



# TOWN OF ELLINGTON

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## **ECONOMIC DEVELOPMENT COMMISSION REGULAR MEETING MINUTES WEDNESDAY, JULY 12, 2023, 7:00 PM**

**IN-PERSON ATTENDANCE: TOWN HALL ANNEX, 57 MAIN STREET, ELLINGTON, CT  
REMOTE ATTENDANCE: VIA ZOOM MEETING, INSTRUCTIONS PROVIDED BELOW**

**PRESENT:** In Person: Chairman Sean Kelly, Vice Chairman Donna Resutek, and Regular Member Jim Fay and David Hurley

**ABSENT:** Regular Member Chris Todd, Alternates Mike Swanson, Sam Chang, and Amos Smith

### **STAFF**

**PRESENT:** In Person: Lisa M. Houlihan, Town Planner and Nathaniel Trask, Recording Clerk

### **OTHERS**

**PRESENT:** In Person: Seth Bahler and Arlo Hoffman, Oakridge Dairy; John Rainaldi, Ellington Town Assessor (all left at 8:00 PM); Via Zoom: Joan Nichols, Executive Director of the Connecticut Farm Bureau Association (left at 7:30 PM)

**I. CALL TO ORDER:** Chairman Sean Kelly called the Economic Development Commission meeting to order at 7:00 PM.

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

### **III. ACTIVE BUSINESS:**

1. Report: Tax Incentive/Abatement Programs.

a. Discuss CGS §12-81m – Municipal Option to Abate up to 50% of Property Tax for Farming Operations.

Seth Bahler, Oakridge Dairy, addressed the commission. When the dairy was built in 2016, the company was interested in an abatement while they were in construction. At the time, the abatement would have had to go through many steps to get it in place. The dairy was granted a seven-year abatement at the time for the new building. After the abatement, the property tax on that building alone was \$120,000. The company has been having conversations with Lisa Houlihan over the past couple of years to try to avoid another \$120,000 property tax bill when the seven-year abatement expires. Mr. Bahler indicated that his business, and others in town, would benefit from a program that abates property taxes on land and structures and appreciates the town's support and the help the town gives the company.

Seth Bahler said last year the company was getting paid \$26 per 100 pounds of milk. This year, they are getting paid \$18 per 100 pounds of milk, a 30% loss of income from last year due to supply and demand. Chairman Kelly asked how much of Oakridge Dairy's milk is sold out-of-state. Mr. Bahler said none and mentioned that 50% of Connecticut's milk consumption is produced in-state, and Oakridge Dairy produces about 20% of that amount. Seth said the milk market is now affected on a global scale as opposed to a regional scale. The company must meet the price requirements of their milk buyer to keep them from buying milk for a lower price from another producer. Commissioner David Hurley mentioned that there used to be a dairy pact for New England that helped to manage the price of milk, but that pact has since been abolished. David also mentioned that recent news reports indicate inflation is slowing, which is decreasing the price of food.

Seth Bahler indicated there is some legislation that some towns have adopted that is friendly to agriculture. The legislation Seth is referring to is a statute that allows municipalities the option to abate up to 50% of property tax for farming operations. This statute specifically allows a tax abatement of up to 50% on agricultural uses such as "dairy farm, fruit orchard, vegetable, nursery, nontraditional or tobacco farm or commercial lobstering business operated on maritime heritage land." The towns that have adopted this legislation are mostly agricultural towns. Mr. Bahler came to the commission to ask them to consider this legislation for the Town of Ellington. Chairman Kelly indicated the commission cannot make any decisions but can endorse the legislation for consideration. Seth said some towns have allowed this tax abatement for specific farming operations, such as just dairy farms or for only dairy farms and orchards, instead of all optional uses. Seth asked Joan Nichols, Executive Director of the Connecticut Farm Bureau Association, if North Canaan allowed all farming operations listed under the statute to be abated up to 50%. Joan said North Canaan did everything and is the town that adopted the abatement most recently, about six or seven years ago. Joan said this is the only optional tax reduction program that municipalities can offer that allows towns to choose which agricultural commodities and businesses they would like to provide the abatement to. The statute was originally established for dairy farms only but has been amended to include other agricultural businesses. Joan said the statute encompasses almost all agricultural businesses, apart from livestock operations that are not dairy based and suggested if the town were to adopt the statute to make it available to all farms that were applicable to Ellington to reduce divisiveness, but that would ultimately be up to the discretion of the town. Chairman Kelly said some farms in Ellington have livestock operations that are not based in dairy production, but Joan said the statute specifically prohibits eligibility for the abatement for any farm with livestock operations that are not dairy based. Joan does not know why the legislation excludes these types of farms but assumes it's because representatives for these types of operations were not vocal enough at the time. She said the Connecticut Farm Bureau Association is open to advocating for livestock and poultry operations to try to get the statute amended to include them. Commissioner Hurley asked how the statute would apply for farms that are diversified. Joan suggested contacting some towns involved in the program to speak with their Assessors to see how they administer this program.

