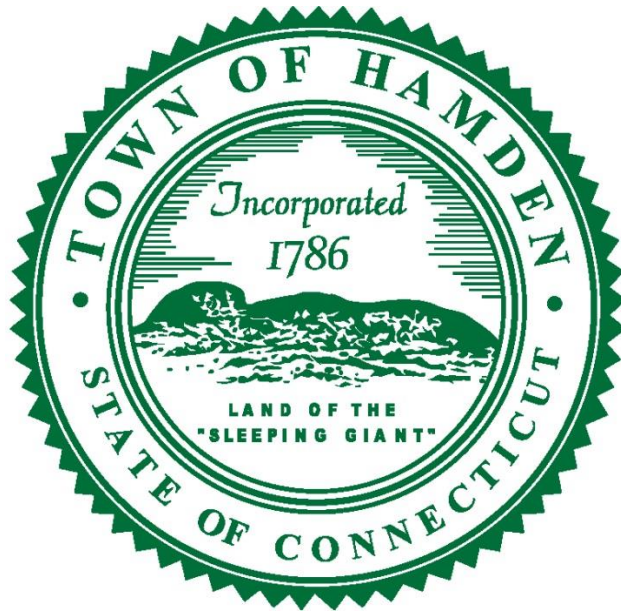


**Hamden, CT
Three-Year
Comprehensive Economic Development
Plan**



2015-2018

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Chapter I: Introduction

The Town of Hamden offers programs and services that attract new commercial development and encourage the expansion of existing local businesses. The Town is also committed to maintaining the quality of life in its many neighborhoods as a way of encouraging investments into the commercial tax base.

In 1998, the Town Legislative Council approved a two-year economic development plan which initially established a variety of programs to assist all types of businesses situated anywhere in Town. The plan included neighborhood revitalization and redevelopment initiatives that would support and enhance the desirability of the various areas of Hamden available for business development.

Through continuous initiatives set forth in 1999, 2001, 2005, 2008 and 2011, the Town continued to improve the way these products and programs would be administered by the Department of Economic and Community Development, by extending the long-range plan several times. The Town has continued to respond to the needs of the business community as well as those of residential taxpayers through the successful implementation of each subsequent plan.

To ensure that the Town's proactive economic agenda has a comprehensive approach in 2015, the Economic Development Commission and its Director have developed a new three-year, comprehensive economic development plan. This plan incorporates key strategic initiatives that will stimulate Hamden's economic growth to ensure that the Town maintains its competitive edge in the region.

Over the next three years, the Town will continue to focus on business retention and expansion as its primary objective. It will do so by offering products and services to its local business clusters and to developers who make quality investments. Creating jobs, increasing the tax base, and establishing quality destinations for tourism and unique anchors is a major focus of the Town's long-range plan. The tools that will be used to implement the plan will be consistent with the Town's Plan of Conservation and Development and its new zoning regulations.

Neighborhoods must have a strong infrastructure that is adequate to support existing and new businesses in the retail, service, manufacturing, and technology industries. The focus on blight, infrastructure, and brownfields provides the impetus needed to increase the Town's commercial tax base.

1. Overview of Town and Regional Economic Factors

To better prepare a strategy for economic development, the Town must have a basic understanding of current market conditions, including changes in demographic factors, which affect the economy. The following statistics are comparisons of data (1990-2009) from the Town Plan of Conservation & Development and other data sources.

Population Growth and Income

There was continued population growth of 5.9% in Hamden between 2000 and 2010, 8.6% between 1990 and 2000, and 2.5% between 1980 and 1990. The growth in population came primarily from the continuous development of 2000+ units in the “Hamden Hills” project area. Roughly 70% of those units at Hamden Hills are considered unrestricted (vs. restricted e.g. “elderly only”) housing, occupied by potential wage earners in the job market. It is projected that between 2010 and 2020 the Town’s population will increase another 5,644 people. This is supported by the recent approval of over 500 units of housing (Sources: U.S. Census, American Community Surveys, Hamden Department of Planning and Zoning).

Income in Hamden is at parity with the region and state. Hamden’s median household income was \$68,462 in 2014, which is higher than the region (\$62,234) and is on par with the State (\$69,519). Higher earners in the Town, at 32.6% above \$100,000 account for 17.7% of all households, which again is higher than the region’s 16.7% but somewhat below the State’s share of 20.8%. At the other end of the spectrum, an estimated 15.3% of all Hamden households earn below \$20,000 as compared to 20.9% in the region and 18% in the State. Finally, Hamden’s poverty rate (8.2%) is below that of the region (12.4%), but higher than many other communities in the region.

This growth of population and level of income indicates that there are more people that can financially support a growing economy through the consumption of good and services. The Town of Hamden can also provide an available and well-trained workforce to business owners.

Data Source: 2010 U.S. Census, Town of Hamden, Connecticut Department of Transportation, Plan of Conservation and Development, HUD, Connecticut Economic Resource Center (CERC) 2014

Labor Force and Unemployment Trend

Over the past decade, unemployment rates in the Town of Hamden have consistently trended below that of the State of Connecticut and the New Haven region, suggesting relative job stability of its labor force. For example, in March 2015, Hamden posted a 5.4% unemployment rate as compared to the State of Connecticut’s jobless rate of 6.5%. In the New Haven region, the rate was 6.4% for the same period. The closest large city (New Haven) had an unemployment rate of 8.1%.

Between 2000 and 2015 the number of available jobs has not increased very much. Over the same period, there was an estimated 4.5% reduction State wide. There was a loss of jobs in Hamden between the years of 2008-2012 when the Northeast was still in a major recession. However, with the eventual return of a positive economic climate, Hamden (like the State overall) will experience an increase in the size of its labor force. This suggests a need to focus attention on Workforce Development Issues such as job readiness, recruitment, transportation, and daycare to fill the coming job opportunities.

