

DRAFT MINUTES
BROOKFIELD ECONOMIC DEVELOPMENT COMMISSION
TUESDAY, August 19, 2014 7:00 PM – ROOM 209

Convene Meeting: Chair Kurfehs convened the meeting at 7:10 PM, and established a quorum of members:

Present: Hal Kurfehs, Chair; Commissioner Greg Dembowski; Commissioner Nancy Tolmoff; Commissioner James Fisher

Absent: Vice Chair Mara Frankel; Secretary Dave Matte

Also Present: First Selectman William Tinsley; Project Manager Alan Rothmann; John Farley; Recording Secretary Emily Cole Prescott

1.) **Approval of Meeting Minutes (06/17/14 & 07/29/14)** – *This item was discussed later in the meeting.*

2.) **Brookfield Village Mixed Use Development at the Four Corners: Presentation for consideration of an assessment deferral** –

First Selectman Tinsley presented details of an application for a deferral of an assessment made on the Brookfield Village development and PDM Realty. The purpose is to incent investment by delaying the rate by which a property is assessed. As a part of this process, the application for the tax deferral is sent to the Economic Development Commission and the Board of Finance for their review and comment. Mr. Tinsley stated that he has re-worked some of the slides of his Power point presentation, based on his meeting with the Board of Finance. He reviewed the contents of these slides with the Economic Development Commission.

Mr. Tinsley stated that there had been a meeting on October 31, 2013 with the representative and project manager of the project, Alan Rothmann. That meeting had included First Selectman Davidson, Community Development Director Katherine Daniel, Assessor Denise Hames, Owner of the investment firm, Paul Guillaro, and Attorney Peter Scalzo. Mr. Tinsley stated that several topics at that meeting had been discussed, and the potential for incentives was one of those discussion topics. Mr. Tinsley noted on his Power Point presentation slide that “investor expression of need/expectation” was discussed at this meeting. After this time, the elections changed the points of contact. Mr. Tinsley stated that on February 20, 2014 he had received a proposal from the investors. This proposal was modeled after the town of Willington’s tax incentives. Mr. Tinsley stated that he rejected the proposal at the time because it was too aggressive a request for tax incentive. There had then been some subsequent informal meetings and phone calls regarding the matter. As of March, the ordinance was drafted and was sent through an approval process, which took place from March through August. On July 7th, this application had been received. Mr. Tinsley stated that information relative to this application has been reviewed by both the Building Official and the Assessor. Mr. Tinsley reviewed the application with the Board of Finance on August 13th, and now with the Economic Development Commission on the 19th. He stated that his hope is to have a formal proposal to the Board of Selectmen at their regular meeting on September 8th.

Mr. Tinsley reviewed the following details of the proposed project, Brookfield Village, LLC:

This information is taken from the slide entitled “Potential/Planned Improvements”:

- Front Parcels (zoning approval in place)
 - Demolish Aging buildings and construct 4 new three-story buildings in two phases
 - Building 1 @ 800 Federal Road (phase II)
 - Building 2 @ 802 Federal Road (phase I)
 - Building 3 @ 806 Federal Road (phase I)
 - Building 4 @ 7-13 Station Road (phase II)
 - Ground Floors for retail/commercial space (22,000 ft²)
 - Floors two and three – apartments (79,000 ft²)
- Rear Parcels (pending land use approvals)
 - Demolish Buildings and construct 24 condominiums
 - Four six-unit buildings @ 19 -23 Station Road

Mr. Tinsley shared a map of the proposed development (Sheet 1 of 1 – Concept Plan prepared by CCA, LLC dated 12/04/13) with the Commission. He explained that the developer’s plan is to give 2.1 acres of open space land to the Town. Mr. Tinsley noted soil contamination which had been found in this 2.1-acre area. Upon inquiry from Chair Kurfehs about where the contamination is from, Mr. Tinsley responded that there are multiple entities responsible for the contamination.

Alan Rothmann noted that the contamination has actually held up development throughout the entire Four Corners area. Commissioner Fisher asked if there are any funds from other entities to help remediate this contamination. According to Mr. Rothmann, the seller and the buyer are paying fifty percent each in an effort to clean the property. Mr. Tinsley stated that an environmental conditions report has been received, which did not indicate any need for concern.

The front parcels have zoning approval. Buildings one and four are part of phase one, and buildings two and three are part of phase II. Mr. Tinsley explained that the plan is to build the first phase so the current tenants can move into the new buildings before the currently-occupied buildings are demolished.

The rear parcels are pending land use approvals.

