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Cc:

ECONOMIC DEVELOPMENT COMMISSION
REGULAR MEETING
MARCH 8, 2012

I. CALL TO ORDER

Mark Deming, Chairman, called the regular meeting of the Economic Development Commission to order on Thursday, March 8th, 2012 at 7:30 a.m. in the Main Meeting Room at the Town Offices. The following members were also present: Louis George, Kevin Crimmins, Shannon Knall, Kris Barnett and Allan Raphael. Also in attendance were Ferg Jansen, liaison to the Planning Commission, Hiram Peck, Town Planner, Lisa Heavner, Board of Selectmen, Leslie Faraci, Commission Clerk, and other interested parties.

II. APPROVAL OF MINUTES - February 9, 2012

Commissioner George made a motion to approve the minutes from February 9, 2012 as presented. The motion was seconded by Commissioner Crimmins and was passed unanimously.

III. REPORTS; FVVA

FVVA - Nancy Anstey, FVVA, began by telling the Commission that they just finished the Oscar Night for the Film Commission, which was very successful. She continued by saying the finishing touches are being put on the on Film Submission forms for the 3rd Annual Film Festival (August 3). Ms. Anstey said their next project is the Mob Murder Mystery Dinner Theater, which will be held on Thursday, March 22nd. She told the Commission that the Historic Sites Committee is working on the last in the series of their Historic Barns Tour. Ms. Anstey said other than that, they are working on all of their usual events and marketing of the Farmington Valley and she then distributed the Mob Murder Mystery Dinner playbill and information regarding the Barn Tour. Commissioner Deming asked Ms. Anstey about the level of tourism in the Valley currently. Ms. Anstey said people are beginning to come around and with warmer weather, there have been more requests for lodging packages.

SMSP - Sarah Nielsen, Executive Director of SMSP, began by stating she would be more than happy to provide an overview presentation in order to get the new Commission members familiarized with SMSP. Ms. Nielsen told the

Commission that all of the budget request passed, including \$40,000 for the Planning Commission to use for the market study and Village District Study. In the meantime, Ms. Nielsen continued, her board has appropriated \$1,500 to do a market snapshot, and then she outlined what would be included within that market snapshot. Ms. Nielsen said they would like to work in partnership with EDC with regards to this process and the findings, as this should be a way to help existing businesses, as well as help attaining new business. Lisa Heavner added to that by saying they had approved money for the PAC, which they plan to use for obtaining some similar information, so she might want to coordinate with them prior to moving forward. Ms. Nielsen said this work could be done within six (6) months of the start date and they hope to start in April. Commissioner Crimmins said, while this all sounds well thought-out, it sounds like a significant departure from what Hiram had originally proposed and what the Commission had approved. He continued by saying it sounded as if she was speaking of a Market Study, whereas he was under the impression the goal was a Marketing Study. After Commissioner Crimmins explained what he meant further, Ms. Nielsen said she would need to speak with Hiram to clarify, but there are components of both in what she is speaking about. Commissioner Deming added by saying they are looking for information to find out what the market is looking for in terms of business types. The Commission and Ms. Nielsen then discussed the purpose of the study and how the money should be allocated. It was stated by Commissioner Crimmins that they need to make sure the money goes where it is supposed to go. At this point in the meeting, Mr. Peck arrived and was able to get involved in the conversation regarding the proposed marketing study. Commissioner Crimmins asked Mr. Peck if the marketing study has changed in profile since the last EDC Meeting. Ms. Nielsen said some of the information they are looking for is already produced, and maybe they can approach local companies (The Hartford, Ensign Bickford, The Grist Mill, Dorsett Crossing, etc.) to get that information and then maybe we can get information they are looking for, forming a mutually beneficial partnership. Mr. Peck said, since they didn't get the full amount they were looking for, he is not sure the money approved will be sufficient to accomplish all of their goals. Mr. Peck said they will seek partners to try and cover more ground, but this initial gathering of market information can at least get things started. The goal will be to put all of the pieces together so they make sense and all work together to make something whole. Commissioner Crimmins said that Mr. Peck is the keeper of the vision and he will keep it on track, while working with SMSP. Mr. Peck said another piece of this also is tax incentive and they are working to modify the existing program and run through the business community in order to lesson the tax burden. There was a continued discussion on what exactly this study will cover and the ultimate goal. Ms. Heavner, Board of Selectmen, asked that the public have access to this information as they move forward and keep the residents as a component of the study. Mr. Peck said they will also try to leverage the \$40K with grants, etc.