Data Sources: Connecticut Department of Labor, U.S. Census

Employment Trends (Long-Term)

Hamden's employment base is much more oriented to service-producing jobs relative to the region and the State. Over 85% of the Hamden's job base is service-related (including retail, health care, etc.) as compared to 80.6% for the region and 79.4% for the State. The major difference is noted in the percentage of retail jobs in Hamden calculated at 22%, while the region and the State indicate a 16% share. The types of jobs available are directly related to the large number of small businesses, more than 73+ of which have less than 10 employees, and 85+ of which have less than 20 employees.

Meanwhile, service jobs (as a sub-sector of service-producing jobs) showed the greatest growth in Hamden between 1990-1998 expanding from 5,530 in 1990 to 6,750 in 1998, representing a 22.1% increase. This emphasis on service jobs partly explains the Town's relatively low unemployment rate because these types of jobs are available to people with a wide variety of skills.

Looking forward, health care is the fastest growing job sector in Hamden.

- Between 2004-2014, anticipated health care employment growth is projected to produce 16,490 new jobs.
- Five out of every ten jobs where post high school education is required, will be health care related.
- Health care and related industries account for the 2nd highest total payroll numbers in the region.
- Six out of the top 17 employers in Hamden are health care providers.

Data Source: Connecticut Labor Department

Hamden Jobs by Sector

According to the Connecticut Department of Labor, Hamden's highest levels of employment were achieved in 1990 when it registered 20,730 jobs. Between 1990 and 1995 the Town experienced a 12% loss in total jobs associated with the economic recession that crippled the Northeast. From 1995-2000, Hamden managed to regain 1,460 jobs or nearly 60% of the total jobs lost between 1990-1995. From 1990 to 2007, Hamden had a net gain of 8,736 jobs or 42%.

The following table demonstrates the employment breakdown by job sector:

	BREAKDOWN BY JOB SECTOR-HAMDEN 2013	
	<u>Number</u>	<u>Percentage</u>
Total Jobs	32,700	
Agriculture	17	(.1%)
Construction	859	(2.7%)
Manufacturing	2,786	(8.6%)
Transp., Warehousing	1,132	(3.5%)
Finance, Ins., Real Estate *	2,425	(7.5%)
Health Care & Education	12,404	(38.4%)
Wholesale & Retail Trade	3,936	(12.2%)
Information	849	(2.6%)
Scientific & Waste Management	2,997	(9.3%)
Public Administration	1,269	(3.9%)
Other Services	1,185	(3.7%)
Arts/Ent/Recr/Accom/Food Serv	2,841	(7.7%)

Data Source: Connecticut Labor Department

Hamden Retail Market

Hamden's retail market has remained steady. From 1990 to 1998, the Town's retail sales increased from \$654 million in 1998 to \$708 million in 2013, or 8% according to the Connecticut Department of Revenue Services. The largest concentration of this retail is located along Hamden's "Magic Mile" in four major retail strips from the Merritt Parkway to Skiff Street. Hamden's neighborhoods will continue to support the usual mix of pedestrian/convenience-scale retail and services.

Data Source: Connecticut Department of Revenue Services

Office Market

Due to gains in the service, communication, and technological sectors of the region, the office market vacancy in New Haven County has dropped notably in the past several years from over 21% in the mid-1990s to 14% in 2015. In contrast, the New Haven Central Business District reported an office vacancy rate of 13.6% while the suburban sub-market, which includes Hamden, reported a 10.8% vacancy. The latter represented a drop from 19.7% in the previous year. This indicates that there was a soft market for office space in Hamden. More recently the office vacancy rate in Hamden has improved to approximately 12%.

Data Source: Various Real Estate Sources 1999, 2003, 2007, 2014

Hamden Industrial and Manufacturing Market

Although, lacking the industrial and manufacturing base of New Haven and Meriden, as well as easy and direct access to the major transportation corridors enjoyed by other Towns in the region (due to restricted truck use along Route 15), Hamden's industrial and manufacturing market is nevertheless well-established and relatively stable. Historically, the Town has benefited from the industrial spillover from New Haven-based firms looking to expand and grow their operations.

The industrial and manufacturing market in Hamden is concentrated within three areas of the Town: southern Dixwell Avenue or "Highwood" (principally Hamden Business Park), Sherman Avenue, and the State Street corridor. The Hamden Business Park, located off Dixwell Avenue, is a Town-developed park encompassing over 30 companies on roughly 21 acres.

Located on the site of a former airport used in the 1930's, the last remaining parcel in the Hamden Business Park sold in 1999, with an expansion of three (3) lots which has resulted in the relocation of Specialty Wire & Cord Sets and the current construction of a \$4.5 Million development of a Self-Storage Facility. This area is designated as an "Enterprise Zone". Sherman Avenue industrial area stretches two miles from Shepard Avenue to Whitney Avenue. Largely developed, the Sherman Avenue industrial area has a small vacant land inventory because of the many recent overall industrial property sales, including new construction projects.

The State Street Corridor and the adjoining Welton Street area represent one of the older industrial expanses in Hamden. Many of the industrial businesses have operated their locations for over 25 years. A large mix of older and recently arrived manufacturing firms primarily associated with assemblage operations are also found along the State Street corridor. Reportedly, these firms tout proximity to markets and access to I-91 as a major advantage of the region. Virtually all properties on State and Welton Streets have been or are being developed.

Industrial Lease Trends

Lease rates associated with industrial products in the Hamden area are slightly below rates achieved in suburban areas to the north because vacancies are more apt to be in older style buildings that are often located in economically impacted and congested areas. Recent lease transactions range in rents from \$15.00 gross in older buildings to \$7.50 triple net per square foot in newer projects.

The vacancy rate for industrial space in Hamden is extremely low, running at less than 8% compared to the region. Because Hamden is a built-out community, local brokers believe that vacancy rates have tightened considerably within the last year, with older inventory starting to fill-up and less concessions for the fit-up of space are being offered by owners.

Data Source: State Street Municipal Development Plan, Real Estate Professionals,
Town Transaction Information
Real Estate Brokerage Reports, 2015 (3rd Quarter)

2. Report Card: *Evaluation of Previous Plan Results*

The Town's current Economic Development Plan included goals for business incentives, physical improvements to neighborhoods, and growth in commercial districts. These incentives and improvements have resulted in increases in the commercial tax base, and the creation of jobs will generate important infrastructure improvements adding to the general appearance of commercial and residential areas.