John Rainaldi, Ellington Town Assessor, walked the commission through the report he prepared. John said he has already contacted Bolton, Woodstock, Suffield, Mansfield, Voluntown, and Hampton. Many of the towns John contacted adopted the program in 1992. Voluntown adopted it in 2018, and Suffield adopted it by resolution instead of by ordinance in 1992. John said the legislation is broad and only states that up to 50% of property taxes can be abated for qualifying agricultural businesses but does not specify any property tax, such as real estate, personal property, or truck fleets. Most of the towns that have adopted it have applied it to farmland only, not other land such as open space or forest. John included only farmland in the calculations were made according to what other towns have done.

Ellington currently has 5,635.84 acres across 249 properties already assessed under Public Act 490, which is a statewide program that the town is involved in. This act was adopted in 1963 and is currently the largest program for property tax reduction that the town offers farmers. This program grants \$807,000 out of the \$982,000 in tax relief to farmers in town right now. Currently, the town is receiving \$143,130 in taxes from the 249 properties under Public Act 490. Based on what the town has now, the abatement would allow \$71,565 in additional tax relief to farmers. The numbers that apply to Public Act 490 are subject to change since things like land use and the number of people that apply for tax relief can change. John said the Assessor's Office is prepared to enforce what the town wants to enact. Commissioner Hurley asked if Public Act 490 includes tree farms. Mr. Rainaldi said Public Act 490 includes any farm, forest, or open space property, but tree farms would not qualify if they were classified under forest.

Chairman Kelly said the commission can propose a minimum acreage requirement for this tax abatement program so that it is impactful. Ms. Houlihan said the commission could propose to limit it to dairy, fruit, and vegetable farms, but Chairman Kelly said that all the categories listed in the statute – besides lobstering – fit into the agritourism sector that the commission is trying to promote. Ms. Houlihan said zoning regulations don't allow agriculture as a primary use unless the business has at least three acres of land. Commissioner Hurley indicated ten acres might be an appropriate minimum requirement and asked what greenhouses might be classified as. David suggested providing an acreage exemption to greenhouses if they qualify for the program. When Commissioner Hurley asked, Ms. Houlihan said that growing marijuana would not qualify because it is not considered an agricultural crop, and Chairman Kelly added that the cultivation of marijuana is prohibited in Ellington.

Vice Chairman Resutek noted that for the towns of Woodstock and Mansfield, there is a period after which the ordinance renews. Chairman Kelly asked Joan Nichols if that is what is seen on these types of abatement programs, where the tax abatement is in place for a predetermined period before the business must reapply. Ms. Nichols said if the ordinances are written this way, then they allow the town to check in with the ongoing operations of each business they are providing a tax abatement for. Joan noted the language and stipulations of the ordinance are entirely up to the town and recommended staying away from an acreage requirement for the abatement since there are no acreage requirements in Public Act 490 and stick to an income requirement. Commissioner Fay asked if an income requirement can be put on a certain percentage being used in-state. Ms. Nichols said income is usually based on gross farm income and was unsure of what would be gained by requiring that. Commissioner Hurley added that tobacco is going to a worldwide market.

Arlo Hoffman, Oakridge Dairy, said making farmland viable and profitable keeps it out of development, which is positive to the town. Chairman Kelly added that open space is a net contributor to town services as opposed to subdevelopments, according to studies, and Arlo added that the cheapest way to maintain open space in town is to support farms. The commission also discussed that farmers who rent land would be eligible for the tax abatement, not the landowners who lease their land. Chairman Kelly noted that anything the town can do to preserve open space will benefit the town's agricultural sector and that is what the town wants.

Ms. Houlihan asked if there was anything they liked or didn't like from the examples of ordinances in the agenda material. Vice Chairman Resutek liked Mansfield's example. Chairman Kelly noted the tax abatements go up to 50%, so there is some flexibility if the town does not want to abate the maximum amount to a business, but Commissioner Hurley mentioned that could be troublesome since it could favor some businesses over others and individual hearings might have to be held for each consideration. Mr. Rainaldi wants a better

ordinance than what other towns have adopted. John indicated most towns have copied the statewide ordinance directly, which is already vague. He said there is no guidance as to what kind of property tax can be abated or building. Mr. Rainaldi said the more that can be specified in the ordinance, the better it is for enforcement and for certainty. Vice Chairman Resutek said specificity would allow new applicants to understand what they can get from the abatement better, and Commissioner Hurley said they can understand what they can count on. Chairman Kelly said he wanted to specify in the ordinance that buildings that are exclusively used for agriculture would be considered for abatements. The commission discussed farm stands as well, but with certain parameters regarding the number of products sold that are produced by the business directly or if it is attached to the farm.

