

Colchester Economic Development Commission
Regular Meeting Minutes
Tuesday, January 17, 2017
Colchester Town Hall @7pm

RECEIVED
COLCHESTER, VT
2017 JAN 19 PM 1:04
TOWN CLERK

MEMBERS PRESENT: Chairman Jim Ford, Jean Walsh, Trevor Falconi, and Bruce Fox

MEMBERS ABSENT: John Dion, Bruce Goldstein, Stacey Brown, and Paul Catalano

OTHERS PRESENT: Town Planner R. Benson, BOF A Bisbikos, H Wilson, S Wilson, one citizen and Clerk T Dean

1. Call to Order

J Ford called the meeting to order at 7:24 p.m.

2. Public Comments – none

3. Changes or Additions to the Agenda

J Ford asked to replace #5a with CTIP Application for Hop Culture Farms and Brewing Company.

T Falconi moved to replace agenda item as presented, seconded by J Walsh. Unanimously approved. MOTION CARRIED.

4. Approve Minutes of the November 21, 2016 Regular Meeting

T Falconi moved to approve the Regular meeting minutes of November 21, 2016, seconded by J Walsh. Unanimously approved with one abstention by B Fox. MOTION CARRIED.

5. New Business

a. CTIP Application for Hop Culture Farms and Brewing Company

J Ford stated the commission had the opportunity to talk about the business at a previous meeting and would like to hear a presentation on their CTIP application plans.

Heather and Samuel Wilson stated they are closing on the property tomorrow and are now prepping the land. There are 2,500 hop plants coming and phase one plants have been established. They will be converting the current barn on the property to brew. Plan to open in 2018. Plans underway to be a farm brewery and would like to eventually diversify for agriculture tourism industry to include Christmas tree sales, farmers market etc. Plan to source as many local vendors to convert current barn. R Benson stated he has not discussed the application with the owners as of yet but asks the commission to review the application and what the town can propose for a tax abatement. Commission recommended that the owners substantiate the application and include the possibility of a larger amount of abatement by including what future improvement plans there may be. They cannot include the value of the land. J Ford discussed some detail around the application and what is allowed or not allowed to be included as a value of improvements. Also advised to find out what can be included as capital investments. H Wilson stated they will add improvements of the barn in the pro forma. R Benson advised to give as much information as possible along with dollar amounts for each attached. Discussion on specifics of current and future plans. Next steps are to have a meeting with the Assessor and the EDC subcommittee with the applicants. Then will go back to the EDC. (Business project information attached)

b. Review of Letter Forwarded by First Selectman

Cherackal Chacko sent the town a letter seeking support to establish an urgent care office in Colchester (attached). The commission discussed that there was recently a new urgent care business and it closed in a short amount of time. R Benson stated that there were a few issues with the recent business; low foot traffic, signage issues, and pricing structure was high. R Benson stated that the current empty house in front of the Keystone Shoppes will be sold soon and possibly be sold as commercial. B Fox stated that CVS Minute Clinic recently closed and the only other option is Backus, which has limited hours, and then the next closest is Marlborough. R Benson advised the commission that he believes they should support the venture. J Ford agreed but would like to research what the demand in the community is. B Fox will draft a letter of support and notify that the commission and the Town Planner will work with them to find site location opportunities.

c. Budget Support letter for SECTER

J Ford sent a letter to the First Selectman looking to have him include SECTER dues in this coming year's budget (attached). J Ford stated that the town previously was contributing but it was eliminated from the budget about 4-5 years ago. He stated he thinks it is something that should be added back into the budget. The resources to the town and entrepreneurs are significant. Discussion on benefits to the town and businesses took place. R Benson also supports contributing due to different opportunities SECTER provides. Commission will pursue with the First Selectman to include in the FY 2017-18 budget.

d. Election of Officers for 2017 – due to low commission attendance this will be TABLED to the next meeting.