Note: See Exhibits for full individual reports for each of the programs summarized below. It should be noted that the Town of Hamden has the most expansive economic development strategy in the region, making Hamden a very competitive marketplace. Exhibit A outlines what each Town in the region offers.

1. Economic Development Incentives to Attract New Businesses and Encourage Expansion

To maintain its competitive edge in the region, the Town of Hamden offered incentives to businesses considering locating to Town or expanding at their current Hamden location. The following analysis reflects results from 1999-April 2015:

- **STRATEGIC INITIATIVE 1:**

1a. Business Incentives:

Tax Deferrals, Grants, and Permit Waivers. Since 1998, the Town has approved 129 applications including 86 projects that have been completed, 3 are currently under construction or are awaiting approval at zoning, etc., and 40 projects never went forward or were not completed.

From a sample of 50 projects completed, the type of projects included manufacturing (19), investment properties (8), retail/restaurant (5), construction (7), service (8) and misc. (5).

1b. Small Business Loan Program(s)*:

Since the inception of the program, the Town has made 12 loans totaling \$377,250 under the Down-Payment Assistance and Micro-loan Program(s). There have been 3 defaults.

There are 2 loans currently active. Since 2011, there has been either very little interest in our loan program or loan applications have not been financially feasible.

The total amount loaned (as account receivable) as of 4/1/15 will generate income (revenue) back to the program (to be re-loaned) in an amount of roughly \$40,000 over the next 3-4 years. Since the program's inception, several loans have been paid off.

Total Impact on Grand List From Businesses Taking Advantage of Incentives

As a result of the Long-Range Economic Development Plan, the commercial grand list (assessed value) will increase by a minimum value of \$23,000,000 from projects/businesses that were directly or indirectly assisted through the program. Over 50% of this potential growth can be attributed to the most recent three-year plan. This increase does not include personal property or other new tax revenue generated by other business locations and expansions leveraged by the success of these projects such as Home Depot, Highwood Square, State Street redevelopment, etc.

Jobs Created

Because of the general state of the economy, it is hard to pinpoint how many jobs were created by companies assisted by our program. Based on data accumulated, we estimated that over 500 jobs were created and another 300-400 were retained in Hamden by companies who participated in our incentive program from 2004-2014. That number fluctuates somewhat, based on seasonal and contractual work.

The Intangibles

The success of the incentive program isn't only being measured by new taxes collected and jobs created but also by other impact-type development in which staff plays a direct role.

For example, as the Town has completed infrastructure improvements and promoted its Business Incentive program, many new stores have opened, such as Home Depot, LA Fitness, Panera Bread, Price Rite, Walgreens and several restaurants.

The purchase and rehabilitation of blighted or run-down buildings improves the quality of neighborhoods, improves the confidence (and bottom line) of local businesses, and encourages additional investment. Recent examples of this kind of investment include the Highwood Square development at the site of the former Johnson Perfume Company and the adjacent Nabisco Bakery (\$12 million total investment). This investment resulted in a tax-generating development of 27 artist housing units and 14,000 S.F. of commercial space.

The following pages describe the successfully completed projects under the expiring plan.

2. Infrastructure and Redevelopment

The Town of Hamden has little developable land (5.7% commercial) of any substantial size for commercial and manufacturing development. In fact, the Town has the lowest vacancy rate in the region. The total commercial vacancy rate in Hamden is 7.5% and in the region it is 13.6% (source C.B. Richard Ellis 12/31/13). More recently, as of March 31, 2015, Hamden's industrial vacancy rate was 6.7% as compared to its region (12.7%)

- **Strategic Initiative 2.1: Utilize the Hamden Economic Development Corporation (HEDC) for the development of difficult or brownfield properties**

The Hamden Economic Development Corporation (HEDC) has achieved IRS non-profit status (501c4). HEDC has created administrative capacity by opening several bank accounts, a post office box, etc. The HEDC has established a strong track record through its role as a developer and project manager for the Town of Hamden.

Projects Completed

- 400 Goodrich Street: Remediation and Sale of a 16,000 S.F. industrial building
- New Haven Structured Repair Program: Renovation of 99 units of housing
- Newhall Deconstruction Program

Projects Underway/Planning Stages

- Hamden Business Incubator: 40,000+ S.F.
- Rochford Field/Villano Park Redevelopment
- Soil Management Fund

- **Strategic Initiative 2.2: Continue a Predevelopment Cost Fund**

This “seed” fund was available for legal costs, appraisals, environmental assessments, etc., to secure parcels for site assemblage and redevelopment. Costs will be reimbursed to the fund where possible. Projects that benefited from this Initiative include:

- a) Route 15/Operating Engineers land purchase
- b) Tabor Road Redevelopment
- c) Westwoods Road Land Swap for the redevelopment of a major traffic intersection
- d) Appraisals of several properties being negotiated
- e) Daddio Farm subdivision plan
- f) Canal Line Disposition

3. Small Business and Entrepreneur Assistance

The Town will offer technical assistance to people opening or running small, town-based, and start-up businesses.

- **Strategic Initiative 3.1: Continue the Business Assistance Center (BAC) to Help Small Businesses with Business Planning, Raising Capital, and other Technical Needs.**

The BAC was opened in 2005 for small businesses (in particular start-ups) needing technical help and guidance in developing business plans and handling accounting, marketing, and development issues. Since that time, the BAC has worked with over 230 clients, offering a variety of services. There have been many success stories from the BAC including a variety of pedestrian-type businesses (ie. copy center, bakery, coffee shop). See report in Exhibit 3 for additional information.

Out of 239 businesses assisted, 30 opened, 170 continue to work at it, and 39 decided not to proceed.

- **Strategic Initiative 3.2: Continue the Business Education Series and individual seminars using technology and hands on sessions.**

Topics to include business formation, cost flow analysis, and preparing a business plan.

4. Planning, Marketing and Communication

Hamden must market its unique strengths and positive climate for business development and investment. To do so, the Town has identified key target industries and companies, trade associations, realtors, and other organizations.

