



TOWN OF HAMDEN, CONNECTICUT
Economic & Community Development Department
2750 Dixwell Avenue
Hamden, Connecticut 06518

Dale Kroop, Director

Town of Hamden
Economic Development Commission

**Minutes of the Meeting of Tuesday, April 9, 2013, in the Third Floor Conference Room,
Hamden Government Center, 2750 Dixwell Avenue, at 5:30PM**

Commissioners in Attendance: Mr. Diaz, Mr. DelGrego, Mr. Zambrano, Mr. Rolnick, Ms. Giannini, Ms. Borrelli, Mr. Moses, Ms. Gretencord, Mr. DeNicola

Commissioners Excused: Mr. Inzero

Others in Attendance: Mr. Kroop, Economic Development Director
Mr. Pearce, Business Assistance Center
Mr. Harris, CT Community Investment Corp.
Ms. Tobin, Commission Clerk

1. Call to order

Mr. Zambrano called the meeting to order at 5:32 p.m. He introduced new commissioner Rachel Gretencord. Ms. Gretencord is the Director of Real Estate at the Connecticut Real Estate Center. Her previous experience is in real estate finance and acquisitions.

2. Reading and Approval of minutes from the previous Meeting

Mr. DelGrego made a motion to approve the minutes of the March 12, 2013 meeting. Mr. Rolnick seconded the motion. The vote was unanimous in favor.

3. Speakers: SBA Financing and Technical Assistance
Dennis Brown: CT Community Investment Corporation
Richard Pearce: Hamden Business Assistance Center

Buck Harris filled in for Dennis Brown and described the loan programs being offered by the CT Community Investment Corporation.

They are an intermediary that helps small businesses. They fund a micro loan program up to \$50,000 at 8.1%, amortized over 5 years. This is a nice program for start-ups and small businesses with standards that are lower than a bank. They like people with some cash to put in, decent credit, and some collateral for larger loans.

CTCIC also underwrites some loan programs for the Department of Economic and Community Development. They have written 25-30 loans on their behalf at 4%, amortized over 10 years. These

loans have a loan forgiveness component if they create jobs. Applicants can get up to one half of their loan forgiven depending on how many jobs are created, amounting to about \$10,000 per job with up to a year to create the job, and the job must last for a minimum of one year. The grant program monies have dried up.

Mr. DelGrego asked if there is a vehicle for returning veterans and disabled veterans to start a business. Mr. Harris said there are not. Mr. Harris also works with the DECD program. There are Economic Development Authority funds for New Haven and the Naugatuck Valley. The 504 loan program for acquisition of assets is good for manufacturing. Loan amounts are from \$200,000 to \$5 million. The property must be 51% owner occupied.

Mr. Zambrano asked what percent of Hamden business does CTCIC loan to. Mr. Harris said they have 80 loans state wide, and two that he knows of in Hamden. They are borrowing the money and then re-lending it, so the requirements are strict.

Mr. Kroop said regarding disaster relief, we are still waiting for Sandy relief, then the blizzard relief. They are still working on an earlier storm.

Mr. Harris has to make sure the applicant has a business plan and a business model. They have held round tables for child care and restaurant businesses, to help them be as successful as possible.

Mr. Kroop said he had lunch with a banker today and he was surprised at how many programs we have. Mr. Kroop tries to keep information up to date on the web site.

Mr. Pearce provides technical assistance, which he defined as of or relating to some particular art, science or trade pertaining to a specialized knowledge or skill. As Mr. Kroop pointed out, many small business people are not aware of the assets that we have in the state, greater New Haven and Hamden to assist with their challenges.

Mr. Pearce said the Business Assistance Center (BAC) has been around for around 7 years, and was formed as an initiative of this commission. They originally thought they would be a reference point determining need and referring people to others. Many times interviews showed the applicant what they had to be prepared. He has worked with over 200 businesses over the years. Now, instead of a referral source, he does anything he can to assist clients in the formation of the business, writing a business plan, marketing plans, budget, cash flow, profit and loss etc. The first line of defense for the Town's micro loan product is reviewing the business plan. He has a template gleaned from various sources that the client can use to help write a business plan. We do not write the business plan.

Mr. Pearce said he finds it very rewarding getting clients from the idea phase to an open business. If Mr. Pearce can't help a client, he is familiar with a vast network that he can refer people to. The micro loan program is at the Wall Street Journal prime rate with five years to repay. Guarantees, collateral and cash flow are required.

Mr. Kroop will send Mr. Pearce out to businesses that are having problems, and he finds that many of them don't have a business plan. We give them the template. The business plan serves as a road map.

