

**Town of Stonington**  
**Economic Development Commission**  
Regular Meeting Minutes, February 17, 2016 7:00pm

**Present:** Blunt White, David Hammond, Rick Balestracci, Virginia Abernathy, Joel Valenti, Edward Planeta, Danielle Chesebrough, Suzanne Lane and Pete Robinson  
**Guests:** SHS students; Marsha Standish, Director of Assessment; Jason Vincent, Director of Planning.

**Meeting Called to Order:** 7:17pm.

**Approval of Prior Minutes**

**Motion:** Blunt White      **Second:** Rich Balestracci      All in favor

**Business**

**Review Grand List Metrics:** Marsha Standish, Director of Assessment for the Town of Stonington, reviewed the town's Grand List and its components. Discussion included looking at Grand List growth, which has been weak for past 5 years (less than 1%) and the factors that may be contributors to the weak growth. Parts of the Grand List include business personal property owned by about 1,500 businesses and manufacturing equipment owned by about 50 businesses. Discussed how the Mill Rate is calculated (Numerator is Net Expenditures to be Raised by Taxes divided by Denominator of Net Taxable Grand List). Stonington has a low Mill Rate when compared to other CT towns (and a low tax rate compared to other towns... each town is a fiscal experiment). EDC's chart titled: Grand List, Town Budget and Mill Rate Analysis 7/20/2015 was used as a guide for the discussion. See link below, chart also attached.

[http://www.stonington-ct.gov/sites/stoningtonct/files/file/file/historical\\_grand\\_list\\_and\\_mill\\_rate\\_analysis\\_7-20-2015.pdf](http://www.stonington-ct.gov/sites/stoningtonct/files/file/file/historical_grand_list_and_mill_rate_analysis_7-20-2015.pdf)

Jason Vincent, Director of Planning, illustrated and explained components of planning that go into expanding the Grand List. He explained that commercially zoned land can only be partially built out due to Floor Area Ratio's that average about 30% of a lot's actual area.

**Review of Personal Property Declaration Form and Manufacturing Machinery and Equipment (MM&E) Exemption Form:** The Grand List includes personal property owned by businesses (taxed). EDC reviewed the forms which must be completed and filed annually by all businesses for personal property and MM&E. Penalties of 25% of the assessment are added if the form is not filed by November 1 or if it is unsigned or incomplete. MM&E property owned by manufacturers that is

depreciated over 5 and 7 years are exempt from local taxes per CGS. All businesses must report their personal property and MM&E annually to the Assessor. Short lived MM&E assets (3 years or less) and long lived MM&E assets (10 years and over) are subject to property tax. EDC is continually looking for ways to help businesses grow and will look at Town lists of owners of Personal Property/MM&E for business outreach contacts.

Marsh Standish described her Department's efforts to find and catalog every dollar change in the Grand List so the Town can collect property taxes of over \$54,000,000 per year (4 people in her department). This includes site visits to assess values of real estate and personal property and phone calls to correct any information that is missing or has been reported incorrectly on thousands of individual accounts. Her department also monitors any unpermitted construction to make sure all property is valued. The Assessor's department also handles billing and collections for 11 fire districts. When determining its Mill Rate, Stonington uses a 98% collection factor. Amounts collected above 98% become a budget surplus and flow into the General Fund.

Subsequent to the EDC meeting Marsha Standish supplied a worksheet detailing information that covered at the meeting, components of the Taxable Grand List as of 10/1/2014 (attached). The total value of Taxable Property was \$2,645,521,493 (at 70% of appraised value). Consumer type property totals 82% and Commercial type property totals 18%.

Residential - 74%  
Commercial and Industrial - 14%  
Motor Vehicles - 5%  
Business Personal Property - 4%  
Land - 3%

The total value of Tax Exempt Property at 10/1/2014 was \$214,612,219.

The total value of all property cataloged by the Assessor as of 10/1/2014 was \$2,860,133,712 (at 70% of appraised value) of which tax exempt property was 8%.

Marsha Standish and her department are in the final stages of totaling the Grand List as of 10/1/2015. This information will be released in late February. All CT towns determine the Grand List as of 10/1 and release the information in February. The number is important because it becomes the denominator for determining Mill Rates in each CT town. Year over year growth of each town's Grand List allows spending increases to be spread over a larger tax base.

**Discussion on new Buffer Requirements in LS-5, DB-5, M-1 and CS-5 Zones:**  
EDC discussed the decline by ZBA to approve a variance request to Buffer requirements for a microbrewery at 40 Washington Street in Mystic. EDC discussed

and determined that the buffer requirements for LS-5, DB-5, M-1 and CS-5 are too onerous and conflict with POCD objectives to grow and enhance Village Districts.