- **Strategic Initiative 4.1: Continue to make the Economic and Community Development Web Site more useful as a business recruitment tool for the Business Assistance Resource Center and the Town-wide Business Community.**

The Town made numerous upgrades to the Economic Development web site. This page provides more frequently updated announcements, information on available development sites for major employers and outside users such as our realtor community, and other State and Federal links.

- **Strategic Initiative 4.2: Continue Recruitment of New Developers, Investors, and Businesses**

As part of the Town’s marketing efforts, the Town continued to network in regional, Statewide and national organizations (both public and private) to bring investments throughout the Town. This effort includes attending trade shows, conferences and continuing education opportunities. The Director is now part of several collaborations and serves in the following capacity:

- Connecticut Economic Development Association
- Hamden Chamber of Commerce
- Greater New Haven Leadership Center
- National Business Incubation Association
- International Council of Shopping Centers
- National Brownfield Association
- CT Community Development Association
- Northeast Economic Development Association
- **Strategic Initiative 4.3: Continue a Town Database of Available Properties and Financial Resources**

Such an updated and accurate database continues to include:

- Available locations of technology infrastructure resources.
- List of available Hamden properties by category (e.g. size, locations), etc.
- List of Brownfield properties, including opportunities for finance.

- **Strategic Initiative 4.4: Continue Planning Collaboration to Study The Viability of Commercial Districts**

Such collaborations include:

- “Magic Mile” and/or Retail Committee
- Study of Entertainment and Cultural Enhancement Districts
- Quality Development along the Farmington Canal Line
- Continued Study & Planning for the State Street and Highwood Commercial Corridor
- Business/Industry Clusters

The Department has been an integral part of committees that study these important areas. Additionally, the Department has formed several Industry Clusters that are big taxpayers and employers. They are:

- | | |
|-----------------|--------------------------------|
| ● Healthcare | ● Workforce Development |
| ● Manufacturing | ● Financial Services/Insurance |
| ● Retail | ● Creative Industries |
| ● Real Estate | ● Green Industries |

- **Strategic Initiative 4.5: Targeted Marketing Efforts**

- a. Market the Town for Media (film, etc.). The Town has begun to market itself through the CT Film, Video & Media Office to prepare itself for the media industry. Some smaller art & education films have been made in Town. The Department of Economic and Community Development has also begun work with the Tourism Committee of the Hamden Chamber to continue this initiative.
- b. “Solopreneurs”, in partnership with Hamden Regional Chamber of Commerce, will be focused on home-based businesses and/or single person business operations. Assistance will be provided following the development of this new Chamber Committee and analysis of the unique needs of this area of the local economy (i.e. marketing, time management, etc.)

Chapter II: General Plan Areas: Problems & Solutions

The goals of the following *Plan Areas* were derived through a series of meetings with relevant economic development partners as well as through site visits and events. The goals are also based on current market conditions as well as from the experience in developing larger projects that generate significant tax revenue. The meetings held provided an opportunity for these partners to provide input on how Hamden's programs have been working. The result will be more opportunities for participation in Hamden's incentive programs.

The accomplishments over the last few years are outlined in Chapter I, entitled "Report Card". As the following plan areas are discussed, a summary of some of the results, and the identification of the current conditions, will be presented.

It is through this comprehensive and holistic Economic and Community Development plan that the maximum potential can be achieved for the business community throughout Hamden.

Long-Range Plan: Administration

The Department of Economic and Community Development is responsible for the implementation of the Long-Range Economic Development Plan. To the greatest extent possible, the Department will seek programs and projects that generate income to recycle back into the Department for the purposes of programs, marketing, and administrative costs. This will include the writing and administration of grants to supplement the activities in the plan. The emergence of the Hamden Economic Development Corporation as a production agency was an important factor in establishing the financial goals of this plan.

The previous plans implemented by the department (1998, 2001, 2005, 2008, 2011) were capitalized by over \$1,000,000 in funds. Most of the goals were accomplished according to the plan(s) objectives. Although a substantial amount of funds were expended, funds are still available to carry out the goals of these plans. The objectives set forth in the latest plan are equally spread between capital projects and programs that help to promote and train small businesses for success.

The Department of Economic and Community Development will be responsible for the programs listed in this plan (Incentive Plan, Redevelopment Initiatives, Business Assistance Center, Marketing, Web-site, etc.), and other projects such as redevelopment and brownfield project management, streetscape projects funded by the State of CT and other sources such as the federal Economic Development Administration. The Department of Economic and Community Development will also continue to be active in marketing the Town through commercial real estate brokers and various publications.

Plan Area #1: Business Development & Business Incentives

Both the Town and the State's Enterprise Zone, Urban Jobs, and Railroad Depot Zone Tax Incentive programs are key strategies for expanding and maintaining Hamden's commercial tax base. These incentive programs will to be marketed to the business, developer, and realtor communities.

The Economic and Community Development Department has created information packets about these programs, has distributed this information to qualifying businesses, and has offered assistance in navigating the State's application process. The Town's Enterprise Zone (EZ), Railroad Depot Zone, and Urban Jobs program also offers tax assessment deferrals on the increased value of real property improvements to any commercial properties in the EZ. Those deferrals are reimbursed to the Town at a maximum of 50% by the State.

Since the Town program began (1998), 129 applications have been approved for a variety of business incentives. Many of the approved businesses are either complete, under construction, or soon to be under construction. Over 70% of these projects were for local existing businesses needing to expand. Business retention is a primary goal for this program and for the Town.

1. *Problem Identified:* There is a lack of funds currently available for grant and other financial assistance from State and Federal Sources

To maintain its competitive edge in the region, the Town of Hamden must continue providing incentives to businesses considering locating to Town or expanding at their current Hamden location. Mindful that other communities have a lower tax rate, offer lower rates on utilities, and offer similar incentives to businesses, Hamden Economic Development Commission strongly supports opportunities for business incentives to keep the Town highly competitive in the region.

- **Strategic Initiative 1.1: Continue a Comprehensive Business Incentive Program to Attract New Businesses to Hamden and Encourage the Expansion of Existing Businesses**

The Town's Business Incentive program will continue to offer the following benefits to businesses and will encourage Town Economic and Community Development projects that produce revenue.