Ms. Nielsen continued her update by speaking about how PBS is doing the documentary profiling Gifford Pinchot. She said they are coming back out for another visit and are talking about national exposure for this documentary. Ms. Nielsen said they are working with Dr. Diane Ullman, Superintendent of Schools, to coordinate a viewing of the documentary by the students. She said on September 6th, there will be a huge event for the premier of the documentary, which will also be a fundraiser SMSP, Simsbury Free Library, and Simsbury Land Trust and they expect an attendance of over 900 people. Ms. Nielsen asked that someone from the EDC sit on the event committee. Commissioner Barnett and Commissioner Knall volunteered to sit on the committee. Ms. Nielsen said they do think this will be picked up nationally, which will be great exposure for Simsbury.

Ms. Nielsen moved on by saying she would like the EDC to discuss, and hopefully support, the push to keep the Senior Center at Eno Hall. She spoke about structured parking being put in behind Eno Hall, and the study they are currently doing to see if it is financially feasible. Ms. Nielsen mentioned the State's \$10MM pot for Main Street Grants, and that Simsbury might be able to get a small piece and allocate it to the structured parking. She then referenced a needs assessment that was just finished and they looked at building a new structure versus retro-fitting Eno, and they found the costs are similar for the two options. She said the consultant considered Eno first and then up to three alternative sites. Commissioner George said, while he would like to see the seniors stay downtown, he does not think Eno is set up for the types of facilities that the seniors need. He continued by saying he thought it should be a community meeting site. Ms. Nielsen said the Charrette calls for the Senior Center staying where it is from a community planning standpoint. The potential for structured parking was discussed by Ms. Nielsen, Mr. Peck and the Commissioners. Ms. Heavner mentioned that a lot of seniors will not use indoor parking, pursuant to her discussions with them. Ms. Heavner said they would need to have a conversation with them prior to investing in parking that they might not use.

IV. EDC BUDGET WORKSHOP RESULTS

Mr. Deming asked Ms. Heavner about the budget workshop outcome and she said there was a total of \$58,250 approved (not including the money for the marketing study), with \$50,000 allocated to SMSP and \$4,000 to FVVA.

V. VICE CHAIRMAN NOMINATION AND ELECTION

Commissioner Knall nominated Commissioner Crimmins for the Vice Chairman position.

Commissioner Raphael made a motion to appoint Commissioner Kevin Crimmins to the position of Vice Chairman of the Economic Development Commission.

The motion was seconded by Commissioner Knall and was unanimously passed.

VI. PRESENTATION BY DONNA WERTENBACH, PRESIDENT OF THE COMMUNITY ECONOMIC DEVELOPMENT FUND

Donna Wertenbach, President of Community Economic Development Fund, began the presentation by giving an overview of the CEDF. She said they are a private, not for profit, state-wide agency with the purpose of stimulating the Connecticut economy by stabilizing, growing and starting small businesses. Ms. Wertenbach said they work with people who are small businesses, need additional resources and have trouble finding financing through other traditional banking sources. She continued by saying CEDF provides flexible loans that are creatively financed. In addition, she continued, they provide a free, small business consultant and business skills training.

In October Jobs Session, Ms. Wertenbach said, a large piece of legislation was passed which includes four programs, some of which can be mixed and matched, and she expanded on each of those programs.

