

**REDEVELOPMENT AGENCY  
MEETING MINUTES  
JUNE 2, 2016 – 7:30 A.M.  
LINCOLN CENTER HEARING ROOM**

Members Present: Robert Schneider, Vice-Chair; Terry Bogli, Secretary; Michael Darby, Gary Sweet, Michael Farina, Louis Spadaccini, Steve Carter, Stephanie Knybel

Members Absent: Timothy Devanney, Chair; Aaron Ansaldi, Tricia McMann, Aaron Wlochowski, Jim Williams

Also Present: Mark Pellegrini, Director of Planning & Economic Development; Kyle Shiel, Senior Planner; Katie Williford, Administrative Secretary

Adoption of Minutes of May 19, 2016

Mr. Sweet moved to adopt the minutes of May 19, 2016 as written. Ms. Knybel seconded the motion and all members voted in favor except for Mr. Schneider, who abstained.

Discussion of possible financial incentives related to the Broad Street redevelopment project

Mr. Pellegrini said the adopted Redevelopment plan included a list of available financial tools that might be used as the project moves into the development phase. He said Mr. Farina was interested in having a formally adopted package of incentives that LiveWorkLearnPlay could provide. Any such package would have to be approved by the Board of Directors since the Board has the statutory authority to provide the incentives, Mr. Pellegrini said.

Mr. Farina said formalizing available financial incentives is item D of Step 1 of the Redevelopment Plan, and noted that Mr. Reim of LWLP had said a formalized package would help attract a developer.

Ms. Bogli asked what incentives are generally used. Mr. Pellegrini reviewed the possible financing tools. The first three are types of bond or borrowing. A general obligation bond is issued by the Board and the bonds are repaid from real property taxes, he said. The Town borrows money for the purpose of helping fund the project and all the taxpayers repay it, Mr. Pellegrini said.

In a revenue bond, money would be borrowed and the money to repay the bond would come from the revenues of the project, Mr. Pellegrini said. Mr. Darby noted that the classic example would be a bridge with tolls that pay the bonds, but this project wouldn't have an income stream other than taxes or rent. Mr. Pellegrini noted revenue bonds involve some risk and are more expensive than general obligation bonds.

In a tax increment finance (TIF) bond, the difference in revenues from predevelopment and post-development land values is pledged to pay the bond, he said. The Town may not get tax money

into its general fund because increased tax revenue from the project would go directly to pay off the TIF revenue bond. Once the bonds are paid the revenue goes to the Town.

Mr. Darby asked if this was what the Town did with the mall, and Mr. Pellegrini replied the Town and mall developer entered into a tax assessment agreement. He explained that if there is more than \$3 million of investment in real estate, the Board can negotiate an assessed value for a property and use that value for up to seven years. The Town typically doesn't reduce property taxes. The developer doesn't pay any real estate taxes or pays based on the agreed upon value. Mr. Pellegrini said state statutes allow different kinds of tax agreements but usually the Town mostly uses real estate tax agreements, and sometimes personal property tax agreements.

There are also federal and state grants, Mr. Pellegrini said. Grants are often categorical, for instance for housing, infrastructure, energy efficiency, etc. The Town would look for grant funds that might fill gaps in this particular project. Sometimes, Connecticut has an Urban Act Fund that goes through the legislature; there's a little more flexibility with that, but it's also more political.

There is also a tipping fee waiver program that is available in the downtown to compensate for the expense of retrofitting buildings, and theoretically the Town could reduce or cap building permit fees, Mr. Pellegrini said. He noted that it's difficult to guarantee which tools will be used without knowing what the development will need. These options are in the adopted Redevelopment Plan, but if the Agency wants to do something more formal they could ask the Board of Directors, he said. Mr. Spadaccini said he thinks it is sufficient that there is an adopted plan that outlines the options.

Ms. Bogli asked whether the Agency should ask LWLP what they had in mind or are accustomed to seeing. Mr. Farina said he thought the Agency should ask LWLP for clarity on what type of information on financial incentives would be helpful. He felt these options needed to be formalized more than what was in the Redevelopment Plan. He suggested asking LWLP what they need formalized from the Agency, then meeting with the Board of Directors to formalize it.

Mr. Darby said the Board would probably not want to commit to formalize anything without more details on a prospective development. Mr. Carter said it was sufficient for LWLP to have a list of the incentives the Town would be willing to consider, but to Mr. Farina's point the Agency could say which options if any are not available.