The BAC works with Hamden residents, Hamden businesses, and people who want to open their business in Hamden.

Mr. Zambrano thanked Mr. Harris and Mr. Pearce for their presentations. Mr. Kroop said we had an article on Hamden's low vacancy rates in most of the weekly papers. The Register did a synopsis of the article. The report shows that we have very little vacant commercial property in Hamden. We are gearing up to get small businesses out of their garages, and get spaces for them to move to.

4. Report of the Director

Budget – Mr. Kroop Distributed a copy of the commission's budget. He said the Town set aside money a long time ago for our programs. We present a long range plan every few years and each year we calculate the funds. The second page shows grants that are encumbered and not yet paid out. Applicants are either under construction or getting ready to be completed. We will probably will put DeMil's dollars back in the pot because they are not providing the Town with the required paper work. Campus Customs might not take their money. They have a retail store and might be serving some food. It could be that they will bring in some food. Other applicants are in various stages. There is \$28,000 encumbered until we say otherwise. We have \$115,000 available for use by other companies. We have \$367,000 available for the services of Mr. Pearce and the BAC, collecting interest and unencumbered.

Mr. Kroop said the BAC education series is running for the next few weeks and will end on May 1st. There were 12 people at the last one, and more are expected at the next one, which is on business planning. Next month we have Steve Diaz, and we hope to feature health care providers.

The C-Pace presentation last month was well attended and everyone enjoyed it. The Legislative Council has to pass a resolution to adopt C-Pace. He will put it before the Council after the budget is finalized. Three more towns have approved the adoption of C-Pace. We have to get Ms. Bailey of CEFIA together with our tax collector to get the presentation organized.

Mr. Kroop mentioned that budget deliberations are ongoing. We have a 25 hour position for Town related activities in the Economic Development Office. He also mentioned that a portion of his salary is from grants. In this fiscal year, he will be able to cover his salary, but might not be able to next year. He has a contract with the Town, so he will receive his salary, even if he is unable to come up with enough grant money. The Mayor's recommended budget is on line.

The Chamber Business Expo will take place on Saturday, April 13th from 11:00 a.m. To 4:00 p.m. Mr. Kroop will be there all day. Mr. Diaz said they have 90 vendors signed up for this event.

Mr. Kroop said the Town is having interviews for consultants to evaluate the environmental conditions of the old Middle School and also look at demolition costs so the Town can make an educated decision on what to do with the property. Interviews took place, a selection has been made, and contracts are being prepared. PCBs double the price of remediation if they are found. The cost to keep the building the way it is now is low, because the boilers have been drained and everything has been shut down. Previously it cost an estimated quarter million dollars per year. The Town hopes to get the study done by 7/1/13.

The Corporation is working on the business incubator, and working with the state delegation to fund the project.

Mr. Kroop said in the last two weeks, he has heard about the likelihood of a restaurant proposal next to Bed Bath & Beyond, which is now a vacant lot. This would involve some traffic changes.

Today Mr. Kroop saw that Bob Landino's Centerplan purchased the property at the corner of Mather Street and Dixwell Avenue and has closed on it. It was purchased for about what the former owner paid for it. The property goes back almost to the edge of the trail. Some environmental remediation was done on the property, but it was not completed. He also saw something on 100 Skiff Street and the old Dixwell Theater. We still have the Himmel Brothers site and a few others. There is also the 320 apartment development which has been approved by P&Z for the Leonard Concrete site. Mr. Kroop is also working with several other companies in Town that want to expand.

Ms. Borrelli said Hamden has been selected along with Waterbury to participate in a pilot program with the gas and electric providers do to some efficiency retrofits. This program will be promoted in June and run through September for both residential and commercial properties. The Town will be going out for an RFP. Ms. Borrelli said this will be a collaborative approach. An energy efficiency audit will be done to determine what upgrades should be made. This will be a grass roots community effort, and they will work with the Energy Use and Climate Change Commission and a marketing firm. This is part of the Clean Energy Communities Program of United Illuminating.

Mr. Kroop reported that regarding the loans, one is way behind, one is 30-60 days behind, and one other is working very hard now making double and triple payments to catch up, but is still several months behind.

5. Old Business:

6. New Business:

7. Project Updates: Redevelopment, Openings, Etc.

8. Adjournment

Mr. DeNicola made a motion to adjourn. Mr. Diaz seconded the motion. The vote was unanimous in favor. The meeting adjourned at 6:35 p.m.

Submitted by: _____
Gerry Tobin, Commission Clerk

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