Ms. Wertenbach started with the eligibility guidelines, which is the same for all four programs; CT based business, with fewer than 50 employees, registered with the State as being in business for at least 12 months and must be current on state and municipal taxes.

(1) Ms. Wertenbach started with the loan program which is a category for loans between \$10-\$100K with interest rates around 4%, and as low as 2%. She said there is no job creation piece in this smaller program.

(2) This second loan program does have a job creation component and the loan amount goes up to \$250,000. The Owner must create 1 full-time position, with a duration of at least 12 months. Ms. Wertenbach said there is a forgiveness piece including up to 50% of loan, depending on the quality of the jobs created. She then said there is also a deferment component of this program with deferral periods during the ramp-up time (up to 2 years). She said the only limitation is that an applicant can be in either one of the above, and cannot combine the two.

(3) The third product that is available is a Grant Program. Ms. Wertenbach explained that this program is for those that can infuse their own personal equity into the business (\$10,000 - \$100,000), then the State will match that capital dollar for dollar. Ms. Wertenbach said there is a strict order to this process, and the Owner must apply for the grant first, get approved and then put in the equity. The Owner cannot put in the equity first or they will lose the grant. It also requires that the Owner create one new full time job. Ms. Wertenbach said applicants can combine either loan program with the grant program.

(4) The fourth program is a Tax Credit Program, where if the Owner creates a new full time, permanent position, they can get a tax credit, from the State, of \$500/month, per job created for three (3) years. If this

newly created job is filled with a veteran, disabled person, or someone currently receiving unemployment benefits (or just lost their unemployment benefits), the credit goes from \$500 to \$900 per job, per month for 3 years. Ms. Wertenbach said applicants can combine one loan, a grant and the tax credit program all together.

Commissioner Crimmins asked what happens when a company entered the program with less than 50 employees, and then created enough jobs to put them over the 50 employee threshold. Ms. Wertenbach said as long as they had less than 50 employees at the time of application, they are fine. Ms. Wertenbach then explained that the Tax Credit Program has three (3) tiers, with regards to company size, and the different structure for each tier.

Commissioner Raphael asked about the amount of applications. Ms. Wertenbach said that State currently has 400 applications as of last week, in hand since November and as of last week, CT had closed seven (7) of the 400 loans. Ms. Wertenbach explained once CEDF get their contract, they will be able process more efficiently, but the State has less people dedicated to process. CEDF is up to speed with the knowledge on how to mix and match these options, but at the moment, Ms. Wertenbach cannot accept applications. She said the Attorney General is making sure it is all in compliance, so it is taking longer than expected. Ms. Wertenbach then spoke about additional advantages of working with the CEDF.

Ms. Wertenbach mentioned that there are two (2) bills, at the legislature right now, that will modify the above referenced programs. The major changes they are proposing are to extend the term to ten (10) years and they are looking to increase the employee number to 100 employees, which is very controversial point. Also, they are looking to increase the maximum loan amount from \$250- \$500K. There was a discussion regarding available funding, timing and funds that are already out.

Commissioner Barnett asked about the sequence in which they look at the loan applications and also about how to get the word out to businesses so they are able to get in the queue. Ms. Wertenbach replied by saying applicants should go now, but if they cannot sit and wait for 3 to 4 month, they should not apply and find an alternative small business loan in hopes that they can reapply later and refinance. She then explained the different profiles of her clients and how the process differs for each of those types of clients.

Ms. Barnett again asked about getting the word out to small businesses in the area, to which Mr. Deming replied that they need to work on that as an EDC.

VII. OLD BUSINESS/NEW BUSINESS

WPCA - Commissioner Deming said they expect to hear back, regarding the

consultants' findings on the FCC issue, in next week or two. Mr. Peck then said he recently sent the third memo to subcommittee on that issue and the topic is on the agenda for the WPCA meeting in two weeks.

VIII. ADJOURNMENT

Commissioner Raphael made a motion to adjourn the meeting at 9:07 a.m. The motion was seconded by Commissioner Crimmins and was unanimously passed.