6. Old Business

a. Committee Reports

i. Website and Opportunities Map – Jean, Stacy, Trevor

In progress. Scheduled to be complete at the end of March

ii. Smith CTIP Application – Bruce Goldstein – J Ford stated it was approved at the last Board of Selectmen meeting.

iii. Municipal Development Plan – Village and Future Development Area – J Ford

J Ford and R Benson need to make a pitch and find out who to contact.

iv. Sign Development – Bruce Fox

B Fox reached out to Principal Peel at Bacon Academy. They are interested in collaborating and informed B Fox that they have recently received a CNC router. It will be a few weeks to get it up and running. BA will then use it to make a sign for the commission. It will be a great opportunity for the kids to showcase their work in town. Met with J Medlinger about incorporating the art class for design of the logo. The shop class committed for donation of wood. Locations for signs has been scouted by B Fox. He will see if other business want to be involved in sponsoring a sign after the first one is in place. J Ford will run the sponsorship from business for the signs by the Board of Selectmen for approval. Commission will also work with the Historic District Commission to receive input on signage.

v. Economic Development Community Event – Jean

J Walsh looking into the idea of having an economic development fair for businesses in and outside the area to network. Has had correspondence with Julia Hodge but not further action as of yet. Will need to find a facility and vendors to participate.

7. Adjourn

J Walsh moved to adjourn at 8:30 p.m., seconded by B Fox. Unanimously approved. MOTION CARRIED.

Attachments: Application for Property Tax Incentive Business Information
Cherackal Chacko correspondence
SECTER memo

Respectfully submitted,



Tricia Dean, Clerk

Application for Property Tax Incentive

Full name: Heather and Samuel Wilson

Address: Cato Corner Rd

Relationship to Project: Owners

Business Name and Address: Hop Culture Farms and Brewing Company
Cato Corner Rd

Telephone and email: Sam 860-966-0525; samuelwilsoniii@gmail.com
Heather 860-305-9556; hwilson34@gmail.com

Business Project Information

1. We have four members of our company, and each has valuable experience and qualities to ensure the success of our business. Most importantly last year we grew a small parcel of hops in the town of Colchester, so that we would have something for economy of scale, and so that we would experience the growing conditions and soil conditions in the town to ensure that hops would grow well here. We were successful in growing and cultivating hops in the area, and feel confident that this expansion will give us similar yields and success. We all also have varied experience in business that will prove important in the growth and expansion of our business. Heather Wilson, Samuel Wilson will be the Director of Farming Operations. He is a Lieutenant Fireman currently, and has experience with building infrastructures as well as a Masters Degree in Public Administration with a concentration in HR and labor relations. He has worked tirelessly in developing and designing a hop trellising system that will be cost effective, and give us the highest yield of products. Heather Wilson will act as the President of the company, and oversee brewing operations. She has a Master in Science, and works as an APRN in CT. She has been perfecting beer recipes, as well as taken over our branding and outreach to local brewers to make connections to future customers. Sam Wilson JR is another owner of the business. He has worked for Tilcon for the past 25 years, and has experience as a foreman. Nancy Wilson is also co owner of the business. She has over 20 years experience in insurance.
2. Hop Culture Farms and Brewing Company's plan is to not only support economic growth, but agricultural growth as well. Our plan is to have a fully operational farm brewery by year 3. We have purchased a property on Cato Corner Rd, where we wish to expand to 2 acres of hops this year, with a plan to increase incrementally until a total of 15-20 acres by year 10. We also plan on having other agricultural and homesteading products for sale and consumption including certain berry crops which will be used in our beers, and will also plan on growing and selling Christmas trees. We feel that diversifying the farming aspect will help support local agriculture and farming, and help with year round attractions to our farm to help with sustainability and support agritourism.

We also plan to have free range chicken and beef cattle as well. By year 2-3 we plan on opening a brewery with tasting/tap room. We feel that the combination of agriculture with hops as well