Chair Kurfehs asked for the decision dates for the wetlands and the zoning applications. Mr. Tinsley stated that the public hearing for the zone change relative to the rear parcel has been closed. Mr. Rothmann stated that there are some tests to be done in September regarding information necessary to file the application to the Inland Wetlands Commission. Mr. Rothmann noted that as of now, there is no specific date as to when the rear parcels will be constructed.

•Front Parcels *information directly from two slides in presentation, both entitled “Brookfield Village LLC By-the-Numbers”:*

–\$14,432,000 estimated construction costs

- Confirmed as “reasonable” by Building Official Parpana

–\$10,102,000 estimated assessment increase

- Confirmed as “reasonable” by Tax Assessor Hames
- Current properties assessed at \$1,494,000
- \$7,800,000 new property taxes (30 years)
- Current taxes are \$1,152,120 (30 years)
- Developer estimates 100 new jobs
- 50 to 75 retained
- Economic uplift to entire 4Corners District

•Rear Parcels

- \$6,000,000 estimated construction costs
- Not enough detail to seek confirmation of costs
- \$5,880,000 estimated assessment increase
- 2000 ft² x \$175 ft² x .7 x 24
- Confirmed as “reasonable” by Tax Assessor Hames
- Current properties assessed at \$285,000
- \$4,533,000 new property taxes (30 years)
- Current taxes are \$220,830 (30 years)
- Contingent on Front Parcel Development

The applicant has applied for CHAFA funding to construct buildings one and four. Mr. Tinsley stated that the cost on a square foot basis for buildings one and four will be an estimated 35% higher than for buildings two and three, due to the public funding requirements.

Mr. Tinsley stated that development of the rear parcel is contingent upon development of the front parcel. Mr. Tinsley stated that the current application under review considers only the front, and not the rear parcel.

The following information is directly copied from the slide entitled “Assessment/Tax Summary”:

<p>Current Properties:</p> <ul style="list-style-type: none"> •Assessment –Front \$1,494,000 –Back \$ 285,000 –Total \$1,779,000 •Property Taxes (30 years) –Front \$1,152,120 –Back \$ 220,830 –Total \$1,372,950 	<p>Investment Impact:</p> <ul style="list-style-type: none"> •Assessment –Front \$10,102,000 –Back \$ 5,880,000 –Total \$15,982,000 •Property Taxes (30 years) –Front \$7,800,000 –Back \$4,533,000 –Total \$12,333,000
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The following table is copied directly from slide entitled “Economic Impact”:

<p>Project Tangibles:</p> <ul style="list-style-type: none"> •Construction Jobs from \$21 Million project •Employment for approx. 175 workers •\$12,333,000 incremental Tax Revenue (30 Years) 	<p>Intangibles:</p> <ul style="list-style-type: none"> •Catalyst for subsequent 4 Corners investments •The foundational centerpiece to the new Town Center
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Mr. Tinsley reviewed the rationale behind this application:

This information copied from the slide entitled “Rationale for this Assessment Deferral Proposal:”

- Increases the probability for project implementation.
- Conversely, reduces the risk for project delay or abandonment. (Front Properties have been owned by developer for 9 years).
- Front properties are near the 4C intersection and are foundational to the investment attractiveness to other area properties.
- This investor’s “first-in” (mixed use) financial risk is significant.
- Rear parcel development (not probable w/o front parcel)
- Investor “conditional” give-back of 2 acres from Rear Parcel

Assessment Deferral Proposal Summary

Information from slide entitled the same:

•Full Assessment Estimated Incremental taxes (30 years)	
•Front Parcel	\$7,800,000
•Rear Parcel	\$4,533,000
Total	\$12,333,000

•Deferral Proposal Estimated Incremental taxes (30 years)	
•Front Parcel	\$6,500,000
•Rear Parcel	\$4,533,000 (no deferral)
Total	\$11,033,000

Mr. Tinsley mentioned a large project in Danbury, on Kennedy Boulevard for townhouse construction, that had recently been granted a deferral by the City. Mr. Tinsley stated that capital is not unlimited. Mr. Tinsley stated that in New York state there are ten zones which are tax free for ten years, of which includes property taxes, sales taxes, and income taxes.

Mr. Tinsley explained that the ordinance calls for start and finish dates, and for the front parcel, the requirement would be that construction starts within 12 months of the agreement, and is completed within twenty-four months of the agreement. Mr. Tinsley noted that otherwise, the agreement would be null and void.

Upon inquiry from Chair Kurfehs, Mr. Rothmann replied that the plan is to begin work in late winter or early Spring. Mr. Rothmann mentioned that the developer’s plan is to complete phase one before moving to phase two, because demolition of the existing buildings is part of phase two, and the developer would like to maintain the existing tenants in the current spaces for as long as possible. Mr. Rothmann stated that finishing the project within twenty-four months may be difficult. Mr. Tinsley explained that if this application for tax assessment deferral were to be approved, the timing would apply only to the front parcel.

