Commissioners Present:
Chairman Brian Miller, Lelah Campo (arrived at 8:10 a.m. and departed at 8:50 a.m.), David Pelletier, Thomas Scannell, Robert Sepp and William Stanley

Commissioner Absent:
Richard Kaplan

Staff Present:
Jerry Sitko, Economic Development Coordinator

Others Present:
Arthur Hostage, former Economic Development Commissioner, John Lesky, Cheshire Chamber of Commerce Liaison; Michael Milone, Town Manager (departed at 8:50 a.m.); Sheldon Dill, Executive Director of the Cheshire Chamber of Commerce (departed at 8:30 a.m.); State Representative Vickie Orsini Nardello of the 89th Assembly District (departed at 8:45 a.m.) State Representative Elizabeth Esty of the 103rd Assembly District; Joan McDonald, Commissioner of the Connecticut Department of Economic & Community Development (departed at 8:55 a.m.) and David Schrumm, Town Council Liaison

I. CALL TO ORDER

Chairman Miller called the meeting to order at 7:36 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 COMMISSIONERS – Robert Sepp & William Stanley

Everyone welcomed Mr. Sepp and Mr. Stanley to the Economic Development Commission.
VI. APPROVAL OF MINUTES – January 19, 2010 Regular Meeting

This item was tabled until the April 2010 Economic Development Commission meeting.

VI. COMMUNICATIONS

There were no communications to the Economic Development Commission.

VII. BUSINESS

A) Discussion with Commissioner Joan McDonald of the Connecticut Department of Economic & Community Development (DECD)

Chairman Miller and Mr. Sitko welcomed Joan McDonald, Commissioner of the Connecticut Department of Economic & Community Development who was present to talk with the Cheshire Economic Development Commission this morning.

Commissioner McDonald stated that she has been the head of the Department of Economic & Community Development for 3 years; over this time the economic outlook has changed quite a bit. The unemployment rate in Connecticut was 4.2% 3 years ago and now the unemployment rate is 9.0%. She stated that the United States is coming out of the Recession now with 2 quarters of positive growth, adding that employment always lags behind. Commissioner McDonald is predicting that the Connecticut unemployment rate will stay around 9% thru the middle of 2010 and is hopeful that around 2013 the employment numbers will be back up to the same levels as 2008.

There has been an impact on personal wealth, especially in the financial sector. Although they didn’t loose as many jobs as predicted there was a substantial effect on personal wealth. People are saving more now but are not spending.

Some of Connecticut’s advantages have been: quality of life, very high-tech manufacturing in Connecticut, educated work force (ranked # 4 in the country), highest number of employers and investors by foreign companies, Connecticut has been spending more time retaining existing companies and employees over the last 2 years.

Some of the challenges found in Connecticut are: demographic shifts and affordable housing.

Commissioner McDonald informed the Commissioners that she is also the Chairperson of Connecticut Innovations a government seated venture capital entity that has provided $20 million in direct assistance to companies by the DECD, mostly to retain employees.

Some of the marketing aspects of the DECD included the attendance of over 25 trade shows, working with companies to make sure they have what they need to stay competitive, attending the International Air Show each year to address the aerospace companies in Connecticut as well as working with the Insurance Association.
In December 2008 the DECD launched Business Connections where 16 sessions were held with Chamber of Commerce’s around the State that had over 300 companies attend. The DECD continues to support technology-based companies and have helped companies with Federal grants.

Commissioner McDonald talked about the Department of Economic & Community Development’s Economic Strategic Plan that was created after a Legislative Act required the DECD to create a Plan for the Future, in May 2007. The Plan consists of a comprehensive vision; a baseline characterization; and actionable, creative strategies. The vision states that Connecticut will have a vibrant economy that provides quality of life and access for all. The strategies included in the Plan include: Talent & Technology, Cultivate Competitiveness and Responsible Growth.

For the short term, the Governor has proposed some Initiatives such as a $100 million bond authorization to address tight credit availability for small and medium size businesses; a job creation tax credit program; renewable energy sales tax exemption; and a loan forgiveness program for Connecticut college graduates that stay and work in Connecticut for a specific number of years.

Commissioner McDonald concluded her speech by saying that she feels that Connecticut is well positioned to be stronger if we invest in talent and technology. She added that the State should be careful with reform and should continue to invest in the Education system.

Question & Answer session:
Ms. Campo talked about the tax credit for job creation, noting that there is no minimum pay connected with the program. She asked how a $2,500 credit would tip the scale to create a higher paying position for a company? Commissioner McDonald replied that for a company trying to make a decision about creating a specific position, this could help make the decision. It won’t be just for the tax credit though, they will also need sales to turn around. Ms. Campo questioned why there was no minimum or maximum wage associated with the tax credit and Commissioner McDonald replied that it was thought to be best to keep it open ended and not be restricted when it came to job creation.

Mr. Sepp asked about the Blue Ribbon Panel? Commissioner McDonald questioned is the personal tax currently structured most equitable? Are credits too much or not enough? The Blue Ribbon Panel will take a look at all of the credits and make recommendations for future tax structures.