- Tax deferrals (abatements)
- Grants for site and building infrastructure improvements (priority for manufacturing projects)
- Building permit fee waivers
- Tax abatements and other financial assistance to owners who remediate environmentally hazardous sites
- Sign and Facade Loan Program*

In addition, Hamden currently offers tax abatements to manufacturing, warehousing and distribution, and some service businesses through its State of Connecticut designation as a Targeted Investment Community (Tic) under the Urban Jobs program, under our certified Enterprise Zone (EZ) and our Railroad Depot Zone (RRDZ). These abatements are reimbursed to the Town by the State at a maximum of 50%.

Property Improvement (Grant) Incentives:

Eligible improvements include all site work including paving, curbing, landscaping, fencing, utilities, and drainage. Also eligible are improvements to buildings such as structural (foundation, all sections, roof), electrical, mechanical, HVAC, telecommunication improvements, etc., all of which will be fixed improvements, not removable by the occupant. A priority for grant funds will be focused on manufacturing projects or others that create a large impact in terms of job creation, redevelopment, etc.

Facade and Signage Programs: \$10,000 Maximum

Note: Activities are limited to HUD Targeted Areas: Source of Funding CDBG

- Signs
- All Facade Improvements (i.e. Brick Re-pointing, Window Treatments, etc.)
- Landscaping & Lighting

Plan Area #2: Infrastructure & Redevelopment

Problem Identified

The Town of Hamden has little vacant and developable land (for business expansion) of any major size. Only 5.7% of all land is zoned commercial. Most of the development opportunities lie in the redevelopment of existing properties with buildings ranging from 5,000 to 25,000 S.F.. There are only a few existing buildings that exceed these sized properties. Among these sites are a few brownfield projects that require specialized professional services and financing to make them viable, tax-producing properties.

Additionally, in order to support the demand for developable space for any use, the Town must have an adequate infrastructure or plan for developing one. Infrastructure is defined as roads, utilities (water and sewer capacity), technology, etc. Included in the infrastructure needs is a plan for addressing the Town's brownfield sites. Those are sites that actually have, or are perceived to have, environmental problems.

- **Strategic Initiative 2.1: Continue to Expand the role of the Hamden Economic Development Corporation (HEDC) for the re-development of difficult or brownfield properties.**

The Hamden Economic Development Corporation was formed in 2004 as a tool to support the redevelopment initiative by the Town. There are similar corporations in mostly larger, growing communities, which include many older properties that present challenges and liabilities for the Town. West Haven, Shelton, Orange, etc. are examples of Towns where Economic Development Corporations are utilized. Their independence from Town government gives them the flexibility to complete difficult projects while insulating the Town from liability.

HEDC can raise funds, apply for grants, and take titles to property. The Director of the Economic and Community Development Department serves as staff for the Hamden Economic Development Corporation. The HEDC has now developed administrative capacity to conduct business. It is an approved 501-C4 tax exempt organization. It has several bank accounts, letterhead, etc.

Committed HEDC Projects:

- State Street Redevelopment
 - 400 Goodrich Street
 - Newhall Structural Repair Program: 99 Units
 - Redevelopment of Rochford Field and Villano Park
- **Strategic Initiative 2.2: Continue the Pre-Development Fund.**

This seed fund will be helpful to provide funds for legal costs, appraisals, environmental assessments, etc. to secure parcels for site assemblage and redevelopment. This fund could also be used as a cash match for land acquisitions under State & Federal economic development programs. Examples of such projects where this fund was used:

- Daddio Farm Valuation Subdivision Plan
- Route 15/Operating Engineers
- Tabor Street Redevelopment
- Westwoods Road Land Swap for redevelopment
- Numerous Appraisals for upcoming redevelopment projects
- Canal Line Disposition

Plan Area #3 Business Retention & Expansion: Small Business and Entrepreneur Assistance

Incentives provide support to many out-of-town and expanding local businesses. However, Hamden must also offer financial and technical assistance to people running a local business, including those involved with start-up ventures.

- **Strategic Initiative 3.1: Continue the Business Assistance Center (BAC) to help Small Businesses with Business Planning and other Technical Needs.**

The Economic and Community Development Office is the primary location for requests of a wide variety of service needs for small businesses.

Since the formation of the Business Assistance Center in 2005, Hamden's small businesses have requested help in developing business plans and associated components which are required by most financing sources. Small businesses, in particular start-ups, need technical assistance in developing these plans as well as guidance with accounting, marketing and development issues.

Although some regional programs provide assistance to businesses in these areas, there are waiting lists and, in most cases, businesses do not receive on-site, one-on-one help, nor comprehensive services. Ultimately, these services are needed on a one-to-one level, where the interested business can receive proper attention. This initiative offers the type of "hands on" assistance necessary to make a project successful.

There are many partners that can provide potential assistance to the Business Assistance Center:

- a. Hamden Chamber of Commerce
- b. Hamden Business Resource Center
- c. Quinnipiac University Business School
- d. National Minority Supplier Development Council (NMSDC)
- e. Town ombudsman services to walk businesses through planning and zoning, engineering, and building department(s) processes. This service will be available through the Economic and Community Development Department.

The Economic and Community Development Department will also refer businesses to the financing programs available through the Connecticut Development Authority (CDA), the Connecticut Department of Economic and Community Development (DECD), the Community Economic Development Fund (CEDF), CT Minority Supplier Development Council, the Small Business Administration (SBA), and Connecticut Community Investment Fund (CCIF). The Department will also utilize the resources of the Connecticut Economic Resource Council, Inc. (CERC) and Connecticut Innovations Inc. (CII).

(See Exhibit 2 for details of the Business Assistance Center)

- **Strategic Initiative 3.2: Support Specialized Training Initiatives through the Hamden Workforce Cluster and other related worker issues.**

The Town has continued a local Workforce Development Cluster. Board members include the Regional Workforce Development Board, Easter Seals, ACES, the State Department of Labor, etc.