Upon inquiry from Commissioner Fisher about the current tenants, Mr. Rothmann replied that generally the tenants are looking at the new buildings very favorably.

Mr. Tinsley mentioned the following questions to ponder:

This information copied from the slide entitled “Questions to Ponder”:

- Will this investment/improvement happen if we don't provide an incentive?
 - Only way to truly know this is to reject the application for an incentive and wait.
- Will this investment/improvement happen if we do provide an incentive?
 - Our provision of an incentive is no guarantee that the project plan is executed
 - Financing considerations (loan approval contingencies?)
 - Land Use approvals (zoning, wetlands)
- Would an incentive denial create a credibility issue for Brookfield?
 - Did Brookfield officials (10/31/2013 meeting) properly guide the investor?

The Commission discussed this proposal.

Chair Kurfehs stated that retail cannot be supported without people. Mr. Rothmann stated that many of these units are one and two bedrooms, and many times units of this size do not attract families. Mr. Tinsley stated that the Board of Education had commissioned a study, and the projections of this study included the information about future investments in the Four Corners. This study had shown that the student population will be decreasing. The developer's study estimated that only eight students would reside in the development if 101 units were proposed.

Mr. Tinsley stated that the school-aged population is dropping, and the number of young families in the Town is also dropping. Mr. Tinsley stated that this kind of housing will help the Town attract school teachers, firemen, and other young professionals.

Mr. John Farley left the room at 8:00 PM.

Mr. Tinsley stated that Mr. Davidson is adamantly opposed to providing this project with an incentive. Mr. Tinsley stated that this project is in the political environment.

Mr. Tinsley stated that the Board of Selectmen is asking for feedback from the Board of Finance and the Economic Development Commission. Mr. Tinsley clarified that the rear parcel will be paying 100% of taxes, as this parcel is not included in the application for tax assessment increase deferral.

Mr. Tinsley shared comments and input received from the Board of Finance with the Economic Development Commission.

Mr. Tinsley asked the Commission for their input. On the basis of this input, he will consider his recommendation to be presented at the Board of Selectmen's regular meeting, scheduled for September 8th. The Commission agreed to work together to issue a statement on the matter.

○ **Q&A Session Regarding Presentation –**

Commissioner Tolmoff clarified that the application is for deferral of assessment increase.

Commissioner Dembowski asked about the name of the applicants, and why there are two applicants. Mr. Rothmann explained that there are two entities – the owners and the investors.

The two groups are Brookfield Village and PDM Realty. Mr. Rothmann noted that the names are different for tax purposes.

Upon inquiry from Commissioner Dembowski regarding how much of the budget indicated on page three has been spent, Mr. Rothmann replied that 1/3 of architectural fees, and roughly \$100,000 +/- and another \$100,000 +/- that is not even on this sheet has been spent to date on this project.

Commissioner Dembowski asked Mr. Tinsley about the timing of this project and how it would relate to the Town's streetscape plans. Mr. Tinsley stated that streetscape affects all of the Four Corners area. Mr. Tinsley stated that the bid packages are not yet ready, as they need to be reviewed by the DOT. Mr. Tinsley reviewed some potential sources of grant funding for the streetscape with the Commission. It was noted that the developer will be constructing a portion of the streetscape in a section relative to their development as part of the project. Chair Kurfehs noted that streetscape includes lighting, furniture, plantings, sidewalks, etc.

Mr. Rothmann stated that the assumption all along was that the developer was to be receiving tax incentives, based on meetings held previously, as noted in above slides which Mr. Tinsley had presented earlier in the meeting. Mr. Rothmann stated that he had taken notes at that meeting, and had passed them to everyone who had been present at the meeting.

Mr. Tinsley stated that if the project is not completed, there will not be any additional tax revenue for the Town.

Chair Kurfehs asked each Commissioner for his or her individual feedback. Commissioner Fisher noted email correspondence, which had been received before the meeting from Vice Chair Frankel. *In an email sent from Mara Frankel to Chair Kurfehs dated August 19, 2014, Mara Frankel made the following statement: "Due to a personal conflict I may not be able to make tonight's EDC meeting. I feel strongly that the Town of Brookfield should offer a tax deferral to those property owners and/or Developers that are seeking to make the investment in Brookfield for either new construction or major improvements (over 70% +/-) to their properties as an incentive to development in the center of town." The remaining comments of the email are in reference to the ordinance itself, and the process of how the Town plans to use and administer the ordinance.*

Commissioner Dembowski stated that he thinks there should be a deferral, especially for the Four Corners. Commissioner Dembowski noted the difference of the ratio of residential to commercial and how this ratio differs between the two phases. Mr. Rothmann explained that building four is part of phase one and is located on Station Road, and has very limited commercial within.

