is addressing the high cost to do business in Connecticut? Mr. Goia replied that the Governor is listening and he believes we will see reviews of the Regulations of many of the major State departments. The CBIA Board of Directors is very optimistic with the Commissioner Board the Governor has brought in and feels they are atuned to businesses. Chairman Pelletier asked if this means the Governor will be cutting out a lot of the middle management on the State level? Mr. Goia replied yes, he thinks the Governor is addressing it and that the State departments will look very differently 2 – 3 years from now, especially with respect to the State Department of Corrections.

Mr. Goia stated that the economy is cyclical. Currently we are in an enormous bust cycle but it won't last forever. We need to be ready for the turn around when it comes, but it will be gradual. Mr. Goia noted that the December Department of Labor report shows slow positive activity.

As far as short term and long term trends, we should look at demographics. Mr. Goia talked about immigration, noting that Canada has done it right with regards to immigration. Immigrants in Canada receive a Green Card if they graduate from a Canadian college with a degree.

Mr. Goia noted that the United States dollar remains weak and probably will be for a little while. We are beginning to see a global shift in manufacturing, which is moving from undeveloped nations to developed nations. This is being driven by quality concerns, transportation and cost issues. Energy concerns are changing, there are more energy resources being uncovered every year from "safe" locations.

Mr. Goia noted that housing is still a challenge, which is normally a leader coming out of a recession; this time housing is a drag. Refinancing can be done with extremely low interest rates now, but why aren't people buying? Mr. Goia commented that he is not sure we have seen housing prices hit bottom yet. He is expecting to see interest rates start to go up with slow increases by mid year. When you see rates going up, you see less volatility in pricing and people start to buy. Confidence figures are low, but better, and jobs show a slow improvement; initial unemployment figures are starting to go down.

Policy wise, Mr. Goia stated that the federal government is a mess. After the elections in November 2012 he expects people will get down to business. Currently there are very low approval ratings so he expects to see a lot of turnover in the elected officials.

Chairman Pelletier talked a little about the new loan / grant programs being offered by the Connecticut Department of Economic and Community Development, which has a maximum loan rate of 4%. He also talked about tax credits for new hires, which can be passed down to personal income taxes.

Mr. DeJongh stated that unfunded pensions are a problem for Connecticut and asked how it could be resolved? Mr. Goia replied that overtime issues are being addressed agency by agency and talked about a scheduling change that has already been implemented with the State Department of Children and Family. Councilor Schrumm suggested that Connecticut look at what was done recently in Rhode Island to turn around their unfunded pension problems. He feels the State of Connecticut should look at what states have fixed their problem with pensions and do something about it, not just talk about it. Mr. Goia stated that he agreed that more can be done.

Mr. Freitag stated that there are some companies moving out of Connecticut for better resources and lower taxes and he asked if there is a strategy to keep those companies that are still here, in Connecticut? Mr. Goia replied that he believes communication is a key strategy to find out what we have to do to keep a company in Connecticut.

Mr. Orsini noted that the re-evaluation impact means a shift of tax impact from businesses to residents. Mr. Goia commented that it will be different town by town. Mr. Orsini added that if this is a true scenario, it could cause a major impact on municipal budgets. He asked if there has been any acknowledgement by Governor Malloy regarding the State mandates that are placed on the towns? It was agreed that if there is an over 30% drop in residential property values, it could be a major shift in revenue sources for towns.

Mr. Goia commented that a lot of time businesses miss an up-tick, which is just as bad as a slower reaction to a recession.

Chairman Pelletier suggested that the Cheshire Chamber of Commerce have someone from the Waterbury Development Corp. at an event to speak about loan / grant programs available to Connecticut businesses as well as tax credits. Mr. Sitko stated that he will be attending an upcoming seminar on the same topic and will share the information he receives with the Commission.

Members thanked Mr. Goia for coming to speak to the Commission this morning.

B) Speakers for Future Meetings

Mr. Sitko stated that Catherine Smith, Commissioner of the Connecticut Department of Economic and Community Development has accepted an invitation to attend the January Economic Development Commission meeting. Mr. Sitko has suggested inviting the Chamber of Commerce's Government Affairs Committee to the January meeting and members of the Town Council. It was also suggested to invite the General Assembly's Cheshire delegation.