Mr. Bahler asked if when the numbers are processed, is there a way to figure out who fits the criteria of an active farm. Mr. Rainaldi said we will have to figure out a way to do that.

Chairman Kelly told Mr. Bahler and Mr. Hoffman that they have the support of the commission and that they will work to put something together before their abatement expires.

Ms. Houlihan clarified for the commission that Mr. Bahler needs a new program that abates property taxes on land and structures. The town already has a program that allows abatements on buildings up to \$100,000, which can be one or multiple buildings. Vice Chairman Resutek said the town would not lose that but would be looking to continue it with this new program.

Vice Chairman Resutek would like to see a reassessment of the tax impact when something is written up. Commissioner Hurley said the biggest impact for the next ten years will be one farm.

The commission said they wanted to wait to hear from Mr. Rainaldi about the building's portion of the tax abatement. Ms. Houlihan asked if the commission wanted her to obtain other town ordinances as examples. Chairman Kelly said he would like to have as many as possible. Vice Chairman Resutek was interested in any ordinance that was just dairy.

## 2. Report: Tolland County Chamber of Commerce.

Ms. Houlihan said she has been sitting on the Chamber's Board of Directors and Executive Committee in addition to their Economic Development Commission. She said she just finished her second three-year term and has stepped down from the Board of Directors and Executive Committee. She said there are a lot of important things going on in the Planning Department, such as work regarding Sustainable Connecticut and the previous agenda item. She will remain a member of the Chamber's Economic Development Commission which puts on events that are relevant to the town's Economic Development Commission.

## 3. Agricultural Initiatives.

- a. Plan of Conservation and Development, Chapter Six - Economic Development, Agriculture as an Economic Sector and Considerations/Strategies.

This item was tabled until next month.

- b. Ellington Farm Day 2023.

Seven farms have expressed interest in the Ellington Farm Day 2023 on September 23. A new farm called Greenwood Holistic Farm, East Porter Road, is interested in the event.

4. Review Economic Development Sections from the 2023 Sustainable Connecticut Certification Action Overview Worksheet

a. Section 2.4 Provide Resources and Supports to Local Businesses.

Ms. Houlihan said the Board of Selectmen created the Ellington Sustainability Team of which Ms. Houlihan and Public Works Director Tom Modzelewski as co-chairs. They have brought on several other staff members already and established a monthly meeting to work on Sustainable Connecticut initiatives. Ms. Houlihan will need the commission's input on action items related to Sustainable Connecticut.

5. Connecticut Economic Development Association Best Practices

The next application period for Best Practices is in 2025, although Ms. Houlihan said it could be in 2024. She said she would like best practices to take a back seat to the work on the tax abatement program. Chairman Kelly said this can be left on the agenda but can also be skipped in the future.

6. Report: Current Economic Activity.

The Planning and Zoning Commission approved development on the lot to the north of McDonalds. The main feature of the building will be a Starbucks. Both McDonalds and Starbucks will share a driveway, and three other units will be available in the building. The commission also talked about development of the property next to Country Pure Foods.

#### **IV. ADMINISTRATIVE BUSINESS:**

1. Fiscal Year 2023-2024 Budget & Expenditures update.

Nothing new to report currently.

2. Approval of the June 14, 2023, regular meeting minutes.

**MOVED (HURLEY) SECONDED (FAY) AND PASSED UNANIMOUSLY TO APPROVE THE JUNE 14, 2023, MEETING MINUTES AS WRITTEN.**

3. Correspondence/Discussion:

a. Request from AdvanceCT for review of Town Profile and List of Key Employers.

**BY CONSENSUS, APPROVED THE LIST OF KEY EMPLOYERS FOR ADVANCECT ELLINGTON TOWN PROFILE.**

#### **V. ADJOURNMENT:**

**MOVED (HURLEY) SECONDED (RESUTEK) AND PASSED UNANIMOUSLY TO ADJOURN THE ECONOMIC DEVELOPMENT COMMISSION MEETING AT 8:24 PM.**

Respectfully submitted,

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Nathaniel Trask, Recording Clerk