COMMUNITY CULTURAL CENTER ROOM 111/MICROSOFT "TEAMS"

TAX POLICY / FEES COMMITTEE COMBINED MEETING

April 3, 2023

FEES COMMITTEE

PRESENT Chair Harry Amadasun, Awet Tsegai

ABSENT Travis Simpson

TAX POLICY COMMITTEE

PRESENT Chair Angie Parkinson (via Teams), Don Bell

ABSENT Travis Simpson

ALSO Eileen Buckheit, Development Director

PRESENT Connor Martin, Chief of Staff

Rich Kehoe, Chair, East Hartford Town Council

Gary Patel, Asset Manager for Kautilya East Hartford Hotel, LLC

CALL TO ORDER

Chair Parkinson and Chair Amadasun called the meeting to order at 6:08 pm.

OPPORTUNITY FOR RESIDENTS TO SPEAK

No one came forward.

NEW BUSINESS

363 Roberts Street

Chair Amadasun stated that the purpose of the combined meeting is to review the fees and tax policy surrounding development at 363 Roberts Street and to review documents provided for the purpose of justifying a fees reduction on the property.

<u>Director Buckheit</u> shared that this is the second meeting regarding a fees reduction on the property. On February 15th, the Fees Committee approved a motion to recommend that the Town Council approve a 50% reduction for 363 Roberts Street in Building and Fire Marshal fees, not to exceed \$200,000 in total reduction of fees. Since that meeting, Gary Patel, Asset Manager for Kautilya East Hartford Hotel, LLC has provided additional documents regarding the financing of the project as well as a proposed lease agreement with Starbucks, LLC that has yet to be signed.

The Director also provided a memo from Goman and York, the Town's on-call development counsel which stated an opinion and recommendations after reviewing the documents. The Director confirmed that the building permit fee is set at \$364,500 on the property currently.

Chief of Staff Martin explained the current work being performed on the site. Fencing is going up to provide security on site and to assist with clean up and disposal.

Director Buckheit also confirmed that the developer has been awarded \$125,000 in ARPA funding through the Town's Small Business incentive program as well as tax abatement benefits due to the property's location within an Enterprise Zone.

Mr. Patel stated that a fee reduction will provide relief from increased cost of construction and rising interest rates until the business becomes profitable. The developer stated any additional costs for the project will require internal equity as his bank has denied any additional funding requests.

The developer confirmed that the demolition work for the project is nearly complete. The property will be branded as a Marriott/Fairfield Inn with 80 extended stay rooms and 65 standard rooms. The director explained that the corporate travel market is returning after the pandemic and expects full recovery by 2024. Mr. Patel explained the hotel's vetting process for long term guests at the property to assure best business practices are in place.

Mr. Patel reviewed the amenities at the property and logistics regarding traffic flow for the Starbucks drive-thru area. The developer anticipates final sign-off on the lease agreement to occur on or around April 15th. The goal is that if construction can begin in May, the developer is hopeful for an opening in the Spring of 2024.

Fees Chair Amadasun thanked Mr. Patel for attending the meeting and stated that the Fees Committee will review the provided information in advance of the Town Council's scheduled meeting on April 18th.

ADJOURNMENT

MOTION By Awet Tsegai

seconded by Harry Amadsun

to adjourn the Fees Committee Meeting (7:06 pm).

Motion carried 2/0.

MOTION By Don Bell

seconded by Angie Parkinson

to adjourn the Tax Policy Committee Meeting (7:06 pm).

Motion carried 2/0.

cc: Town Council Mayor Walsh