



Town of Madison, CT

Economic Development Commission

Draft

Minutes of the regular meeting of the Economic Development Commission held on May 14, 2020 via Zoom Videoconferencing

Present: Commissioners Ryan Duques, Anne Foley, Lisa Miksis, Mark Steffen, Jonathan Stein

Also present: Dave Anderson, Town Planner; Bruce Wilson, Board of Selectmen Liaison; Justin Murphy, Board of Finance Liaison

Mr. Duques called the meeting to order at 7:00 p.m.

1. Approval of minutes of regular meeting, April 9, 2020. On motion made by Mr. Stein and seconded by Mr. Steffen, the Commission voted unanimously to approve the minutes of the regular meeting of April 9, 2020 as submitted.

2. Public comment. There was no discussion under public comment.

3. Commercial Development Property Tax Incentive Policy Update. Mr. Anderson reviewed the updated Town of Madison Tax Incentive Program Policy that had been approved by the Economic Development Commission and Board of Selectmen in May, 2018. The updated draft reflects comments received prior to the March, 2020 meeting following a discussion on suggestions to make on changes to this policy.

Mr. Anderson highlighted the proposed changes as follows:

- Add “Assessment Deferral” to the Title which would now be “Town of Madison Tax Incentive/Assessment Deferral Program Policy”
- III – specify that proposals must meet the criteria listed rather than meet at least one of the criteria listed
- III a – increase the amount of assessed value a project must contribute to the grand list from \$175,000 to \$575,000
- III b – eliminate the requirement to create 10 or more full-time positions
- IV – outlines the option for a deferral period of two, five, seven or ten years depending on the value of the project with the recipient of the award choosing between a front loaded phase-in option and a consistent percentage throughout the deferral period as outlined in the Draft Assessment Deferral Phasing Methodology
- V – Procedure outlines the steps necessary to complete the application and approval process. A sample application was provided.

2-Minutes of a meeting of the Economic Development Commission held on May 14, 2020

Mr. Anderson noted that there currently is no mechanism to hold a Town Meeting to be able to move forward with the two applications for the tax deferral program. He has asked Ms. Lyons to keep him updated when they will be able to hold a Town Meeting.

Mr. Anderson reviewed the Draft Assessment Deferral Phasing Methodology that outlines the percentage of assessment paid by a property owner for three different tiers. Tier 1 allows a 5 year option for projects valued between \$575,000 and \$2.99 million. Tier 2 allows for a 7 year option for projects valued between \$3 million and \$7.99 million. Tier 3 allows for a 10 year option for projects over \$8 million. The tier system provides for a better benefit the greater a project impacts the grand list.

In response to a question by Mr. Stein, Mr. Anderson clarified that the property owner continues to pay 100% tax on the original value of the property with the reduced percentage only being applied to the increased value as a result of improvements.

In response to a question by Mr. Duques, Mr. Wilson noted that he does not see any reason the Board of Selectmen would not be supportive of the proposed changes which are an improvement to the original policy. The policy has become a marketing tool for Madison. Mr. Duques noted that State Statute allows any town to provide for an assessment deferral but having this policy in place shows that Madison embraces the State Statute and encourages and supports the business community setting a positive tone for new or existing business.

Mr. Duques noted that this policy can assist a developer in making a decision to move forward with improvements for their business which benefits the Town by adding value to the Grand List.

Mr. Steffen suggested that consideration be given to lowering the \$575,000 threshold for Tier 1 because of the current economic situation to possibly assist businesses impacted by the stay-at-home policy. He is concerned about what could happen in the next two year particularly.

Mr. Duques noted that the lowest threshold was originally set at \$175,000 and no applications were received. Mr. Stein suggested the use of an appeal option to be able to consider a project of a lower value to assist a business in a special situation.

Mr. Duques noted that the policy provides guidelines only so an exception could be made to allow any developer to come forward.

The Commission members discussed possible thresholds for tier one. After discussion, on motion made by Mr. Duques, and seconded by Ms. Foley, the Commission voted unanimously to

3-Minutes of the regular meeting of the Economic Development Commission held on May 14, 2020

support the Town of Madison Tax Incentive/Assessment Deferral Program Policy as revised for review by the EDC on March 12, 2020, with the following change:

Section IV. line 6, and on the Draft Assessment Deferral Phasing Methodology, change the dollar amount from \$575,000 to \$250,000.