Chairman Miller asked Commissioner McDonald to also look at the Enterprise Zones and Corridors as part of this Blue Ribbon Panel process. Commissioner McDonald stated that she believed it would be a good idea. Chairman Miller talked about how Southington’s Enterprise Zone was created with the closing of their Pratt & Whitney facility, with the pending closing of the Cheshire Pratt & Whitney facility, this Commission feels it should be looked at as to whether an Enterprise Zone is effective with promoting growth for a town. Commissioner McDonald commented that one town pitted against another is a disservice. There is no state policy prohibiting companies from moving from one community to another. She believes it is OK to move out of one
town into another only if there is no available space in the current town, and then it is OK to use incentives.

Mr. Sitko mentioned that Cheshire started an Incentive Policy in 1994 and has spent millions since to help retain businesses but it was something they had to do to compete with surrounding towns.

Mr. Pelletier asked what is Connecticut doing to keep research and development jobs and businesses? Commissioner McDonald talked about the UConn Health Center proposal that includes a bioscience section and streamlining the Office of Clinical Trials with all Connecticut hospitals.

Mr. Lesky asked about the other business initiatives, such as the Paid Sick Day proposal? Representative Esty commented that the Paid Sick Day proposal was just voted out.

Representative Nardello asked about the Community Utility Surcharge that is being discussed? Commissioner McDonald stated that she didn’t know and would get back to Representative Nardello with the information.

Representative Nardello commented that she believes a review of the tax credits is a good thing so that it can be determined if they are doing what the State expected them to do for the residents of Connecticut or is the State just giving money away.

Mr. Hostage commented that the State of Connecticut has too expensive a government and it has to learn to do more with less; they need to absorb the discomfort.

Representative Esty commented that the State of Connecticut is very fortunate to have Ms. McDonald, adding that she is great to work with.

Chairman Miller thanked Commissioner McDonald for attending this morning’s Economic Development Commission meeting.

B) Meetings with Cheshire companies

This item was tabled until the April 2010 Economic Development Commission meeting.

C) Pratt & Whitney

This item was tabled until the April 2010 Economic Development Commission meeting.

D) Focus Group Meetings

Mr. Sitko stated that there would be a Focus Group meeting for the landscapers and contractors scheduled for the end of April and then he would like to schedule 2 Focus
Group meetings in May; one with manufacturers and one with smaller services. In June, Mr. Sitko would like to finish up the Focus Group meetings with the local distributors.

E) West Main Street Commercial Area Streetscape Improvements Project Update

Mr. Sitko reported that the West Main Street Commercial Area Streetscape Subcommittee was moving forward and are hopeful to be out to bid in the next two weeks.

F) EDC Representative to Town Beautification Committee

An Economic Development Commission representative to the Town Beautification Committee is still needed, anyone interested should notify Chairman Miller or Mr. Sitko.

G) Workshop on Upgrade to Wastewater Treatment Plant

Mr. Scannell reported that he attended the March 10th Workshop on the Upgrade to Wastewater Treatment Plant. The Water Pollution Control Authority approved the Influent Pump upgrade at an estimate cost of $420,000. The proposed upgrade to the Wastewater Treatment Plant is estimated to cost $33.6 million. The last time the Treatment Plant was upgrade was in 1991 and it cost $20 million. The WPCA is looking over the whole proposal and looking into grant options.

Councilman Schrumm commented that the upgrade will include the updating of all the equipment in the plant, it will meet the needs for the mandated Phosphorus removal and Denitrification. He added that there is almost a guaranteed 20% funding assistance from the State.

It was noted that the Connecticut Department of Environmental Protection has had the upgrade plans for over 2 years and they still have not reviewed them.

Mr. Stanley asked if growth in Town has been accounted for in the proposed upgrade? Councilman Schrumm replied that the Town is not predicted to have a lot of population growth so addition growth is not a concern for the upgrade. The WPCA will be working with the public to identify and fix leaks and perhaps do some upgrades to help with the capacity issues.

H) Election of Officers

Mr. Sitko reminded Commission members that per the Economic Development Commission By-Laws, the Election of Officers should be held at the April 2010 meeting.
I) Incentive Committee

This item was tabled until the April 2010 Economic Development Commission meeting.

J) Liaison Reports

This item was tabled until the April 2010 Economic Development Commission meeting.

K) Coordinator’s Report

Mr. Sitko stated that Goodrich Corporation recently completed its acquisition of Atlantic Inertial Systems, located on Knotter Drive. He will be working hard to retain the 400+ jobs here in Cheshire, currently with AIS.

Mr. Sitko commented that Business Appreciation Day is an important event to have this year, possibly in the Fall, in light of recent events and the economic struggles many are facing. He has proposed $750 in funding for the event in this coming fiscal year’s Operating Budget and will be looking into sponsorships to help pay for the event.

The Chamber of Commerce / Town Beautification Committee’s annual Home Garden & Business Expo will be held on April 10th at Cheshire High School.

Mr. Sitko will send out the link for the Central Connecticut Alliance for Economic Development (C.C.A.E.D) to the Economic Development Commission members.

L) Other

None.

VIII. ADJOURNMENT

MOTION by Mr. Pelletier to adjourned the meeting at 9:05 a.m.; SECONDED by Mr. Scannell.

VOTE: In Favor – Miller, Pelletier, Scannell, Sepp and Stanley
Opposed – None

The motion passed 5 - 0.

Respectfully submitted:

Tracey M. Kozlowski
Recording Secretary