



STATE OF CONNECTICUT – COUNTY OF TOLLAND
INCORPORATED 1786

TOWN OF ELLINGTON

55 MAIN STREET – PO BOX 187
ELLINGTON, CONNECTICUT 06029-0187
www.ellington-ct.gov

TEL. (860) 870-3120 **TOWN PLANNER'S OFFICE** FAX (860) 870-3122

ECONOMIC DEVELOPMENT COMMISSION REGULAR MEETING AGENDA WEDNESDAY, MARCH 10, 2021, 7:00 PM

ZOOM MEETING

(INSTRUCTIONS TO JOIN VIRTUAL MEETING PROVIDED BELOW)

I. CALL TO ORDER:

II. PUBLIC COMMENTS (on non-agenda items):

III. ACTIVE BUSINESS:

1. Report: Tolland County Chamber of Commerce
2. Report: Agricultural Initiatives
3. Report: Connecticut Economic Development Association Best Practices
 - a. Discuss future Shop Ellington event
4. Report: Tax Incentive/Abatement Programs
 - a. Discuss additional amendments to the Tax Abatement Program, pursuant to the Town Attorney's recommendations
5. Report: Current Economic Activity

IV. ADMINISTRATIVE BUSINESS:

1. Approval of the February 10, 2021 regular meeting minutes.
2. Correspondence:

V. ADJOURNMENT:

Note: Next regular meeting is scheduled for April 14, 2021

In order to comply with COVID-19 limited in-person meetings and social distancing requirements, this meeting will be conducted using the online video conferencing service provider Zoom. Meeting details will be provided on the Agenda and posted on the Ellington webpage (www.ellington-ct.gov), Agenda & Minutes, Economic Development Commission. Need assistance or have questions, please contact the Ellington Planning Department at 860-870-3120.

Join Zoom Meeting:

<https://zoom.us/j/94816183076>

Meeting ID: 948 1618 3076

Password: 565332

Dial by your location:

+1 646 558 8656 US (New York)

Meeting ID: 948 1618 3076

Passcode: 565332

TOWN OF ELLINGTON
ECONOMIC DEVELOPMENT TAX ABATEMENT POLICY

**DRAFT TEXT AMENDMENT TO
GENERAL INFORMATION SECTION TO ADD AN ABATEMENT SCHEDULE**

PROPOSED ADDITIONS **BOLDED AND UNDERLINED**, PROPOSED DELETIONS
~~STRIKETHROUGH~~, OTHERWISE TEXT IS AS CURRENTLY ADOPTED

GENERAL INFORMATION:

In the event of unusual or extraordinary circumstances, the Board of Selectmen (BOS) reserves the right to alter or waive any of the foregoing provisions. These guidelines may be changed, in whole or in part, or repealed in their entirety, at any time, without a public hearing, by action of the BOS.

An applicant who is delinquent in any taxes that are otherwise due to the Town of Ellington, federal or state government or other municipality shall be ineligible for tax abatement.

Any agreement between the Town and a business regarding fixing the assessment and/or abating a portion thereof will require an agreement by the business to remain solvent for a minimum of 10 years. The business will have three years to achieve the agreed to minimum full time employment level.

Any agreement between the Town and a farm regarding fixing the assessment and/or abating a portion thereof will require an agreement by the farm to remain operational for a minimum of 10 years.

The fixed assessment or abatement will be based upon the capital expenditures to be spent at the time of the agreement; future expansion plans are not counted as part of this agreement.

The assessment or taxation of real property for the period prior to the fixed assessment period will be done in accordance with state and local laws and ordinances.

The length of time of the fixed assessment **and percentage of the abatement** for a new eligible business **in Ellington** is based on cost of improvements, **excluding routine maintenance**, only to real property as follows:

- a. Assessment may be fixed for a period of no more than 7 years **and abated according to the following schedule: 85% first and second years, 75% third year, 65% fourth year, 55% fifth year, and 45% sixth and seventh years**, provided the cost of improvements to be constructed is \$3,000,000 or more.
- b. Assessment may be fixed for a period of no more than ~~2~~ **3** years **and abated according to the following schedule: 75% first year, 50% second year, and 25% third year**, provided the cost of improvements to be constructed is \$500,000 or more and less than \$3,000,000.
- c. Assessment may be fixed for a period of no more than ~~3~~ **2** years and no more than 50% may be abated for both years if the cost of improvements to be constructed is \$25,000 or more and less than \$500,000.