In hindsight, EDC should have held a public hearing for the microbrewery request so issues/concerns could've been discussed and addressed between the owner and neighbors ahead of ZBA and PZC hearings. Going forward this practice would add value and produce better outcomes.

**EDC to draft a recommendation letter to PZC regarding new Buffer language for LS-5, DB-5, M-1 and CS-5 zones. Letter to be sent prior to the next PZC meeting.**

**Motion:** Blunt White      **Second:** David Hammond    All in favor

**Breweries - M1 Zoning:** PZC is working on determining the hearing date for application PZ-1603RA which would allow Breweries in M-1 zones to offer on-site consumption. Previously March 15 now looking like April 5. EDC will follow-up and firm up hearing date. At the present time there does not appear to be any opposition.

**Monsanto:** follow-up to EDC's letter to PZC dated January 29. EDC did not present the letter at February PZC meetings but will present it at their next meeting on March 15. EDC's presentation will suggest PZC form a sub-committee that would roll up to PZC. A sub-committee would show potential purchasers that the town is interested in reducing approval risk. The sub-committee could be populated by members of Planning and Zoning and or EDC, etc. Goal increase property tax revenue from the property from current \$103,000 to over \$200,000, see attached worksheet.

**Web presence:** Averaging 800 views for posts on EDC Facebook page. Joel Valenti will keep adding new posts and EDC members are encouraged to send newsworthy links to Joel so he can post. Webpage on Town site has not been updated recently. Danielle suggested that State of CT links and Business Guide be updated once a year. Joel will check on updating information. Blunt will circulate some new historical Grand List and Budget charts for comment (General Government and Education Budgets), if satisfactory, Joel will send to Roger Keiser so they can be uploaded.

**Flood Hazard Initiative update:** EDC hosted a meeting on February 2 (no quorum, attended by EDC members Blunt White and Rich Balestracci,) with the First Selectman, Jason Vincent, Clint Brown and Mike Scanlon (civil engineers, DeCesare Bentley), Wayne Green, senior Building Official, Scott Deledda, Town Engineer and Flood Plane Manager and John Prue, PZC Chair. Stonington was recently awarded a planning grant of \$150,000 for studying resiliency to flood. The Planning Department agreed to allocate a portion of the Grant for 5 case studies of properties to determine rebuilding timelines in the event of "Substantial Damage" in excess of 50% (the FEMA trigger for bringing into compliance; residential rebuilding with

first floor heights at 1' above the BFE and commercial structures, flood proofing). An objective is to determine what regulatory constraints could significantly delay rebuilding (if constraints are identified then EDC would recommend they be changed). If a significant number of buildings can't be rebuilt how would this affect the Grand List? Consider key elements of the economic infrastructure, village areas, Mystic CVS and major employers. The case study approach would develop 5 individual property scenarios and provide recommendations.

**POCD Implementation Committee:** David Hammond POCD liaison, reviewed EDC Program Activity Matrix. POCD Implementation Committee is scheduled to meet on March 7. EDC is the lead on certain tasks. Dave will request a review by the POCD Committee of their recently determined priorities (set at their last meeting) in which EDC recommendations of High were reduced to Low. For example, addressing the Aquarium's zoning issues should be moved from 'Low' back to 'High' priority.

Discussed POCD Task #10.4.3 create a regional tourism master plan. EDC feels an organized and well planned master plan would define our branding as a destination. It could better connect businesses as cohesive part of the destination serving to increasing their foot traffic (more revenue). Connect the paths of businesses and attractions so tourists can arrive and know where to go to get the whole experience. This idea is a work in process and will be addressed in future meetings.

**Adjourn**

Motion: Ed Planeta                      Second: Joel Valentia                      All in favor

**Attachments:**

- 1) Chart - Grand List, Town Budget and Mill Rate Analysis 7/20/2015.
- 2) Assessors Worksheet - 2014 Taxable.
- 3) Monsanto property - Worksheet, How to Generate Property Tax Revenue in excess of \$200,000.

Approved 3/16/2016  
Blair White, EDC chair

**GRAND LIST, TOWN BUDGET AND MILL RATE - ANALYSIS 7/20/2015**  
 Southington Economic Development Commission (Source: Town Budget Books)

