

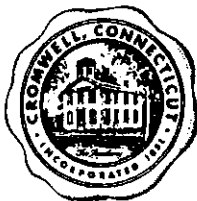


**Town of Cromwell
Economic Development Commission**

***REGULAR MEETING
6:30 PM WEDNESDAY MARCH 15, 2023
ROOM 222 CROMWELL TOWN HALL 41 WEST STREET
AGENDA***

1. Call to Order
2. Roll Call/Seating of Alternates
3. Approval of Agenda
4. Public Comments
5. Director of Planning and Development Report
6. New Business:
7. Chairman's Comments/Commissioners' Comments
8. Communications:
9. Approval of Minutes:
 - a. February 15, 2023
10. Good & Welfare
11. Adjourn

RECEIVED FOR RECORD
Mar 03, 2023 11:49A
JoAnn Doyle
TOWN CLERK
CROMWELL, CT



Town of Cromwell Economic Development

REGULAR MEETING
6:30 PM WEDNESDAY FEBRUARY 15, 2023
ROOM 222 CROMWELL TOWN HALL 41 WEST STREET
Minutes

Present: Chairman Richard Nobile (via phone), Vice Chairman Jay Polke, Robert Donohue, Marilyn Teitelbaum-Dworkin, Paul Warendas, Chris Cambareri

Also Present: Director of Planning and Development Stuart Popper, Town Council member Al Waters

1. Call to Order

Vice Chair Polke called the meeting to order at 6:30pm.

RECEIVED FOR RECORD
Mar 03, 2023 11:49A
JoAnn Doyle
TOWN CLERK
CROMWELL, CT

2. Roll Call/Seating of Alternates

The presence of the above members was noted.

3. Approval of Agenda

A motion was made by Robert Donohue and seconded by Paul Warendas to approve the agenda with the addition of adding the presentation for a tax abatement at 100 Berlin Road. All were in favor; the motion passed.

4. Public Comments- none

5. Director of Planning and Development Report

Mr. Popper said that Arbor Meadows is in the last phase of construction and a revised application for the Texas Roadhouse will be submitted in March. He said they made some changes that resulted in a change to the site plan. He said a medical office building at 80 Shunpike Road was approved and the occupants will be Middlesex Health so that is good to welcome them to Cromwell. He said he had a call with the attorney for the Cromwell chicken restaurant at the Stop and Shop pad. He said they needed to prepare A2 survey and modify the drive thru location but he has no idea why it's taking so long.

Mr. Popper we will now hear the request for the tax abatement at 100 Berlin Road. He said you will vote on it and you will be able to modify the details or agree with them. He said this is an advisory vote to the Town Council. He said the developer will then go to the town council and present this. Mr. Popper said this is the process we have used for the last 10 years. He said the tax abatement is only for the buildings and not the land.

Peter Adler an Attorney with Adler and Pierson in Glastonbury, CT said he is here tonight with Martin Kenny of Lexington Partners and Michael Gorman of Gorman and York. Attorney Adler said I am going to introduce the project to you and handed out a package with information regarding the site. He said we are capable and financially able to fulfill this project. Attorney Adler showed pictures of existing developments by Lexington Partners including the Borden in Wethersfield. He showed pictures of 100 Berlin Road as it is now and said this property has been vandalized over and over and is a complete loss and environmentally impaired. Attorney Adler said the cost to demolish it will be somewhere around \$2.4 million and \$3 million. He said the only part we can save is part of the parking garage. Attorney Adler said we have been through all local processes for approvals including a zone change for mixed use and then a site plan approval. He said the WPCA's numbers for connecting to the sewer system was around \$800,000 but we comprised to around \$300,000. Attorney Adler said the only way we can get this redeveloped is if we have a partnership with the town of Cromwell. He said we need the town's help. He showed the master plan and said that the 20 condo units will not be part of the tax abatement request. Attorney Adler said once those sell they will immediately go on the tax rolls. He said we expect those to sell for around \$450,00 and up per unit. He said that personal property is never abated so the businesses, cars etc. will go on the tax roll right away. Attorney Adler said that Mr. Kenny hopes to get started on the demo this spring. He said there is great opportunity for employment during construction and once it is completed. He said this will be an enhancement over the current taxes and the impact on Cromwell overall will be significant. Attorney Adler said the Plan of Conservation and Development discusses economic growth and this project is consistent with that.