The length of time of the fixed assessment for an existing eligible business shall be the same as those set forth above for new eligible businesses and the percentage of abatement may be increased up to 5% above the applicable levels set forth above for new eligible businesses.

The percentage of abatement may be increased for projects involving cost of improvements to real property provided cost of improvements to be constructed is \$6,000,000 or more.

The length of time of the fixed assessment and the percentage of the abatement for an eligible farm **in Ellington** is based on cost of improvements, **excluding routine maintenance**, only to real property as follows:

- a. Assessment may be fixed for a period of no more than 7 years and no more than 50% may be abated for each year provided the cost of improvements is \$25,000 or more.

In the event the end user is a tenant, the tax benefit must be reflected in the lease.

DEFINITIONS:

Capital Expenditures: Cash investments to improve an asset that will have a life of more than one year.

Cost of Improvements: The actual cost of constructing such improvements.

Improvements: Building or other structures which are permanently attached to the land.

New Eligible Business: An eligible business that is new to Town or has not had facilities and operations in Town for a period of at least one year.

Real Property: The physical parcel of land and all improvements permanently attached.

Tax Assessment Analysis: An analysis of the loss in tax revenue from granting abatement or fixed assessment on eligible cost of improvements according to the parameters listed in this policy, and including an assessment of real property for the period prior to the abatement or fixed assessment.

**DRAFT TEXT AMENDMENT
APPLICATION PROCESS
TO ADD A RECAPTURE CLAUSE FOR BUSINESSES**

RECAPTURE CLAUSE FOR ELIGIBLE BUSINESS:

If business operations cease or a property that was granted abatement is sold prior to ten (10) years from the initial effective date of abatement, the applicant shall pay the Town a percentage of the original amount of taxes abated pursuant to the following schedule, unless a new applicant is recommended by the EDC to assume the remaining term of abatement and approved by the BOS. In no case shall the amount to be paid to the Town exceed the original amount of taxes abated.

Between 1 day and 365 days.....	100%
Between 1 year 1 day and 2 years	90%
Between 2 years 1 day and 3 years	80%
Between 3 years 1 day and 4 years	70%

Between 4 years 1 day and 5 years	60%
Between 5 years 1 day and 6 years	50%
Between 6 years 1 day and 7 years	40%
Between 7 years 1 day and 8 years	30%
Between 8 years 1 day and 9 years	20%
Between 9 years 1 day and 10 years	10%
More than 10 years	0%

Recapture taxes owed to the Town pursuant to this provision shall be due and payable by the applicant at the time of transfer, sale, or recording of his/her deed or other instrument of conveyance, or in the case of a business that ceased operation, within sixty (60) days of the date on which said operations ceased. Such revenue received shall become part of the general revenue of the Town.



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**ECONOMIC DEVELOPMENT COMMISSION
REGULAR MEETING MINUTES
WEDNESDAY, FEBRUARY 10, 2021, 7:00 PM
ZOOM MEETING**

PRESENT: Chairman Sean Kelly, Regular Members Chris Todd and David Hurley and Alternates Bryan Platt and Susan Conte. Alternate Amos Smith joined the meeting at 7:32 PM.

ABSENT: Vice Chairman Donna Resutek

STAFF

PRESENT: Lisa M. Houlihan, Town Planner and Christine Post, Recording Clerk

I. CALL TO ORDER: Chairman Sean Kelly called the Economic Development Commission meeting to order at 7:03 PM.

II. PUBLIC COMMENTS (on non-agenda items): **NONE**

III. ACTIVE BUSINESS:

1. Report: Tolland County Chamber of Commerce
 - a. Tolland County Chamber of Commerce letter dated January 4, 2021

The Commission has renewed their annual membership.