JUNE 30 FISCAL YEAR	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
(A) NET TAXABLE GRAND LIST (1)	1,949,453,093	2,009,570,429	2,065,162,895	2,094,863,269	3,027,046,013	3,068,858,271	3,089,053,121	3,107,651,102	3,124,296,369	2,542,673,625	2,550,819,489	2,570,225,538
(B) ADOPTED EXPENDITURES - Total Spending	44,806,718	48,110,065	50,925,700	53,851,141	53,865,342	53,962,191	54,760,546	55,276,098	56,733,696	57,937,663	58,520,682	61,218,458
(C) REVENUE OTHER THAN TAXES (2)	(7,306,737)	(7,480,736)	(7,824,189)	(8,322,638)	(8,144,090)	(7,990,800)	(7,097,168)	(6,709,768)	(7,088,456)	(7,398,827)	(6,986,289)	(6,466,800)
(D) NET EXPENDITURES TO BE RAISED BY TAXES (B) minus (C)	37,499,981	40,629,329	43,101,511	45,528,503	45,721,252	46,351,391	47,653,378	48,566,330	49,645,240	50,538,785	52,124,373	54,811,658
MILL RATE (D) divided by (A)	19.24	20.22	20.87	21.73	15.10	15.10	15.43	15.63	15.89	16.88	20.43	21.32
FUND BALANCE TRANSFERS (Use of savings to support spending)	-	(100,000)	(232,000)	(393,000)	(265,522)	(312,129)	(612,597)	(830,300)	(900,000)	(1,373,000)	(230,500)	(202,400)
(1) Net Taxable Grand List - is net of assessment rate of 70% and collection rate of 98%.												
(2) Revenue Other Than Taxes - Includes State grants; solid waste fees; licenses and permits; State grants for education and Fund Balance Transfers.												
NET TAXABLE GRAND LIST DOLLAR CHANGE - Economic Growth		60,107,336	55,592,468	29,780,373	NA	41,810,258	20,194,849	18,597,981	16,645,267	NA	8,146,474	19,906,039
NET TAXABLE GRAND LIST PERCENTAGE CHANGE - Economic Growth		3.1%	2.8%	1.4%	NA	1.4%	0.7%	0.6%	0.5%	NA	0.3%	0.8%
ADOPTED EXPENDITURES - Percentage change		7.4%	5.9%	5.7%	0.8%	0.1%	1.5%	0.9%	2.6%	2.1%	1.0%	4.6%
NET EXPENDITURES TO BE RAISED BY TAXES - Dollar change		3,120,348	2,472,182	2,226,992	192,749	630,139	1,311,987	902,652	1,078,910	893,496	1,595,637	2,687,295
NET EXPENDITURES TO BE RAISED BY TAXES - Percentage change		8.3%	6.1%	5.6%	0.4%	1.4%	2.8%	1.8%	2.2%	1.8%	3.1%	5.2%
MILL RATE - CHANGE		5.1%	3.2%	4.1%	NA	0.0%	2.2%	1.3%	1.7%	NA	2.8%	4.3%

**KEY ISSUES:**

Mill Rate, how is it determined - a fraction that changes annually, numerator is Net Expenditures To Be Raised by Taxes, denominator is Net Taxable Grand List; result is multiplied by 1000.  
 Mill Rate granted in FY 2015 - to support additional spending of \$500,000, with no increase in taxes, would have required an increase in the Net Taxable Grand List of \$23,452,000 (math: \$500,000/Mill Rate of .0213%). The actual increase was \$19,906,000.  
 Benefits of Grand List Growth Outside of Revaluations - increases the denominator (economic pie) resulting in a lower Mill Rate. Grand List growth strongly correlates to budget increases.  
 Grand List Growth - over the last decade slowed substantially from a high of 3.1% (FYE 2006) to a low of 0.3% (FYE 2015). Growth was less than 1.0% in each of the last 5 years. Weak Grand List growth correlates to increased reliance on Fund Balance Transfers.  
 Fund Balance Transfers - use of savings to support current spending. Reduced from a high of \$1,973,000 in FYE 2014 to \$202,400 in FYE 2015.  
 Adopted Expenditure Increases (Total spending) - over the last 12 years have ranged from a high of 7.4% (FYE 2006) to a low of 0.0% (FYE 2009). The compound annual growth in spending over the last 10 years was 1.9%.  
 Population - over the last 10 years has been essentially unchanged at about 18,500 and is forecasted to be unchanged for the next 10 years. Without Grand List growth (economic growth), existing taxpayers will pay 100% of new spending.

10/1/2014

2014-Taxable	Residential	Gross	Exemptions	Net	%
100	\$1,930,152,160				
800	\$14,131,330	\$1,944,283,490	\$10,223,100	\$1,934,060,390	73.76%
	<b>Com/Indust</b>				
200	\$343,323,121				
300	\$28,196,000				
400	\$7,983,000	\$379,502,121	\$1,293,700	\$378,208,421	14.42%
	<b>Land</b>				
500	\$68,307,400				
600	\$1,230,070				
700	\$3,000	\$69,540,470		\$69,540,470	2.65%
Personal Property	\$108,334,351	\$108,334,351	\$10,187,117	\$98,147,234	3.74%
Motor Vehicles	\$143,861,061	\$143,861,061	\$1,547,260	\$142,313,801	5.43%
<b>Grand Totals</b>		\$2,645,521,493	\$23,251,177	\$2,622,270,316	100.00%