Attorney Adler said that \$300,000 to \$500,000 has already been spent on this project so Mr. Kenny has already made his commitment to Cromwell. He said right now we are current with taxes and that amount is about \$215,000 per year. He said we have filed an appeal of that assessment and that is pending right now. Attorney Adler said we told Planning and Zoning that we would create affordable units but we were also clear that we need the tax abatement and WPCA credits to do this. He said those units would be made available to people who are at 80% of the median income for Hartford County. He said the rental rate for these includes utilities. Attorney Adler said we support that but need help from you otherwise it is not economically feasible.

Michael Gorman of Gorman and York in East Hartford handed out packages to the Commissioners which included the market feasibility and financial feasibility study. Mr. Gorman said we perform an objective analysis. He told the Commissioners that interest rates have gone up and materials costs have gone up by around 40% in the last year. Mr. Gorman said this is a very complex project and the rate of return is not at the standard required for equity investment and debt investment. He said this proposal is very consistent with what is required in Connecticut to get a project done. He said our estimates are low and these are numbers the town can count on.

Attorney Adler said this is a 10 year abatement and it begins when the Certificate of Occupancy (CO) is issued to the final multi-family unit. He said the buildings shouldn't be taxed at all during the construction process and they are asking to be taxed on the land value only. He said once the final CO is issued then the full assessment will happen after the 10 years. He said that the estimated tax after 10 years will be \$1.5 million. Mr. Kenney said he would probably build two to four townhouses up front and then the rest as they are sold.

Mr. Popper asked what the total cost of the project will be. Mr. Kenney said about \$100 million. The Commission members and Mr. Kenney, Attorney Alter and Mr. Gorman discussed the tax abatement proposal, including the number of years, the percent of the abatement and amount of taxes to be paid per year. Vice Chair Polke discussed the amount of taxes to be paid each year on the land, building, personal property as outlined in the abatement. Mr. Gorman said yes and don't lose sight of the wealth that the residents will bring to the community. Mr. Polke asked what the rent on a 3 bedroom unit would be and Mr. Kenney said at the Bordon they are \$3,600 a month. Mr. Cambareri said he understands and agrees with the partnership. Mr. Warenda asked what the projected construction period was and Mr. Kenney said about 18 months for the apartments and commercial spaces. Mr. Warenda asked what the total cost has been so far and Mr. Kenney said there is about \$900,000 into the project today. He said there is another \$6 million on the title loss. Ms. Teitelbaum-Dworkin asked what the name of the development would be and Mr. Kenney said he didn't know yet.

Mr. Waters asked if the affordable housing would have any effect on the luxury side of the housing and Vice Chair Polke said that was not an appropriate question for a tax abatement request.

Chairman Nobile said congratulations to Chris Cambareri for joining the Commission. He said this tax abatement proposal appears to be equitable to both parties and it is a sound proposal. Chairman Nobile said this is a win-win for Cromwell and it should go all in. Mr. Popper said he appreciates Chairman Nobile's comments and the efforts by all parties and entities. He said he agreed it was a very equitable and fair proposal.

A motion was made by Paul Warenda and seconded by Marilyn Teitelbaum-Dworkin to support and recommend the tax abatement proposal as presented. All were in favor; the motion passed.

7. Chairman's Comments/Commissioners' Comments

Mr. Popper said the Commissioners might want to consider going to the Town Council meeting on March 8th to show their support. He said all the tax abatements we have recommended have been approved as is. Mr. Warenda asked if this parallel to the others and Mr. Popper said yes and other people like the tax assessor will look at this as well. Mr. Donahue said I would have a conflict of interest since my wife is on the Town Council and Mr. Popper said he agreed with that. Chairman Nobile said he wouldn't be there since he would still be in Florida.

Mr. Waters said that was the best presentation I've seen and they did a good job and are very professional people.

8. Communications:

9. Approval of Minutes:

a. January 18, 2023

A motion was made by Robert Donahue and seconded by Paul Warena to approve the minutes of January 18, 2023. Richard Nobile, Robert Donahue, Paul Warena, Jay Polke approved; Chris Cambareri abstained; the motion passed.

10. Good & Welfare

11. Adjourn

A motion was made by Marilyn Teitelbaum-Dworkin and seconded by Paul Warena to adjourn at 7:48pm. All were in favor; the motion passed.

Respectfully submitted,

A handwritten signature in cursive script that reads "Linda Imme".

Linda Imme
Recording Clerk