- b. 2021 Legislative Breakfast / Q&A Event Invite (February 17, 2021, 9AM-10AM)

Chairman Kelly stated that the Tolland County Chamber of Commerce is hosting a Legislative Breakfast via zoom and the legislative representatives which will be attending include Dan Champagne, Tim Ackert, Tammy Nuccio and Mike Winkler. Ms. Houlihan explained that the Chamber of Commerce is gathering questions for the legislative representatives ahead of the meeting and asked the commissioners if they had any questions to present. The commissioners decided on the following questions:

- From an economic development perspective what legislation is being considered to help small businesses recover from negative impacts from Covid-19 and the recession?
- What help would you provide to businesses that have been forced to close, once restrictions are lifted; for instance, would you consider a reduction in licensing and operating fees?

- What will your priorities be for using federal relief funds anticipated to be received this year?
- Would you consider delaying the FMLA taxes to help businesses during this next fiscal year?

c. Tolland County Chamber Tag Sale Trail event April 24th – 25th

Chairman Kelly relayed the information regarding the Tag Sale Trail and stated that parties do not need to be a member of the Chamber of Commerce nor is there a fee to participate. Ms. Houlihan reported that Pre-Covid-19, various events were hosted for local businesses and artisans to showcase their wares and services. Due to Covid-19, the event will be a trail throughout participating towns and the Chamber will create a map of all the locations that will be participating. Ms. Houlihan suggested, and the Commission agreed to share this information with the EDC's business distribution list and will also ask the First Selectman's staff to put the event information on Ellington's webpage and social media.

2. Report: Agricultural Initiatives

Nothing new to report.

3. Report: Connecticut Economic Development Association Best Practices
a. Discuss future Shop Ellington event

The Commission decided to table this discussion for the next meeting to ascertain when and how many events the Commission will sponsor this year specifically keeping Covid-19 concerns in mind.

4. Report: Tax Incentive/Abatement Programs

- a. Discuss possible amendment to the Tax Abatement Program to establish an abatement implementation schedule.

Chairman Kelly reviewed the proposed changes to the abatement implementation schedule. He then suggested that paragraph D be clarified to state that this is solely for existing Ellington based businesses.

Commissioner Todd would like to consider keeping the starting threshold for paragraph C at \$25,000.00 in alignment with what is offered for farmers. The commissioners discussed this idea and agreed.

Commissioner Hurley stated this abatement isn't for maintenance such as paving a driveway, or putting on a roof, and that perhaps the Commission should have some internal guidelines that aren't part of the actual abatement schedule. After discussion, the Commission decided to change the language of the last line prior to the schedule to read, "The length of time and percentage of fixed assessments for an eligible business is based on the cost of improvements, excluding routine maintenance expenditures, only to real property as follows."

MOVED (HURLEY) SECONDED (TODD) AND PASSED UNANIMOUSLY TO ENDORSE THE DRAFT TEXT AMENDMENT TO THE TAX ABATEMENT POLICY AND REFER TO THE BOARD OF SELECTMEN.

5. Report: Current Economic Activity

Chairman Kelly reported that Barnyard's Phase 1 was approved by the Planning and Zoning Commission.

IV. ADMINISTRATIVE BUSINESS:

1. Approval of the January 13, 2021 regular meeting minutes.

MOVED (TODD) SECONDED (HURLEY) AND PASSED UNANIMOUSLY TO APPROVE THE JANUARY 13, 2021 MEETING MINUTES AS WRITTEN.

2. Correspondence: **NONE**

Chairman Kelly mentioned that the Commission has an open seat for a regular member since Khara Dodds resigned.

V. ADJOURNMENT:

MOVED (PLATT) SECONDED (HURLEY) AND PASSED UNANIMOUSLY TO ADJOURN THE ECONOMIC DEVELOPMENT COMMISSION MEETING AT 7:50 PM.

Respectfully submitted,

Christine Post, Recording Clerk