	Grand Lists	% of Growth
2014	\$2,622,270,316	
2013	\$2,600,089,853	
	\$22,180,463	0.85%

<b>2014-Exempt</b>					
Federal	\$1,761,700				
State of Connecticut	\$4,591,180				
Town of Stonington	\$85,594,190				
Sub-Total			\$91,947,070		
Cemeteries	\$4,384,700	\$4,384,700			
Churches	\$25,905,710	\$25,905,710			
Miscellaneous	\$327,300				
Sci, Edu, Hist, Char	\$82,927,939				
Volunteer Fire Companies	\$6,780,500				
Veterans	\$1,106,600				
General Hospital	\$1,232,400				
		\$92,374,739			
Sub-Total			\$122,665,149		
Total Exempt			\$214,612,219	gross	
Net Taxable Grand List			\$2,622,270,316	\$2,645,521,493	
Percent Compared to Net Grand List			8.18%	8.11%	

10/1/2013

2013 Taxable	Residential	Gross	Exemptions	Net	%
100	\$1,918,555,810				
800	\$14,277,830				
		\$1,932,833,640	\$10,063,330	\$1,922,770,310	73.95%
	<b>Com/Indust</b>				
200	\$341,218,921				
300	\$28,196,000				
400	\$8,115,100				
		\$377,530,021	\$1,293,700	\$376,236,321	14.47%
	<b>Land</b>				
500	\$72,360,000				
600	\$1,225,120				
700	\$6,010				
		\$73,591,130		\$73,591,130	2.83%
Personal Property	\$105,010,251	\$105,010,251	\$11,300,209	\$93,710,042	3.60%
Motor Vehicles	\$135,400,430	\$135,400,430	\$1,618,380	\$133,782,050	5.15%
Grand Totals		\$2,624,365,472	\$24,275,619	\$2,600,089,853	100.00%

	Grand Lists	% of Growth
2013	\$2,600,089,853	
2012	\$2,592,616,626	
	\$7,473,227	0.29%

<b>2013-Exempt</b>			
Federal	\$1,761,700		
State of Connecticut	\$4,591,180		
Town of Stonington	\$85,509,390		
Sub-Total			\$91,862,270
Cemeteries	\$4,384,700	\$4,384,700	
Churches	\$25,909,160	\$25,909,160	
Miscellaneous	\$327,300		
Sci, Edu, Hist, Char	\$81,804,839		
Volunteer Fire Companies	\$6,452,610		
Veterans	\$1,106,600		
General Hospital	\$1,232,400		
		\$90,923,749	
Sub-Total			\$121,217,609
Total Exempt			\$213,079,879
Net Taxable Grand List			\$2,600,089,853
Percent Compared to Net Grand List			8.20%
			gross
			\$2,624,365,472
			8.12%

**62 Maritime Drive - Monsanto, HOW TO GENERATE PROPERTY TAX REVENUE IN EXCESS OF \$200,000**

**I. Tax Card Information**

Current Gross Appraised Value	\$ 6,867,100
Adjustment of 70%	70.0%
Net Assessed Value	\$ 4,807,000
Mill Rate FYE 6/2016	0.02132
Property Tax Revenue in FYE 6/2016	<u>\$ 102,485</u>

**II. Allocation of Current Asset Values - best fit of value per sf, sum to Gross Appraised Value of \$6,867,100**

Assets	Square Feet	Value Per Square Ft.	Allocated Value
Greenhouses	33,840	38.3% \$ 64	\$ 830,399
Offices and Labs	54,418	61.7% \$ 180	\$ 6,039,536
	<u>88,258</u>	100.0%	<u>\$ 6,869,935</u>

**III. Goal - Real estate property tax revenue in excess of \$200,000 - replace Greenhouses with Class A office lab space.**

Goal - Property Tax Revenue	\$ 200,000
Divide by current Mill Rate	0.02132
Goal - Net Assessed Value	\$ 9,380,863
Adjustment to 100%	70.0%
Goal - Gross Appraised Value	\$ 13,401,233
Less - Current Gross Value without greenhouses	\$ (6,039,536)
Goal - additional improvement value	\$ 7,361,697
Value per square foot of new Class A office lab space	\$ 225
Additional square feet of building required	<u>32,719</u>

**IV. Other revenue generation information based on current Net Assessed Values**

Fire District - Old Mystic	\$ 4,807,000
Mill Rate for Fire District	0.0029
Fire District Tax Revenue - Old Mystic	<u>\$ 13,940</u>
Personal Property - Taxable	\$ 702,412
Mill Rate	0.02132
Personal Property Tax Revenue - Town	<u>\$ 14,975</u>
Personal Property - Tax Exempt (MM&E)	\$ 2,196,989