



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

Dale Kroop, Director

MINUTES: The Economic Development Commission, Town of Hamden, held a Regular Meeting on Tuesday, March 11, 2014 at 5:30 p.m. in the third floor conference room, Hamden Government Center. The following issues were discussed:

Commissioners in Attendance: Attorney Rolnick, Mr. Sachetti, Mr. DelGrego, Mr. Zambrano, Mr. DeNicola, Mr. Moses

Commissioners Excused: Mr. Inzero, Ms. Gretencord

Commissioners Absent: Ms. Borrelli, Mr. Diaz, Ms. Giannini

Others in Attendance: Brendan Sharkey, Dan Liston, Barbara Cooper, Frank Cooper, Joe Sekelsky

1. Call to order

Mr. Sachetti called the meeting to order at 6:15 p.m.

2. Reading and Approval of minutes of the Meeting of February 11, 2014

Mr. Zambrano made a motion to approve the minutes of the February 11, 2014 meeting. Mr. DelGrego seconded the motion. The vote was five in favor, one abstained.

3. Speaker Series

Operation Fuel – Energy Incentives for Small Businesses

Julian Freund of Operation Fuel addressed the commissioners and guests. Operation Fuel is a non-profit based in Bloomfield, CT, and operates state wide. They have been providing energy assistance for low income households throughout the state for forty years. More recently a new program was added specifically to help small businesses. Project Best in its current form is a new program designed to help small businesses lower their energy costs. Mr. Freund distributed a packet of information. On page two there is a graph that shows how much energy costs in Connecticut exceed national averages. The information was pulled from a report by the National Renewable Energy Laboratory. Operation Fuel offers energy efficiency opportunities for small buildings/small businesses and works with anything below 50,000 square feet, mostly buildings of 8,000 square feet or smaller, which account for 40% of all energy use in the nation, and could provide a savings of \$30,000,000,000 annually nationally. There are various kinds of small businesses and they vary dramatically in how they use energy, as shown in the graphs in the handout.

Mr. Freund mentioned three options for reducing energy costs: generate your own power; switch to a provider that will sell it for less; and use less. In Connecticut Energize Connecticut provides numerous programs for businesses and information can be found on their website www.energizect.com. You can

navigate by type of customer, etc. and there are dozens of programs under businesses, one specifically for small businesses linked to utility companies is Small Business Energy Advantage. Small businesses are defined as having a monthly energy bill of \$20,000 or less. This program is administered by utility companies and provides a free energy assessment, pays incentives for energy efficiency measures and provides a turnkey service. The utility company does the assessment and assigns a contractor chosen through the RFP process. Project Best provides a free energy assessment, a \$250 credit on utility bills, and up to \$1,000 toward the cost of any energy efficient upgrades implemented. There is a low interest loan available through the SBEA if the business qualifies. Several slides showing a test case on pizza restaurant appear on pages 8 and 9 of the handout. The process for Project Best is shown on Page 10.

There have been a variety of projects but the highest one they have worked on was a \$30,000 project. Most are in the \$2-5,000 range. C-PACE is a program for larger businesses because the lien on the property allows a much longer loan repayment schedule. \$100,000 is approximately the minimum size project for C-PACE.

A guest asked about why natural gas is so expensive in Connecticut. Mr. Zambrano said it has to do with pipeline capacity. There are no alternative providers that we are aware of. Mr. DeNicola mentioned a company out of Texas that used to sell gas for a reduced fee. Mr. Kroop will follow up on that. Energize CT has alternative energy providers for electricity.

Mr. Kroop feels this is the missing link for small businesses. We heard about C-PACE for larger projects. Mr. Kroop said on the commission's web site, there is a graphic light bulb and when you click on that you can find information on these programs. He also mentioned that at the press of a button, he can send information to 2500 businesses, and he would like to have Mr. Freund's slides available.

Mr. Sharkey said in his private life he is doing business with ECHO, a division of Energy New England. They do larger scale projects. He said if a building or business owner has any kind of HVAC project, and includes lighting upgrade in the project, they will fold it in to a single package and the project will be eligible for benefits. They won't give the benefits if the upgrades are just for HVAC.

C-PACE is starting to entertain projects in the \$80-150,000 range, not \$150,000 and over as they originally discussed. A C-PACE project is coming for the YMCA building.

Mr. Freund does not project the tax advantages of these projects. Mr. Kroop said some energy improvements are tax exempt, there are federal tax rebates. Mr. Liston asked if we are doing a forum on C-PACE. Mr. Kroop said he is thinking of having an energy panel representing various size projects at a meeting in the fall. Mr. Liston said vetting the contractor is sometimes a problem for small businesses and he asked if the town tracks any of his clients experiences with the contractors. Mr. Freund said he is just now putting out a questionnaire to his clients regarding their projects including the contractors.

Mr. Sekelsky said he had a successful project in North Haven and lowered his electric bill by more than the cost of the loan, and did not have to change any light bulb for three years. He tried to do a program in his current building, and only had one quote, but he felt the program was wrong, He felt it would be nice to have a choice of two vendors.

Mr. Cooper said he had a new HVAC system installed in his condo and out of probably twenty vendors, he only had one vendor that was able to explain the benefits. Mr. DelGrego said that before you put in a new HVAC system, the vendor should do a heat loss study.

Mr. Liston asked if Operation Fuel does long term evaluation of the energy savings. Mr. Freund replied that he hasn't figured out exactly how he will do it, but he hopes to.

