

**ECONOMIC DEVELOPMENT COMMISSION
LINCOLN CENTER – DIRECTORS ROOM
MINUTES
OCTOBER 10, 2019**

MEMBERS PRESENT: Jack Sayre, Chair, Tom Phillips, Steve Carter, Tom Deffenbaugh, and Michelle Koehler

ALSO PRESENT: Gary Anderson, Director of Planning and Economic Development; Tana Parseliti, Downtown Development Specialist; Sophia and Tom Dzialo, the Firestone; David Treadwell and Sheila Hummel, DECD

Minutes for Approval – August , 2019

Mr. Carter moved to approve the minutes as written. Mr. Deffenbaugh seconded the motion and all members voted in favor.

DECD- David Treadwell and Sheila Hummel

Mr. Treadwell introduced him and Ms. Hummel and said with the new Governor and administration, DECD will be making some program and policy changes. He said one initiative involves reaching out to local businesses and getting input on they would like to see the state do to be more business friendly. He said he and Ms. Hummel were visiting local Economic Development Commissions and asked the membership for any input.

Ms. Koehler suggested the Small Business Development Center (SBDC) could assist with outreach for the event since the organization has a large reach within the state.

In response to a question Mr. Treadwell clarified the event would be targeted to businesses with 100 or fewer employees, which is a common definition of small business, and that the format would likely be informal.

The Commission suggested Mr. Treadwell and Ms. Hummel reach out to April DiFalco from the Chamber of Commerce.

Ms. Hummel said the State was considering moving away from direct financing to other types of initiatives. She said one of the challenges is finding qualified workers to fill positions. Mr. Phillips said in his view workforce is certainly an issue. Mr. Lindsay said taxes were also a continuing issue for Connecticut businesses as well.

Mr. Phillips said he recently came across the US Chamber of Commerce Foundation, which has some useful tools that businesses should be aware of. He said navigation of government permit processes is also an issue, especially in manufacturing. The permitting process can be challenging especially when assistance is needed on multiple levels. Ms. Kohler reiterated the need for one state web hub that could serve as a central location for such information.

1115 Main Street- The Firestone Art Studio and Café Final Loan Approval

Mr. Anderson again introduced Mr. Tom and Ms. Sophia Dzialo who are in the process of opening the Firestone Art Studio and Café on Main Street. He said they were the first applicants for the Town's Downtown Loan Fund and the Commission gave preliminary approval to a loan for their project at the July Commission Meeting. He said that approval had been contingent upon the owners providing additional financial and construction information to the Finance and Building Departments to both were comfortable moving forward. He said he, his staff and the other departments have worked closely with the Dzialos over the past several months and the Town now has the information it needs to move forward, pending final approval from the EDC.

Ms. Dzialo noted since they have taken occupancy of the building they have been able to get more accurate estimates of the project costs. She said the overall project costs are similar to what they originally expected, now shown to be approximately \$690,000.

Mr. Dzialo said in looking at the major code-related components of the project, that total portion of the cost actually went down, since the cost to restore operation to the elevator is now not expected to be as much as they originally thought. However, he said they misunderstood that the dollar for dollar match required by the loan program did not only include other code-related items, but other items associated with the rehabilitation as well. He said, since the code-related items are expected to be in the range of \$290,000, they are requesting the Commission increase the amount of the loan from the original \$185,000 to the maximum of \$250,000.

Ms. Dzialo said she still hopes to be open by November 1, 2019. Ms. Koehler asked if that included the café and Ms. Dzialo answered in the affirmative.

The Dzialos left the meeting and the membership discussed the merits of the request.

Mr. Carter asked what the loan request would be compared to the cost of the overall project. Mr. Anderson said the request is about 36% of the total cost and added that they did have other financing in place.

Ms. Koehler said the Commission should primarily focus on the potential economic impact of what any particular project would bring to Downtown. Mr. Phillips agreed that job generation is an important part of this and other applications.

There was some discussion about what other potential projects were in the pipeline given that the total loan pool is \$750,000. Mr. Anderson said he had various conversations but at this point his office has received no other applications. The Commission agreed it was difficult to predict what proposals might come forth and the fact this is the first one makes it challenging to know how much of the loan pool should be used for this project. Ms. Kohler noted the Commission can only act on what they know which at this point in time, is the application in front of them.

Mr. Carter suggested limiting loans to no more than 30% of a total project cost. He noted rehabilitation some other prominent Downtown buildings could cost well more than this project.

After discussion the Commission expressed comfort with keeping loans at or below 30% of a given project cost. In this case, there was consensus that the location, use and impact of the

project warranted an increase in the loan to \$200,000, which is under 30% of the project cost and leaves \$550,000 in the loan pool.

Mr. Lindsay moved to approve a Downtown Loan in the amount of \$200,000 for the Firestone Art Studio and Café. Mr. Deffenbaugh seconded and all members voted in favor.

Report of the Planning and Economic Development Director

Mr. Anderson reported that the Winstanley Company received Planning and Zoning approval earlier in the week for its plan to rehabilitate the two million sf former JC Penny Distribution Center into a three tenant space. He said Winstanley is in the process of signing a lease for one million sf and needed approval to construct 26 new loading docks for that one tenant. The company has not been announced but is well known and will be bringing up to 700 employees over three shifts. Winstanley is investing over \$40 million into the building.

Urban Lodge Brewing Company is open Downtown and other businesses have reported a spike in business when UL is open. Lucky Taco will be opening a takeout space in another Purnell Place building, adjacent to the Urban Lodge patio. The strung lights are up on Purnell Place and the Mural of 901-903 Main has been completed. A custom dressmaker will be moving into the former Eleganza Moda space.

Mr. Anderson said the Town continues to work on a development agreement with the developer of the Broad Street Parkade. The developer's architects and engineers have been in touch and are currently working on the master site plan.

Ms. Koehler made a motion to adjourn. Mr. Deffenbaugh seconded the motion and all members voted in favor.

Adjournment

The meeting adjourned at 8:59 am.