4. Update: COVID-19 Task Force + Survey Results Review. Mr. Duques reviewed the results of the Covid-19 Task Force Survey which was sent out last Friday afternoon. A total of 68 responses were received through today and the results were highlighted of the respondents as follows:

- 94% were impacted by the Covid 19 virus crisis
- 90% were for profit businesses including retail, banking, hospitality, restaurants, entertainment and customer based
- 60% were renters with the balance property owners
- 75% pay taxes in Madison
- 57% have applied under the PPP program with 82% of the applicants receiving funds and the and the balance waiting to receive approval
- 75% have closed or partially closes
- 30% plan to open May 20
- 27% plan to open between May 20 and June 1
- 23% plan to open in June
- 12% plan to open in July
- 60% did not furlough or la-off workers
- 8% laid off workers
- 9% furloughed workers
- 80% will implement new business practices including new ways of connecting with the community including curbside pick-up, remote work force, on-line shopping and delivery and virtual services.
- 70% indicated that revenue and cash flow is a big challenge
- 52% indicated that inadequate customer support is a challenge
- 68% believe they will be impacted in 2021
- 50% have not had trouble paying rent or have received no relief
- 30% have received relief
- 12% have received no relief
- 66% do not believe they are looking at closing
- 31% might need to consider closing

Mr. Duques will forward the survey results to the members to give them the opportunity to further study the data provided in the responses.

4-Minutes of the regular meeting of the Economic Development Commission held on May 14, 2020

Mr. Anderson reviewed the next steps on the recovery effort. He noted that an Economic Recovery Task Force is being formed that includes a business component. He expects the Economic Development Commission will be asked to participate. There has been a meeting of the core group and a total of 9 components were developed to focus on long term recovery. They also discussed possible goals and objectives. They are meeting again tomorrow at 2:00 to begin the formation of sub-committees. Possible actions include:

- Distribution of opening guidelines
- Provide support to businesses as they re-open
- Assist with outdoor dining options
- Assist with providing summer camp opportunities
- Assist schools with re-opening plans
- Assist Town government and operations as locations re-open

Mr. Wilson noted that the Task Force will need to focus on short and longer term needs. They understand that a healthy commercial component in Town is vital to the health of the community.

Mr. Duques noted that some ideas that have been discussed to assist businesses include distributing tables around Town for outdoor dining and setting up Town parking spaces for outdoor spaces as needed. He requested that members forward any interesting or creative ideas they hear about to Mr. Anderson, Mr. Wilson or him.

Mr. Murphy commented that the shortage of rest rooms in Town could become an issue with more people dining outside so some thought should be given to providing for this need.

Mr. Steffen suggested thought be given to providing for hand sanitizing machines.

Mr. Stein questioned if assistance will be provided to help business with testing and with tracking and handling positive cases. Mr. Anderson noted that the Task Force has not gotten involved with testing issues yet. Mr. Wilson noted that businesses are required to log the attendance of their employees to assist with contact tracing if necessary but they will not be logging in customers.

5. 2020 Priorities Update/Re-Prioritization. Mr. Steffen provided an update on the dashboard project and suggested the following tracking metrics:

- Population including ages
- Housing
- Economics
- Tax base and government spending
- Education

5-Minutes of the regular meeting of the Economic Development Commission held on May 14, 2020

He suggested that collecting this data can serve as a useful guide in discussions. It will be important to keep the data updated on a regular basis to be able to track trends. He showed an example of data that is available through Raveis Real Estate Company and he agreed to transfer this data onto a graph format and share it with the Commission on a quarterly basis.

6. Board Reports (BOS, BOF, Planning and Zoning)

Board of Selectmen's Report – Mr. Wilson advised that the Town has extended the emergency declaration to June. They are working to normalize the day-to-day operations of government operations. They are anxious about getting the budget in place for the fiscal year. There is a substantial amount of work to be done in the upcoming months as efforts are made to re-open the Town.

Board of Finance Report – Mr. Murphy noted that the Board of Finance finalized the budget on May 5th and set the mill rate at the same as the current year. The budget was settled with most additional requests tabled. The only exception was needs for emergency services. A total of \$673,000 from the undesignated fund balance was used to help keep the tax rate flat. There are concerns that FY 2021-22 might not be better economically so there will be a need to closely monitor the budget and expenditures. They also plan to begin the budget process for next year early to allow for extra planning time. Overall the Town is in very good economic shape.

Planning and Zoning Report- Mr. Anderson provided the following update on Planning and Zoning activity:

- The application for the marina project at 4 Boston Post Road was approved.
- The Planning and Zoning Commission will consider a revised application for the Our Lady of Mercy use of space across from Roberts.
- The Planning and Zoning Commission will be considering the modified application for the General's Residence project. The design of this project will be different from the prior application with this proposal requesting demolition of the original building with a re-build replication of the original. Some community concern from preservation groups is anticipated but they are hopeful they can work around the historical issues.

7. Old business. There were no items discussed under old business.

8. New business. There were no items discussed under new business.

9. Adjournment. On motion made by Mr. Duques, and seconded by Mr. Steffen, the Commission voted unanimously to adjourn the meeting at 8:30 p.m.

Terry Holland-Buckley
Clerk