

**Simsbury Business Development Committee
TOWN OF SIMSBURY
SPECIAL MEETING MINUTES
Monday, April 29, 2019 at 5:30PM
Town Hall – Main Meeting Room
933 Hopmeadow Street, Simsbury, Connecticut**

PRESENT: Dave Ryan; Bill Ethier; Robert Pomeroy; Eric Wellman (by phone); Peter Van Loon; Maria Capriola, Town Manager

ABSENT: none

ALSO PRESENT: Michael Glidden, Director of Planning; David Gardner, Assessor (by phone); Amy Meriwether, Director of Finance; Melissa Appleby, Deputy Town Manager; Sarah Nielsen, Executive Director, Simsbury Main Street Partnership Inc; Bob Decrescenzo, Town Attorney; Representatives from Ensign-Bickford Aerospace & Defense: Chad Thompson, Brendan Walsh, Todd Siedsma, Dorothy Hammett, Dave Kametz

CALL TO ORDER:

Ms. Capriola called the meeting to order at 5:30 PM

1) BUSINESS DEVELOPMENT ASSISTANCE APPLICATION, ENSIGN-BICKFORD AEROSPACE & DEFENSE

Ms. Capriola requested that the representatives of Ensign-Bickford Aerospace & Defense (EBA&D) provide an overview of their request as detailed in their business development assistance application. Mr. Thompson reviewed EBA&D's request for a ten-year tax abatement and reduction of permit fees related to the company's planned expansion at its existing location. Mr. Thompson said that the expansion will provide \$12 million in new investment and create 140 new high-tech jobs. He also noted that this expansion will stabilize the existing 265 jobs that are currently here.

Mr. Glidden provided an overview of his staff report. He noted that the proposed use is permitted as-of-right, and will not require approval by the Zoning Commission. Mr. Glidden said that the proposal meets the goals and objectives of the 2017 Plan of Conservation and Development (POCD), specifically as it relates to Section 9 regarding economic development.

Mr. Gardner provided an overview of his staff report. He noted that \$9 million of the \$12 million investment is in personal property, and \$3 million is for the renovation of existing space. Mr. Gardner expects the assessment increase to be approximately \$1.2 million (\$1,714,286 in market value). He presented a sample abatement schedule that applies a percentage abatement to the new growth amount. The total new growth over ten years is estimated at \$442,681.

Ms. Capriola reviewed her memorandum presented to the committee. The memo provides three sample scenarios for a ten-year real estate tax abatement. Staff is recommending a "not to exceed" amount of \$315,000, should the committee choose to adopt one. Ms. Capriola noted that the committee can recommend a waiver of permit fees up to 50% of the total amount. Based on construction of \$3 million, permit fees are estimated at a total of \$42,780.

Mr. Decrescenzo noted that because EBA&D leases the property from Dyno Nobel, any abatement agreement would need to include all three parties.

Mr. Ethier asked where the \$315,000 “not to exceed” amount was derived from. Ms. Capriola said this is based on the anticipated value of the new growth, with the abatement schedule presented in Scenario A. Mr. Wellman said that with the last tax abatement application, the Board of Selectmen adopted a “not to exceed” amount. He said that while the sentiment was not unanimous, some members of the Board felt that it was important to have certainty around a capped amount.

Mr. Gardner provided additional detail on the methodology used to calculate the sample scenarios, which involved using proposed percentages applied to the expected new growth. He noted that the schedules do not include any abatement for personal property, as the \$9 million investment in manufacturing machinery will likely qualify for a state exemption, and the remaining \$3 million will not qualify for a fixed assessment.

Mr. Walsh said that this project is just one phase of a continued expansion. He said that EBA&D is trying to determine whether this is the best place for the company to grow. He said that the company has options in Colorado and California, and that they will scale back on their investment if they do not see a future here.

Mr. Van Loon spoke in favor of this application, noting that from an Economic Development Commission perspective, this is a good example of embracing emerging technology. He said that EBA&D is on the forefront of technology for explosive devices, and that the company has a long history of innovation and high performance.

Mr. Pomeroy said that any abatement agreement should be fair and balanced, with mutual benefits. He said that there is a need for the Business Development Committee to develop clear guidance and a template for considering these types of applications. Once an abatement is granted, we should be tracking measures over time to determine whether the company is meeting new growth figures as expected.

Mr. Walsh said that EBA&D’s share of the property taxes with Dyno Nobel continues to increase. He said that this request is relevant to their ability to stay in Simsbury long-term.

Mr. Wellman said that the committee should focus on whether the proposal meets the objectives outlined in the policy, discuss the waiver of permit fees, and define an approximate total dollar amount that the committee is comfortable abating.

There was consensus from the committee that it needs to discuss its internal processes further at another time.

MOTION: Mr. Ethier made a motion effective April 29, 2019 to forward the Business Development Committee’s favorable recommendation to the Board of Selectmen for approval of a 50% waiver of permit fees to the property located at 632 (640) Hopmeadow Street in an amount not to exceed \$25,000. Mr. Pomeroy seconded the motion. The motion was unanimously approved.

There was consensus from the committee members that the request is consistent with the policy.

Mr. Thompson said that EBA&D would potentially come back with a separate request for any additional expansions in the future.

The committee members expressed varying levels of comfort with the amount of the tax abatement: Mr. Ryan at 75%, Mr. Van Loon at 100%, Mr. Pomeroy and Mr. Wellman at 50%, and Mr. Ethier around 75-100%.

Mr. Ethier noted that the Town will receive the personal property taxes regardless of what is decided regarding the real estate tax abatement. He recommends Scenario A, but with an abatement of 75% for years 6-10. Mr. Pomeroy agreed that the increase in personal property taxes should be viewed as a benefit to the Town in the total abatement package.

The applicant conveyed a sense of urgency regarding the timeframe. Mr. Pomeroy expressed interest in the concept of revising Scenario A to allow for a 75% abatement in years 6-10, as long as the personal property tax revenue is sufficient. Mr. Walsh said that EBA&D needs to provide revised costs and timing for the personal property growth in order to develop more realistic projections.

The committee decided to meet again on Monday, May 6, 2019 at 8:30am. Staff will prepare additional scenarios that include the revised personal property projections.

2) APPROVAL OF MINUTES FROM NOVEMBER 19, 2018

MOTION: Mr. Ryan made a motion to approve the minutes as presented. Mr. Ethier seconded the motion. The motion was unanimously approved.

ADJOURNMENT:

MOTION: Mr. Pomeroy made a motion to adjourn at 7:15 PM. Mr. Ryan seconded the motion. The motion was unanimously approved.

Submitted by,
Melissa Appleby
Deputy Town Manager