3. Attached you will find our business plan. In addition we have already gotten quotes for installation of a well/irrigation systems as well as new barn doors from local contractors out of Colchester. We plan on sourcing equipment, construction, and other local goods/produce as much as we can from Colchester in order to support two of our main goals of sustainability and supporting other local small businesses.
4. The estimated costs going into the property phase 1 or year 1 are the costs of installing the trellising infrastructure for the acres of hops. Again, to support sustainability we plan to place the brewery in the existing barn which will be phase 2 of our project.
5. Fortunately, there is already a power supply to the property. We will be placing 1-2 wells as well as a septic system.
6. We do plan to employ Colchester based vendors including someone for irrigation/well system. We are also currently contacting local farmers to see if they can provide us with natural manures/compost for our farm as our goal is to an organic farm.
7. Phase 1 we will not require any additional employees, but in phase 2 when we expand our hop acreage as well as open the brewery we will need to hire several employees to help manage both the farming aspect and brewing aspect of the business. Likely for the farming we will hire 1-2 seasonal employees phase 2, and this will increase incrementally as we increase the acreage to our hops. Also, for the brewery we will likely hire 1-2 people in phase 2 as well.
8. We plan to start our farming this spring 2017. We are already preparing the land in the coming weeks. Our plans for opening the brewery will be phase 2 likely mid 2018 which would be our phase 2 of the project. Over the next year we intend to renovate the existing barn to convert to a taproom/brewery in our quest to be a sustainable, and environmentally friendly business.

		2017	2018	2019	2020
Farm structure					
Poles	\$30x150	\$2,500	\$4,500	\$4,500	\$3,000
Anchors	\$11x90	\$990	\$990	\$990	\$660
Eye bolts		\$450	\$450	\$450	\$300
Eye screws		\$360	\$360	\$360	\$240
U bolts (3/16")		\$150	\$150	\$150	\$100
Well/well pump		\$6,000			
Wire (3/8" and 3/16")		\$3,300	\$3,300	\$3,300	\$2,200
Tensioners (3/8")		\$450	\$450	\$450	\$300
Plants		\$7,000	\$9,000	\$6,000	\$6,000
Coir		\$375			
Irrigation		\$1,500	\$500	\$500	\$500
Yearly maintenance	\$2500/acre	\$7,500	\$12,500	\$20,000	\$25,000
Fertilizer		\$500			
Tractor		\$50,000			
Oast		\$2,000			
Harvester		\$30,000			
Grinder/Pelletizer		\$25,000			
Packaging Machine		\$2,000			
Barn/brewery structure					
2 BBL system			16,000		
Grain mill			\$250		
Grain dump scale			\$70		
Wort aeration assay			\$150		
Yeast Harvester			\$260		
Conical fermentors	\$1495x8		\$11,960		
CO2 tank/regulator			\$500		
Sankey kegs	16X\$100		\$1,600		
O2 cylinder			\$100		
Water filter			\$200		
Keg filling station	2x3500		\$7,000		
Cleaning chemicals			\$500		

	2017	2018	2019	2020
Farm structure				
Spray nosil		\$450		
TTB permit	\$1,000			
State brewing permit	\$1,600			
Trademarks	\$1,200			
Total	\$143,875	\$65,280	\$36,700	\$38,300
Net price/BBL (including c	\$664			
Gross profit/1 BBL	\$561			
Gross income from brewer 8BBL/weekx52 weeks		\$233,376.00	\$233,376.00	\$233,376.00
Income from hops low estimate \$8/lb	\$7,526	\$19,200	\$30,016	\$57,600
Total net profit		\$252,576	\$263,392	\$290,976
Mortgage/land	\$270,000			
Mortgage amount @6% ir	\$1,350	\$1,350	\$2,278	\$2,278
x 12 months	\$16,200	\$16,200	\$27,336	\$27,336
Net negative carried over		-\$151,896		
Total net after mortgage/taxes	-\$152,549	\$19,200	\$199,356	\$225,340