Commissioner Dembowski asked if the project will generate more if residential, or commercial development is on the first floor. Chair Kurfehs noted that the new zoning regulation, which requires sixty percent of commercial space on the first floor, will stifle new development in the area. In the new regulations, 60% of the ground floor is to be commercial space. Mr. Tinsley stated that there will be 22,000 square feet of retail space throughout buildings one through four.

There is currently 6,000 square feet of retail on location. Chair Kurfehs stated that downtown areas have a small trading area, and if the district is overloaded with commercial space, there will be many empty units.

Mr. Tinsley stated that the agreements must abide by the provisions of the ordinances. Mr. Tinsley stated that some of the information needs to be worked out. Mr. Tinsley noted that the developer would not be held responsible for an act of God. Mr. Tinsley stated that the developer does not want delays.

Commissioner Tolmoff stated that she believes the Commission should support this in anyway that it can.

Commissioner Fisher asked how much the approximate costs were for the Dakota project on Laurel Hill Road (The Residences at Laurel Hill), and Mr. Tinsley replied that the costs for Laurel Hill are estimated at \$3.6 million. Chair Kurfehs stated that there are 72 units in the Residences at Laurel Hill. The current plan for Brookfield Village indicates 79 units in the front parcels. This project is estimated at \$14 million for the front parcels of Brookfield Village. Commissioner Fisher stated that he is in favor of the application. Commissioner Fisher asked Chair Kurfehs if he has any professional interactions with the developers or owners of the project, and Chair Kurfehs replied in the negative.

Chair Kurfehs stated that he is also in favor of this application. Chair Kurfehs stated that it is important to get this project up and running as soon as possible.

Mr. Tinsley stated that he will consider his proposal based on the recommendations of the Economic Development Commission and the Board of Finance. Commissioner Fisher suggested that a letter be sent from the Commission to the Board of Selectmen, indicating the Commission's recommendation. Chair Kurfehs stated that he will draft this letter and send it to the Commissioners for their review.

Mr. Tinsley stated that he appreciates the Commission's time. Mr. Tinsley stated that he hopes the Commissioners come out to the Board of Selectmen's September meeting to speak about the application. The next Board of Selectmen's meeting is scheduled on September 8th at 7:30 PM. Mr. Tinsley also encouraged the Commission to approach him with any questions.

Mr. Rothmann left the meeting room at 8:56 PM.

3.) EDC Website: Comment & Approval of Press Release & Email Newsletter – Chair Kurfehs asked if there were any issues with the drafted press release. Mr. Tinsley stated that he would like language more oriented to new businesses. Chair Kurfehs stated that the first goal should be to retain and grow the current businesses in the Town, and then to encourage other, new businesses to come here. Mr. Tinsley will ask a professional copy editor to review this input and edit the draft accordingly.

Commissioner Dembowski stated that the Commission was to send a newsletter from the Economic Development Commission to all of the email lists in the Town's Constant Contact to

announce the formal website launch. Mr. Tinsley mentioned that if information is also to be sent through *Brookfield Matters*, Ellen Melville compiles the information for this monthly newsletter.

4.) Additional Discussion – Chair Kurfehs stated that there is a two-hour economic development training session and a presentation, which will be given in Newtown in October, on the same night as the Economic Development Commission’s October meeting. Chair Kurfehs stated that he would like to organize a similar session to be hosted in Brookfield, not only for commissioners, but also for the public to learn more about economic development.

The Commission moved back to discussion of meeting minutes.

1.) Approval of Meeting Minutes (06/17/14 & 07/29/14) –
06/17/14 – Commissioner Dembowski made a motion to approve the minutes of the June meeting. Commissioner Tolmoff seconded the motion, and it carried unanimously.
07/29/14 – Commissioner Dembowski made a motion to approve the minutes of the July meeting. Commissioner Tolmoff seconded the motion. The vote passed, with Commissioners Dembowski, Tolmoff, and Chair Kurfehs voting. Commissioner Fisher abstained from the vote.

Commissioner Dembowski stated that he is still working to compile more testimonials from business owners for the website.

Commissioner Dembowski noted that he will have the fact sheet printed for distribution throughout the Town’s offices. Chair Kurfehs asked that E. Cole Prescott address the email newsletter to be sent to all the Town’s lists to “Dear Neighbor”. He also asked E. Cole Prescott to make the following correction: “We will be publishing a periodical newsletter . . .” The current language now states monthly newsletter.

5.) Adjourn – The meeting adjourned at 9:10 PM.