The Town originally formed this board as an advisory group to examine general workforce needs (address hiring criteria, job fairs, etc.) This Strategic Initiative would expand the planning to include important issues such as linkages to transportation, quality childcare, and incorporation of people with disabilities into the workforce. A newly activated group would also actively work with industries by assisting them in accessing funding for incumbent worker training.

- **Strategic Initiative 3.3: Continue Individual goals established under the Hamden Business Cluster Program: Hamden supports the following Business Clusters, as they are the largest tax payers and employers and who can most widely impact the local economy:**

- a. Healthcare
- b. Manufacturing
- c. Retail
- d. Real Estate
- e. Workforce Development
- f. Financial Services/Insurance
- g. Creative Industries
- h. Green Industries

Plan Area #4 Planning, Marketing & Technology

Hamden must market its unique strengths and take advantage of the positive climate for business development. To do so, the Town has identified key target industries and companies, trade associations, realtors and other organizations. One strategic approach was the development of a Hamden web site. Other areas include maintaining an inventory of available development sites and vacant properties, strategic media campaigns, public relations, and communication strategies.

To meet this challenge, the Town must engage the public and local professionals for the long range planning of the many businesses and shopping districts in Town.

- **Strategic Initiative 4.1: Continue to Upgrade the Hamden Economic and Community Development Web Site to become more interactive and proactive**

As citizens, real estate professionals, developers, and business owners increasingly use the Internet to gain access to information on potential business development sites, Hamden must continue to become more and more accessible to this audience via the “net”. The Town will develop more timely and educational information such as “How to Start a Business” and other articles generated by the Business Assistance Center (see Strategic Initiative 3.3). The current site is static in that it needs to be used more as a marketing tool for the Town than as a source of information.

The Town will continue to upgrade the Economic and Community Development web site, provide more frequently updated information about available development sites for major employers and outside users such as our realtor community, and will provide links to i.e. CT Economic Research Center web sites, etc. The Town will develop interactive and video features to market neighborhoods, and assist business owners in completing applications for Town Tax Incentives and Small Business Loan programs.

The Town will generate income from its Economic and Community Development webpage for the financial sustainability of the website. It will be used as a tool for marketing the Town to potential recruitment opportunities, to become more interactive, and to improve resources for Hamden businesses.

Strategies for developing revenue include:

- ✓ Yellow Pages
- ✓ Advertising for Businesses on the Economic and Community Development Website

- **Strategic Initiative 4.2: General Marketing, continue Recruitment of New Developers, Investors and Businesses**

As part of Hamden’s marketing efforts, the Town should network in regional, Statewide and national organizations (both public and private) to bring investment throughout the Town. This effort will include attending trade shows, conferences, and continuing education opportunities.

The funding for Strategic Initiatives 4.2-4.4 is included in one budget line item to allow for flexibility to meet marketing needs.

- **Strategic Initiative 4.3: Continue a Town Database of Available Properties and Physical Resources**

In a rapidly changing, dynamic process, the Town must be capable of providing valuable information that is essential for a business to consider when developing a given site in Hamden. Information efficiently collected would be located on the Town web site and on a GIS system. Such an updated and accurate database would include:

- a. Available locations of high technology infrastructure resources such as fiber optic cable, sewer and water capacity, etc.
- b. List of available Hamden properties by category (e.g. size, locations) etc.
- c. List of Brownfield properties, including opportunities for finance.

- **Strategic Initiative 4.4: Continue Planning Linkages to study the Viability of Commercial Districts and under specialized Marketing Initiatives.**

There are many areas of Town that have a rich history in terms of business location services to residents. There are also several areas that require a fresh “look” to see if we can use effective planning to change the image of an area to become more positive.

This initiative is aimed at using assessment and collaboration with professionals and community-based groups to determine recommendations for the future. Such collaboration is born out of the Comprehensive Planning process that is currently underway.

This initiative will formally link the effort of the Economic and Community Development Department to those efforts and encourage the department to convene additional advisory groups in order to assess other specific needs of business throughout town.

Such efforts include:

- a. “Magic Mile” retail committee
- b. Study of Entertainment and Cultural Enhancement Districts
- c. Quality Development of the Farmington Canal Line
- d. Continued Study and Planning for the State Street and Highwood commercial corridor
- e. Business Cluster groups
- f. Restaurant marketing groups
- g. Film and Creative Cluster Work group

Chapter III: Executive Summary of New Strategic Initiatives

To ensure that the Town has a relevant and proactive agenda, the Economic Development Commission has developed an updated Three-Year, Economic Development Plan. This plan incorporates many key strategic initiatives that will continue Hamden's economic growth and ensure that the Town maintains its competitive edge in the region.

Some of the plan's strategic initiatives include:

- Continue the Economic and Community Development Incentive Program, which empowers the Town to offer tax incentives, grants, and building permit fee waivers to businesses for real property improvements and personal property growth.
- Strategies for addressing the assessment and remediation of brownfield and blighted properties.
- Marketing & Web-site Strategies.
- Continue the *Business Assistance Center* providing technical assistance to small businesses.
- Workforce Development Strategies

1. Economic and Community Development Incentives to Attract New Businesses and Encourage Expansion

To maintain its competitive edge in the region, the Town of Hamden must continue to offer incentives to businesses considering locating to Town or expanding at their current Hamden location.

- **Strategic Initiative 1.1: Continue a Business Incentive Program to Attract New Businesses to Hamden and Encourage the Expansion of Existing Businesses.**

This program will offer expanded benefits to businesses and will encourage Town economic development projects that produce new revenue for continuing the Business Incentive program. A priority focus will be on manufacturing & related industries.

2.. Infrastructure and Redevelopment

The Town of Hamden has little developable land of any substantial size for commercial and manufacturing development.

- **Strategic Initiative 2.1: Utilize the Hamden Economic Development Corporation (HEDC) for the development of difficult or brownfield properties and as a Project Manager for the Town of Hamden.**

The Town formed the Hamden Economic Development Corporation in 2004 as a tool to support redevelopment initiatives. It has developed 501c4 tax-exempt status and has completed numerous projects:

- **Strategic Initiative 2.2: Continue a Predevelopment Fund**

This "seed" fund will be helpful to provide funds for legal costs, appraisals, environmental assessments, etc. to secure parcels for site assemblage and redevelopment.

