

Middletown Economic Development Advisory Committee

Wednesday, March 9, 2016, 4:30 pm
Middletown Town Hall, Town Council Chambers

Members Present:

John Bagwill
Nick Coogan
Joseph A. Cirillo
David Lepore
Robert M. Silva, Chairman
Barbara VonVillas, Town Council
Ron Wolanski, Town Planner

Members absent:

Erin Donovan-Boyle
Liana Ferreira Fenton
Rocky Kempenaar
Tom Kowalczyk

The meeting was called to order by Mr. Silva at 4:35pm

1. Election of Officers

By consensus, this item was continued to the April MEDAC meeting.

2. Approval of the minutes of the February 10, 2016 MEDAC meeting.

Motion by Mr. Cirillo, seconded Mr. Coogan, to approve the minutes of the February 10, 2016 meeting. **Vote:** 6-0-0.

3. Review of the town's economic development incentive ordinance.

Mr. Silva welcomed Middletown Tax Assessor George Durgin.

Mr. Durgin discussed the current participation by Middletown companies in the tax incentive program. Three companies currently participate, with one company taking advantage of incentives for both job creation and building construction. Mr. Durgin identified a couple of areas in the ordinance that should be clarified, either by revisions to the ordinance, or to his practices in implementing the ordinance. First, there is need to determine if the tax abatement is applied to the value at the time of initial application of the incentive, or is the amount of abatement to be adjusted each time the property's assessed value changes? Also, the ordinance is not clear, in the case of companies with multiple properties, on which property the jobs creation tax abatement is to be applied. In the current case, the benefit is applied only to corporate headquarters.

Mr. Silva request that the assessor provide some calculations to show the different options for interpreting the current ordinance would impact the amount of tax abatement.

There was discussion of the salary level that should be required in order to qualify for the additional incentive provided in the ordinance. There was consensus that \$50,000 salary for 10% of new hires is a more appropriate level than the current \$35,000 salary.

There was discussion of the ordinance provisions regarding application of property tax exemptions to real and/or tangible property in the case of the job creation benefit. The company creating the jobs the option to assign the abatement, such as to the building owner in a case where the company is leasing space.

There was discussion of the possibility of expanding the program so that retail and/or hospitality businesses would be eligible. It was noted that the town has not shown a desire to encourage more retail development in town, and hotel development has proceeded without incentives. It was suggested the town could incentivize specific types of businesses that it desires.

There was discussion of a desire to encourage businesses to upgrade their buildings, even if not expanding. A façade improvement program use a one-time tax incentive could be considered.

Mr. Wolanski was asked to provide some additional information on these ideas for the next MEDAC meeting.

Mr. Wolanski also mentioned that he had met with Liz Tanner of the RI Commerce Corporation, who has offered to visit an upcoming MEDAC meeting to discuss state incentive programs. Mr. Wolanski was asked to invite Ms. Tanner to attend the April 13, 2016 meeting.

4. Continued discussion of potential establishment of a business improvement district in the Atlantic Beach District, and potential projects.

By consensus, discussion of this matter was differed to the next regular MEDAC meeting.

5. Update on status of the town's Transportation Improvement Program (TIP) application.

By consensus, discussion of this matter was differed to the next regular MEDAC meeting.

6. Update on Regional Economic Development

By consensus, discussion of this matter was differed to the next regular MEDAC meeting.

7. Update on business outreach efforts

Mr. Silva stated that he is continuing his efforts to coordinate a visit and tour of KVH by state officials, including potentially the governor and/or the secretary of commerce.

The meeting adjourned at 5:30pm.

Respectfully submitted
Ronald M. Wolanski, Town Planner