Mr. Kroop asked since all businesses are different, what is the average time between the assessment, the full proposal and work completion. Mr. Freund estimated a three month process, depending on what they are doing. Mrs. Cooper said when you get down to the field level of this, some small businesses would need some hand holding to go through the process. Mr. Freund said time is more of a barrier for business owners than costs.

Mr. Sachetti thanked Mr. Freund for his presentation.

4. Report of the Director

5. Old Businesses

6. New Businesses

Attorney Renee Bauer, purchased a building on Whitney Avenue across the street from the Glenwood for her law practice a few years ago. Her practice has grown, and she wants to purchase the building next door and build a walkway from one building to the next. She has already had some feedback from the Town's building department indicating that this is possible. Ms. Bauer plans to invest \$175,000 over the cost of the purchase of the building, and has to go through the normal building and zoning processes. Mr. Kroop recommends a small tax abatement for three years, a small grant and the usual 50% permit waiver, as approved by the incentive committee, providing everything works out.

Mr. Rolnick made a motion to approve a \$3,000 property improvement grant, a tax abatement on the increased assessment for a three year period of 50%, 40%, 30% consecutively, and a 50% waiver of permit fees not including plumbing, electric and HVAC. Mr. DeNicola seconded the motion. The vote was five in favor, one abstention.

7. Project Updates: Redevelopment, Openings, Etc.

- Mr. Kroop mentioned that the Business Expo is coming up on April 16th. It will take place at the sports facility on Sherman Avenue on Wednesday, April 16th from 12:30 to 4:30. Mr. Kroop will be out of the Country, but Richard Pearce, Ms. Regan from his office and Mr. Marchand will be at the table. Mr. Kroop invited commissioners to attend and he will make up a coverage schedule based on how many commissioners will be there. There will also be a job expo somewhere in the building, and then a Business After Hours. Mr. Kroop is hosting a Health Care Cluster at Whitney Manor next Thursday, March 20th at 8:30 a.m.
- Ibiza in New Haven has closed and the Hamden location will close. This is surprising because the Hamden location was always very busy. There were some family issues and an issue with the landlord in New Haven.

- One of our guests tonight works for Taylor Freezer, which is owned by United Technologies. They make the machines that serve soft serve ice cream. They have 85% of the world market. The Hamden location on Welton Street is a repair and distribution shop.
- There is no news on the Stop & Shop Putnam Avenue site. Rumors abound. The Stop & Shop lease on the property expired in February. There are more stores closing at the site. He doesn't know what the plan is.
- Stop & Shop's lease on the Hamden Mart Toys R Us site goes to 2017.
- Mr. Kroop asked if commissioners received his electronic newsletter and they had.
- Regarding the old middle school, Mr. Kroop finally has permission to put out an RFP. Mayor Jackson directed him to be as flexible as possible. There will be a mandatory walk through for developers near the end of April.
- Mr. Sachetti asked about budget process. Mr. Kroop said there will be a public hearing for the Board of Education and Town wide budget coming up at the end of March for public input. His guess is it will be the usual situation. He is still having issues with his budget for his administrative help.
- Mr. Kroop has no information on the purchase of the building at the corner of Colonial Drive and Whitney Avenue (nail salon and tobacco shop).
- Best Video is consolidating its space. They sold the building but will remain a tenant. The barber shop signed a lease with the new owner, a travel agent who will occupy a small space. Best's coffee shop will move to the side of their space next door to the barber shop.
- The building at the corner of Dixwell and George, formerly electronic parts, will become a fusion restaurant.
- The Centerville lumber site will become the location of a boutique hotel. The developer has to build the front building before they build the hotel.
- The Jack Miller Buick space will become another restaurant that will bring in major traffic and will require the relocation of several driveways and a traffic light.
- The SBC site has been sold.
- Financial Report - Clean Gear has paid off 100% of their loan plus late and legal fees. Page 2 shows that we took back the Rite Quote grant and put the funds back in the pool. They did not spend any where near what they originally proposed. The report shows \$419,655 available for loans and accounts receivable of \$51,854.
- Mr. Kroop distributed a report put out by CB Richard Ellis showing Hamden's vacancy rates compared to other towns in the region. Hamden's vacancy rate is 5.58%. compared to an average of 13.66% in the region. He has asked for a breakdown of industrial vs. office space. Hamden's vacancy rate is one half to one third of that of neighboring towns. We have to create more space to grow our tax base. Mr. Kroop will do a press release on this subject.
- Mr. Kroop is hosting our first 2014 cluster meeting on Thursday, March 20th in conjunction with the Hamden Regional Chamber of Commerce. It is a health care cluster and will take place from 8:30 to 10:00 a.m. At Whitney Manor on Whitney Avenue. He will talk about incentives and energy upgrade programs. C-PACE which was just approved by the Legislative Council, provides resources for energy opportunities and consultants. Health care is the fastest growing business in Hamden. He will schedule more clusters in the spring, probably real estate etc.
- The revised Economic Development Ordinance will go before the Legislative Council in May or June for approval of the statutory changes. This leads to the beginning of our discussion on

the Commission's long range plan. Our current plan ends on 12/31/14. How we use our money is the goal of the plan.

- For our April meeting, our speaker will be on community mediation. This will be a great presentation. At our May meeting we will have a panel of three people on how to prepare for a bank loan. We will take a break for the summer and schedule other speakers in the fall.

8. Adjournment

Mr. Zambrano made a motion to adjourn. Mr. Zambrano seconded the motion. The vote was unanimous in favor. The meeting adjourned at 6:55 p.m.

Submitted by: _____
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