3. Small Business and Entrepreneur Assistance

The Town will offer financial and technical assistance to people running small, growing, town-based, and/or start-up businesses.

- **Strategic Initiative 3.1: Continue the Business Assistance Center (BAC) to Help Small Businesses with Business Planning, Raising Capital, and other Technical Needs.**

Small businesses, in particular start-ups, need technical help in developing business plans, as well as guidance with accounting, marketing, and development issues.

- **Strategic Initiative 3.2: Utilize Funding Opportunities for Job (re) Training.**

Will develop specialized training programs for industries that are part of a Hamden Industry Cluster.

- **Strategic Initiative 3.3: Continue Work With Large Employers and Taxpayers Through the Town's Business Cluster Program.**

The Department will continue to work with several industry clusters that are the larger taxpayers and employers. The goal of the Cluster Program is to develop strategies that will have a positive impact on these important areas of the local economy.

They are:

- Healthcare
- Manufacturing
- Retail
- Real Estate
- Workforce Development
- Financial Services/Insurance
- Creative Industries
- Green Industries

4. Planning, Marketing and Communication

Hamden will continue to market its unique strengths and positive climate for business development and investment. To do so, the Town has identified key target industries and companies, trade associations, realtors, and other organizations.

- **Strategic Initiative 4.1: Make the Hamden Economic and Community Development Web Site part of a newly renovated Business Resource Center and the Town-wide Business Community**

The Town will continue to upgrade the Economic and Community Development web site. This page provides more frequently updated announcements, timely news, information about available development sites for major employers, outside users such as our realtor community, and other State and Federal links.

- **Strategic Initiative 4.2: Continue Recruitment of New Developers, Investors and Businesses**

As part of the Town's marketing efforts, the Town will continue to network in regional, Statewide and national organizations (both public and private) to bring investment throughout Town. This effort will include attending trade shows, conferences, and continuing education opportunities. The Director is now part of several new collaborations and serves in several capacities.

- Connecticut Economic Development Association
- Hamden Chamber of Commerce
- Greater New Haven Leadership Center

- International Council of Shopping Centers
- National Brownfield Association
- CT Community Development Association
- Northeast Economic Development Association
- National Business Incubation Association

- **Strategic Initiative 4.3: Continue a Town Database of Available Properties and Physical Resources**

Such an updated and accurate database includes;

- a. Available locations of high technology infrastructure resources
- b. List of available Hamden properties by category (e.g. size, locations), etc.
- c. List of Brownfield properties including opportunities for finance

- **Strategic Initiative 4.4: Continue Planning Collaboration to Study The Viability of Commercial Districts and Specialized Market Efforts**

Such collaborations and marketing include:

- a. “Magic Mile” and/or Retail committee
- b. Study of Entertainment and Cultural Enhancement Districts
- c. Quality Development along the Farmington Canal Line
- d. Continued Study & Planning for the State Street and Highwood Commercial Corridor
- e. Marketing of the Town to film and other media opportunities
- f. Restaurant Marketing Strategies

Budget Narrative

The Economic Development Commission is asking the Legislative Council to earmark \$250,000 from the Hamden Economic Development Fund to support the implementation of this comprehensive plan including the following Strategic Initiatives. *The following numbers reflect estimated allocations (from the Hamden Economic Development Fund) reflecting current balances. Budgets for the following activities will be adjusted proportionally following the end of the 2014/15 fiscal year.

Note: Remaining Small Business Loan repayments will be added to Strategic Initiative 1.1

Strategic Initiative 1.1: Economic Incentive Program - \$75,000

The Town will offer property improvement grants, tax deferrals, and permit waivers for commercial projects that would increase the town's tax base or be of significant benefit to the Town.

Strategic Initiative 2.1: Predevelopment Fund- \$25,000

For costs related to the predevelopment costs (appraisals, surveys, legal, etc.) of projects for commercial development.

Strategic Initiative 3.1: Business Assistance Center - \$50,000

Up to \$50,000 from the Hamden Economic Development Fund will continue to support the Business Assistance Center

Strategic Initiative 3.2: Workforce Development – 0 -

The Workforce Cluster will continue to promote programs that train people to find jobs through grants from State and Federal sources.

Strategic Initiative 3.4: Specialized Marketing and Industry Clusters - 0 -

Strategic Initiative 4.1: Web-Site Upgrades – 0 –

Funds would be used to continue the development of the website. Revenue generated from the site would pay for the future upkeep.

Strategic Initiative 4.2: Marketing Expenses - \$100,000 (also includes 4.1, 4.3-4.5)

For recruitment, education and other marketing initiatives below.

Strategic Initiative 4.3: Data Base – 0 -

To develop valuable information that is essential for a business which is considering a specific site.

Strategic Initiative 4.4: Planning – 0 -

This initiative is aimed at using collaboration and needs assessment to determine recommendations for the future of commercial areas.

Note: Funding Priorities can be adjusted, following Town procedures for line item transfers.

**REPORTS
ON
PROGRAM RESULTS**

South Central Regional Council of Governments - Town Incentive Programs

Town	Tax Abatement	Grants	Waiver of Fees	Low Interest Loans	Services	Web Presence	Electric Rates	Enterprise Zone Incentives	Manufacturing Assistance Program	Facade Program	Ultra High Speed Internet
Bethany											
Branford	(low taxes)										
East Haven				X							
Guilford					X (SCORE)						
Hamden	X	X	X	X	X (Business Assistance Center)	X		X	X	X	
Madison							Car charging station				X
Meriden	X	CEDF		X		X		X	X	X	
Milford		CEDF		X	X (SCORE)	X			X	X	
New Haven	X	X		X	X			X	X	X	
North Branford	X										
North Haven	X										
Orange	X										
Wallingford	X						up to 50% discount		X		
West Haven				X					X		
Woodbridge							2 Car charging stations				X

TOWN OF HAMDEN, CONNECTICUT 06518 ECONOMIC AND COMMUNITY DEVELOPMENT OFFICE

Dale Kroop: Director

Date: 4/22/15

To: Economic Development Commission

Re: Long Range Plan Recommendations

Our programs and incentives were originally designed as a part of a holistic approach so that no one program would be expected to be the catalyst for economic growth in Hamden. We have used our funds through the years on a variety of incentives services and marketing approaches. Through conversations with many of you, the day to day experience we go through, and because of the results I have reported in the recent documents, I offer the following recommendations for your comment and (eventual) approval. Everything we do, including the budget allocations must be approved by the Legislative Council at the July 6th, 2015 meeting.