Executive Summary

Opportunity

Problem

The craft beer industry has shown increasing growth within the last several years. In 2014 alone the craft beer sector totaled 19.6 billion dollars of total U.S. beer sales. Craft brewers themselves saw an 18% increase in volume. There is an increased demand for craft beers, and the industry has grown 11% per year from 2000-2013 and is expected to continue to grow at least 5.5% per year over the next 5 years. This increased demand has brought a unique problem to the forefront for craft breweries which is obtaining the appropriate amount of hops needed to produce these highly sought after beers. Currently American hop usage is roughly 70 million hops per year. It is estimated that from now to 2020 the need will be 504 million pounds of hops to fill that demand. Currently 70% of all hops are produced in Washington state, but due to droughts their production has steadily declined. This gives Hop Culture Farms and Brew Co two unique opportunities. There is a definite need for more hop production, and there is an increased demand for craft beer. By growing as a farm brewery we hope to bring hops from ground to growler for the over 30 CT breweries as well as in our own brewery. We also believe that there will be a large interest from both the craft brewing community as well as our own taproom customers to support locally grown hops and beer on all fronts. We have attached a recent article from the Hartford Courant regarding the resurgence of hops in Connecticut to support this belief. Also, in being a combined hop brewery we will provide a prime agritourism destination, and also hope to collaborate with and support other local businesses. We have planted 210 hop plants last growing season, and have plans to expand to 2 acres this year on our newly acquired farm in town of Colchester. Our ultimate goal is to have a 20 acre hop farm which will also house a small operation brewery on premise to truly bring CT a farm to table beer experience.

We feel that these are our main opportunities:

- Currently local demand for hops exceeds local supply, and there is a want and need to support local and find locally sourced ingredients for making beer
- Create a prime destination for agro-tourism in the state of CT
- Build a true value added farm enterprise
- Establish CT as a hop growing powerhouse
- Create in our own brewery, and help other breweries to create true CT grown beers
- Sponsor local events and collaborate with and support other local businesses
- Incorporate sustainable farming techniques and water management

Dear Mayor:

Elsa Chacko, PhD, MD, Principal Physician at Connecticut Valley Hospital, is nearing retirement. A board-certified internist trained at Boston College, MIT and Loyola Chicago, Dr. Chacko has 4 decades of experience delivering primary care in urban ERs and other medical venues. She is hoping to cap her quiet but illustrious career by establishing a new kind of urgent care facility *that has at its exclusive focus the patient in need of medical care – regardless of financial status*. Incidentally, Dr. Chacko is an international authority on diabetes, and her latest scientific study is scheduled for publication in the January 2017 issue of *The Journal of Applied Physiology* – accompanied by personal critiques from 9 leading researchers in diabetology. At full capacity, the “New World Medical Center” will consist of a fully functional urgent care center *and* a state of the art diabetes clinic.

One of the many fatal errors made by well-meaning start-ups in the area is to try to serve a community that already enjoys adequate coverage. Hence this inquiry.

Would you kindly give this matter some thought and tell us if, in your opinion, your town already has adequate urgent care coverage? We expect to be visible, integral parts of the community we settle on and as such what manner of support may we expect from the town leadership?

Thank you.



Cherackal Chacko, Ph.D.
chackocc@netscape.net // (860) 342 5292

December 23, 2016

MEMORANDUM

To: Art Shilosky, First Selectman
Cc: Randy Benson, Town Planner
From : Jim Ford, Chairman Economic Development Commission
Date: 12/21/16
Re: Support of Financial Contribution to SECTER

On December 16, 2016 the Southeastern Connecticut Enterprise Region had sent a request to the Town of Colchester requesting a \$5623.80 contribution in municipal support for the 2017 year for their services. As Chairman of the Economic Development Commission, I am requesting the Town of Colchester considers adding the \$5623.80 into the 2017-2018 budget as SECTER is and will continue to be a major asset in helping encourage economic development in Colchester.

During this past 2016 year SECTER has been very involved with new businesses that are currently wanting to start in Colchester. They have been involved in helping obtain low interest financing for the Smiths who are currently proposing to open a restaurant and guest rooms at 12 Broadway. They have also been instrumental in helping provide financing for the property acquisition and starting of a farm brewery on Cato Corner Road. Finally, SECTER has included and promoted Colchester in towns that have interest in development within the southeastern Connecticut region.

I believe you have received the documentation and the 2015-2016 annual report that was supplied by SECTER that better describes all of the assets and opportunities they have to offer. I encourage the Board of Selectmen to meet with representatives of SECTER if they would like to better understand what SECTER has to offer. It is important that Colchester recognize the benefits of this organization. Failure to support their efforts makes our participation in the Regional CEDS (Comprehensive, Economic Development Strategy) questionable, which can limit our opportunities for certain state funding sources. I will be happy to talk to the Board on this matter as it is important to our overall Economic Development program.mn

Thank you for your consideration.