Ms. Knybel noted there must have been incentives for the projects in Storrs and New Haven, so it might be possible to look at those projects to see what other developers have asked. Mr. Pellegrini said he expected it would be some combination of the things state law allows. Every municipality or redevelopment agency in Connecticut has access to these financial tools. For the developer, it usually comes down to what they can finance, how much equity they can secure, and what financing they may need to fill a financing gap to make a project marketable. The Town would look at how any Town incentives would be repaid and the long term benefits of the Town's investment. Mr. Sweet said it was LWLP's obligation to research non-municipal options

and Mr. Pellegrini replied he thought they would do that. The Town may not be the biggest financial participant but it may be the contribution that closes the deal, Mr. Pellegrini said.

Mr. Schneider said the Agency should tell LWLP they discussed these tools and were open to assist in using incentives to help with development.

#### Discussion of possible grants related to the Broad Street redevelopment project

Mr. Farina said there are sources of bond money at federal and state levels and the Agency needs to know what they are for and how to apply for them. He said he thought the Agency was missing opportunities for funding. Mr. Darby said he thought the only project the Agency might be in a position to apply for would be for the greenway or park expansion. He said the type and amount of real estate development itself is not determined.

Mr. Schneider asked if there are Town staff who specialize in grant writing who could speak to the Agency. Mr. Pellegrini said each department pursues its own grant funds for specific projects in their area of responsibility. Mr. Pellegrini said the Agency would need a plan and strategy for a project that matches a grant's requirements and application timing.

Mr. Darby asked how the Agency could be proactive about grants. Mr. Sweet asked whether it would make sense to invite Senator Cassano to address the Agency or have his staff research available funds. Ms. Bogli suggested having someone make a presentation about how to apply for grants. Mr. Darby said the Agency should give Mr. Cassano some time to look into it first. Mr. Farina suggested asking Town staff to identify grant opportunities, apply for funds, and then contact legislators at the state and local level when appropriate to help get those funds.

Mr. Pellegrini said he would rather know what the Agency wants to do and then look for funds for that. There are many grant programs on the books, he said, but we need to know what the project is. He noted that members had mentioned the greenway and park planning. Mr. Schneider asked if there are grants available for the demolition for the restaurant. Ms. Bogli said it may be too late for that. Mr. Spadaccini said he didn't mind identifying projects, but state legislators would want to know what is a priority for the Town governing body and not only the Agency, so the Board has to be involved. Mr. Schneider said that if legislators know what the Agency is looking for, when they hear about opportunities they may think of Manchester.

Mr. Darby said the project that is the most likely to be grant-ready the most quickly is the greenway. He suggested seeing if the directors are interested in that, then talking to the legislators.

Mr. Schneider asked if there is an online list of available state grants, and Mr. Pellegrini said state departments have information on their websites. Mr. Farina asked if staff could look at what is available for parks and greenways, and Mr. Pellegrini said they could.

#### Status update on the Broad Street redevelopment project

Mr. Pellegrini said TRC Environmental was hired to conduct the hazardous material assessment on 363 Broad Street and the results should be delivered before the end of June. Then the demolition specifications will be written and the Town will advertise for the demolition. There is a contract with Fuss & O'Neill for the design and specifications for the park entrance, and Engineering is ready to work on that project with them. Mr. Schneider asked if the equipment from inside the restaurant was auctioned off yet, and Mr. Shiel replied that General Services was working on a request for proposals to be issued soon. Ms. Bogli said now that Ollie's is open, the parking lot for the restaurant is packed with cars for the other store. Ms. Knybel noted that that was during the grand opening.

Ms. Knybel asked if the soil from the Bennet site had been cleared from the Parkade. Mr. Pellegrini said it will be a continuous process. It will be there about a year, but the site is used as needed so the soil will come and go.

Ms. Knybel noted that traffic still goes through the Parkade and cars are sometimes parked there late at night. She asked what the Town's liability would be if someone fell in one of the holes on the site, since there are no signs saying no trespassing or no vehicles. Mr. Pellegrini said signs could be posted. Mr. Darby suggested the area should be chained off, and Mr. Pellegrini replied that people cut chains off and take them.

#### Other Business

There was discussion about the Agency's meeting schedule. Given the status of the projects it was agreed the Agency would regularly meet the first Thursday of the month, and the third Thursday as needed. Mr. Schneider asked when LWLP would be able to attend a meeting. Mr. Pellegrini said he inquired but he would contact LWLP and let the Agency know which meeting LWLP could attend.

#### Adjournment

Mr. Sweet moved to adjourn. Ms. Knybel seconded and all members voted in favor. The meeting adjourned at 8:28 a.m.