Since it is unclear how much funding will be available on 6/30/15, I am using a percentage of how much is dedicated to each category.

Some of the considerations in developing this division of funding comes from the following general thought process

- Our funding will continue to decrease until we find new sources of revenue to bolster them or unless new sources of funding are identified. Therefore our expenditures should be focused on growth and expansion.
- We must continue to find ways to maximize my time which should be spent on marketing or big picture development and programming goals. I am a one and ½ person operation. There are many ways I can be assisted.
- The Hamden Economic Development Corporation has become adept at running projects and administering accounts. They should be considered for an active management role.
- The Business Incubator is a catalyst for creating many new business opportunities. There should be some targeted focus of our programs and services on the Hamden Business Incubator.
- The role of the Business Assistance Center should be broadened to provide some technical and marketing assistance for our programs.

* Note: These recommendations are a summary. The full plan will add detail.

Outline of Programs, Activities and Budget for the Plan Period
7/1/15-6/30/18.

I. Incentives:

Continue the Business Incentive Program as they are today with the following exceptions and considerations.

- Grants: Limit amount to \$2,000 maximum except for manufacturing, technology, or good job generators. Also New or Substantial Construction is priority. Exceptions on a case by case basis.
- Small Grant Program for Incubator Tenant Build Out/Grants. We would provide a small grant in the amount of a maximum \$2,000 for start-up construction or technology costs.
- Micro Loan Ideas: We are at a crossroads with our loan program. We have had virtually no interest in a few years and applications have been weak. There are two options to consider.
 1. End the Program: Since there are so many SBA and related options, banks, CIC, CEDF, etc. perhaps our money is better spent reaching more potential clients through additional marketing and services (i.e. expand the Business Assistance Center). Making loans to a business like DiSorbo's Bakery brought in interest income but did it grow the economy?
 2. Modify the Program to Reduce Overhead and Cost Ideas include:
 - Reduce the total eligible amount to \$20,000 and make it ineligible for day care, convenience stores, and other retail. Exceptions on a case by case basis. Encourage smaller loans.
 - Convert flexible rate (adjustable on a quarterly basis) to a low interest fixed rate. Let the HEDC take over the servicing of the program at a rate less than the Greater New Haven Loan Fund (GNHLF) currently at .15 of Principal balance. This could reduce our fees by half.. Making it a fixed rate will allow HEDC to issue invoices monthly instead of recalculating the interest rate for all borrowers each quarter. The rate would be a below market rate to encourage borrowing. Keep the GNHLF or select a new vendor for underwriting.

II. Marketing:

Have HEDC manage a new set of administrative responsibilities for creating revenue for continued market activity. Then idea is that the Town is not as equipped to provide these services:

- **Yellow Page Marketing On-Line.** We would offer a simple listing on the Economic Development Web page free for Chamber members (as we do now) and market the Yellow pages for non-Chamber members at a fee (say i.e. \$100 per year), we can also then have more expensive advertising options (links to their web pages, etc.) for additional fees. HEDC is well equipped to collect the revenues to recycle a portion back to the EDC marketing line item. For example, if we had 20 simple listings, that would be a minimum amount of \$2,000 of revenue we didn't have before. I think there is much more opportunity than that. The Chamber has a little over 300 Members in Hamden and there are almost 10 times that many total businesses in Town.
- **EDC Web Site Page Advertising:** Similar to the Yellow Pages proposal above Businesses would charged for advertising their business on the web site. We would do a market analysis of what is charged on web sites.

HEDC would market both the Yellow Pages and Web Advertising Program to the Public for a small fee based on performance (i.e. ads placed).

- Dedicate small budget in *Marketing* for a professional writer to assist in promotional pieces for the town. This would be in addition to the interns we currently use.
- Balance of Marketing Assistance will be for (targeted) trade show attendance, web and other technology updates, boutique initiatives (film, Spanish media, etc.).

III. Infrastructure and Redevelopment:

- **Continue the professionals services predevelopment program:** This fund was used for surveyors, appraisers, etc. Most of the funds used in previous years were repaid into the line item. This is a highly effective tool.
- **Encourage the Town to hire a part time grant writer** to help Dale in pursuing State and federal grants for economic development and infrastructure upgrades such as sewer, water and high speed internet. Most of these grants are infrastructure based.

IV. Technical Assistance:

- **Continue the BAC** but limit the time spent with any one business to 4 hours before a payment (“skin in the game”) is required to cover continued service. Cost to be determined. Exceptions on a case by case basis.
- BAC would continue to conduct more seminars to save billable time.
- The BAC would provide services at the Hamden Business Incubator.
- Continue to Fund the Business Resource Center at Miller Library.
- Expand the role of the Business Assistance Center to include marketing and direct interaction with businesses that are part of daily foot traffic.

V. Policy and Advocacy Education:

- Evaluate Current Zoning Regulations and Mapping.
- Encourage Economic Development Commission Members participation in Organizations and Associations such as Hamden Chamber, CERC, CEDAS
- Continue Cluster Initiatives and Speaker Series and other education programs for businesses.

Proposed % Allocation of Funds: 2015-2018

- I. Incentive Grants: 30%
- II. Loan Funds: 15% (or 0)
- III. Marketing: 25% (or 30% if II eliminated)
- IV. Business Assistance Center: 20% (or 30% if II eliminated)
Technical Assistance
- V. Infrastructure Pre-development Program: 10%
- VI. Policy Advocacy and Education: 0

Total	100%
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* Note: Funding can be re-allocated/transferred during the 3 year period as needed.