

**TOWN OF CROMWELL
ECONOMIC DEVELOPMENT COMMISSION
SPECIAL MEETING
6:30 PM THURSDAY, SEPTEMBER 28, 2017
ROOM 222 CROMWELL TOWN HALL 41 WEST STREET
MINUTES AND RECORD OF VOTES**

Present: Chairman Richard Nobile, Joe Fazekas, Robert Jahn, Stanley Stachura, Jay Polke

Absent: NONE

Also Present: Director of Planning and Development Stuart Popper

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10/3 2017 at 3:20 PM.
TOWN CLERK'S OFFICE
CROMWELL, CONN.

1. Call to Order

The meeting was called to order by Chairman Nobile at 6:32 pm.

Gloria Prendergast,
Asst. TOWN CLERK

2. Roll Call / Seating Alternates.

The presence of the above members was noted. No Alternates were seated.

3 Approval of Agenda

A motion to approve the agenda as presented was made by Joe Fazekas; Seconded by Stan Stachura. *All were in favor; the motion passed.*

4. Public Comments

NONE

5. Director of Planning and Development & Compliance Officer Reports:

Mr. Popper stated that he was continuing to work with ShopRite and the Office of the State Highway Authority, that there may be development and new tenants in the PriceCutter/Nardelli plaza and that a new hotel may be developed in the near future. There was some discussion as to the reason behind the delay with ShopRite, which Mr. Popper explained by saying that the traffic engineer's report predicted more traffic during peak times. He was working with all parties to try to move the project along on schedule.

6. New Business:

a. Application for Tax Abatement at 120 County Line Drive

Mr. Popper introduced the Application by stating that the proposed development was set for the Northern Tier business park. Daniel Madrigal, Development Manager for Scannell Properties, began the presentation by explaining that Scannell Properties would

be the entity purchasing and developing the property, which would then be leased to Arett Sales. He thanked Mr. Popper and the Town of Cromwell for their assistance in working together on this project for the past eighteen months.

Mr. Madrigal said that Scannell was based in Indianapolis and had privately developed over ten million square feet of property in the previous year, with a focus on industrial properties. The company had previous experience working in Connecticut. All taxes would be the responsibility of the lessee per a triple net lease.

Noah Chesbrough, Executive Vice President of Arett Sales, spoke next. He passed out a presentation handout, which he reviewed with the Commission members. He began by introducing the company's history, locations and employee information, and then provided statistics related to volume of business. He explained their warehousing and distribution operation, which are both direct to store and direct to consumer, of garden, cleaning and hardware supplies, their holiday product line, Good Tidings, and their in-house advertising agency, Greensmith. Mr. Chesbrough stated that Arett runs an annual trade show and offers online seminars. In addition to their distribution operation, they also assist in third party logistics by being the warehousing and logistical arm for a number of companies, and run a fulfillment program, which ships direct to online customers. Along with three other similar companies, Arett is a part of a national logistics operation known as National Primesource. Mr. Chesbrough stated that they do not have their own truck fleet but utilize common carriers instead.

Cathy Schappert, Chief Financial Officer for Arett Sales, stated the proposed building would be 356,000 square feet with the possibility of expanding another 45,000 square feet. The proposed lease terms would be for ten years, with two five year extensions possible. She stated that the company stays in the community long-term and they had been in Bristol for eighteen years. Their current space does not fit their needs any longer. The company wants to stay in Connecticut and was interested in Cromwell because of its access to highways and because it is centrally located in the state. The warehouse manager, Ken Paklos, is from Cromwell, and they wanted to retain his expertise. They are a seasonal company and employ approximately 32 to 56 employees at a time. Some employees may transfer to the Cromwell location, but there would still be an opportunity to hire some local residents.

Mr. Popper stated that the abatement being sought was for approximately \$315,000.00 per year of taxes on the building. The personal property taxes would be approximately \$44,800.00 and about \$10,000.00 on the land. They currently receive about \$2,000.00 in taxes on the land now.

Mr. Popper stated that he had worked extensively on this project and that both companies were nice to work with and reputable and he was excited about Scannell and Arett coming to Cromwell. He was in full support of their request for a seven year abatement at one hundred percent. He believed this to be a long term, beneficial investment for the community.

Chairman Nobile stated that he was pleased with the presentation. Mr. Chesbrough stated that the current lease term was ending and he was trying to coordinate the specifics of the move. Mr. Madrigal stated that grading on the site was beginning and they would be working with OSTA, with the hopes of completing all work and being operational by November 2018.

Ken Paklos said that the approximate number of employees at a given time is 45. The projected truck traffic is about 17 to 20 in per day and no more than 30 out.

Stan Stachura stated that he hoped that Arett would be involved long-term with the community.

Joe Fazekas made a motion to grant a tax abatement at one hundred percent (100%) for seven years, based on the numbers presented; Seconded by Stan Stachura. Joe Fazekas, Chairman Nobile, Stanley Stachura, and Jay Polke voted in favor; Robert Jahn abstained. *Motion passed.*

Mr. Popper stated that the recommendation will go to the town council for consideration on Wednesday, October 4, 2017 at 7 p.m. He requested that members of the Commission attend and speak in support of the request.

7. Chairman's Comments/ Commissioner's Comments:

Chairman Nobile expressed his hopes that the Town Council would act favorably upon the request for tax abatement.

8. Approval of Minutes:

a. June 22, 2017: Joe Fazekas made a motion to table the approval of the minutes; Seconded by Jay Polke. *All in favor; motion passed.*

9. Good & Welfare:

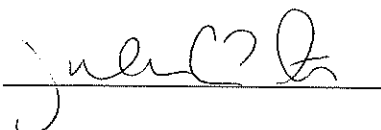
NONE

10. Adjourn

Robert Jahn made a motion to adjourn the meeting; Seconded by Stan Stachura. *All were in favor; the motion passed.*

The meeting was adjourned at 7:13 pm.

Respectfully Submitted,



Julie C. Petrella
Recording Clerk