Mr. Sitko suggested inviting Marion Manufacturing to the February 2012 meeting. Chairman Pelletier suggested inviting Erickson Metals to a future Economic Development Commission meeting.

C) Focus Group Report

Mr. Sitko stated that the draft of the wrap up report for all 7 of the Focus Groups was included in this meeting's packet and was e-mailed for Commissioners to review. Chairman Pelletier suggested that Commissioners Gannon, Sepp and Stanley work with Mr. Sitko to develop a final draft of the Focus Group Report and from there develop a work plan for the Commission. After the final draft of the Focus Group Report is reviewed and approved by the Economic Development Commission, a presentation of their findings will be made to the Town Council.

D) Work Plan for 2012 - 2013

The 2012 - 2013 Economic Development Commission's Work Plan will be developed after a thorough review of the Focus Group meeting summaries. Some suggested areas the work plan could address are related to: public transportation needs of employers / employees, energy reliability, local permitting process and retention activities.

E) West Main Street Commercial Area Streetscape Improvement Project

Mr. Sitko reviewed the events leading up to and including the culvert replacement which happened over the November 18th weekend by the Connecticut Department of Transportation on West Main Street. A detour was set up on Friday, November 18th at 8 p.m. but only had to be kept up until Saturday evening, November 19th. Even though a detour was set up, business access was available via a detour for either side of the culvert; Mr. Sitko stated that many businesses had expressed concern with the effect the street shutdown would have on their business but he believes everything went very smoothly that weekend, especially with the early completion and the help of the Police Department.

Mr. Sitko stated that the State will be back in May / June 2012 to complete their work related to the culvert replacement on West Main Street. Once they are done, the streetscape improvements around the culvert will be completed. CL & P has

said they will have the remaining ornamental light fixtures installed in late December or early January, but without powering them up yet.

Mr. Formica expressed his concern with the deep depression in the roadway near Boemmels Car Wash and the roadway condition for the Winter.

F) Defense Zone / Pratt & Whitney Property

The creation of the Defense Zone for the Pratt & Whitney property was approved by the Town Council on December 13th. It is now going to the Connecticut Department of Economic and Community Development for the final signature for approval and implementation.

G) Liaison Reports

Mr. Freitag, Cheshire Chamber of Commerce Liaison stated that there was a recent Government Relations meeting with local Legislators to talk about State issues, another meeting will be held soon and anyone that is available is welcome to attend.

Councilman Schrumm, Town Council Liaison talked the difficult budget season that has just begun as Cheshire prepares its Operating Budget for 2012 – 2013.

H) Coordinator's Report

Mr. Sitko informed the Commission that Consolidated Industries has reached a settlement with the E.P.A. relating to reporting problems; they had their original fine reduced to \$ 105,240.

Mr. Sitko informed the Commission that Housing Authority Insurance has leased 2,600 sqft. At 55 Realty Drive. Housing Authority Insurance continues to be a growing company and may look to expand their Commerce Court facility in the near future.

Mr. Sitko informed the Commission that Crossfit Cheshire is leasing 7,800 sqft. At 1755 Highland Avenue. JAD Partners, LLC is looking to build a 11,500 sqft. office building on the former "Stoneworks" property.

Mr. Sitko stated that Cheshire Cycle & Repairs and Scooples Ice Cream are owned by 2 brothers. There were large rent increases at both locations so Scooples has closed and Cheshire Cycle will be moving to Hamden. The Zenteks, who own the property where Scooples was, would like to turn that section of the property into an ice cream, hot dog and hamburger place.

Mr. Sitko thanked all the Economic Development Commissioners for their work this year and wished everyone a Happy Holiday.

H) Other

Commissioners wished each other Happy Holidays.

VIII. ADJOURNMENT

MOTION by Mr. Pelletier to adjourned the December 20th meeting of the Economic Development Commission at 8:45 a.m.; **SECONDED** by Mr. Orsini.

VOTE: In Favor – Formica, Orsini, Pelletier, Sepp and Stanley
Opposed – None

The motion passed 5 - 0.

Respectfully submitted:

Tracey M. Kozlowski
Recording Secretary