

INDUSTRIAL ZONES COMMITTEE ACTIONS

FEBRUARY 24, 2005

ATTENDANCE: Walter Briggs, Chairman; Mayor Alex Knopp; Paul Littell; Thomas Failla; Neal Konstantin.

STAFF: Dori Wilson; Michael Greene; Alanna Kabel.

OTHERS: Frank Johnson, President, Manufacturing Alliance of Connecticut.

CALL TO ORDER

The meeting was called to order at 8:50 a.m. by the Chairman.

INTRODUCTION OF SPEAKER: FRANK JOHNSON, PRESIDENT MANUFACTURING ALLIANCE OF CONNECTICUT

The Chairman introduced Mr. Johnson, who reviewed his background. He said that the Manufacturing Alliance just published the Mac Index Report, a study comparing Connecticut with other states in terms of economic infrastructure, transportation infrastructure, quality of life and cost. Connecticut is one of the most expensive states in which to manufacture but that is partially made up for with productivity. Manufacturing accounts for 17% of the income in Connecticut. For every manufacturing job, they sustain two service sector jobs. Manufacturing built this state, but we encourage our children to go into other jobs. The average manufacturing job pays 20% more than service jobs and they also have terrific benefits. The state has lost 40,000 manufacturing jobs in the last four years. In addition, manufacturers in the state face fierce competition from foreign companies, especially China. This is due to much cheaper pay rates, etc. The playing field is not level.

Mr. Johnson said that from a zoning point of view, they are looking at what they are going to do with their old manufacturing buildings in Bristol. Some buildings can be reused, but the industrial parks are difficult. They have allowed a variety of non-manufacturing reuses, such as health clubs, bank offices, fulfillment centers, etc. They also went through eminent domain to take 22 acres of prime industrial space. After 5-1/2 years, there are no tenants looking to come into the park.

Mr. Johnson said that the number of manufacturing firms in the state has consistently remained at approximately 5,500, but it has dropped to approximately 5,250 according to the last Mac Report. The future does not bode well for people who have industrial parks. They have to look at ways to put this land back into serviceable use. Some industries, such as the medical device industry, continue to do well. The niche businesses have 50 to

100 employees; those that make highly specialized products should continue to do well. Successful manufacturers are going toward lean manufacturing.

QUESTIONS/COMMENTS OF COMMITTEE

Mayor Knopp said that Norwalk does not have industrial parks but it does have industrial zones. He asked if there was any rationale for keeping any use out that meets market needs. Mr. Johnson said not as long as the infrastructure is there to support it. Bristol does not have a lot of people looking for industrial uses.

Mayor Knopp said a concern about having fulfillment center types of uses is that many of these areas are close to residential zones. He asked if any consideration was given in terms of incentives for smart buildings, adaptive reuse, etc. Mr. Johnson said that is a creative idea but Bristol has never done anything like that.

Mr. Greene asked Mr. Johnson if he was aware of any programs other communities have used to attract companies. Mr. Johnson said they have used enterprise zones. Connecticut is the only state in the Northeast that taxes manufacturing revenues and equipment as personal property. He would rather see the corporate tax rates on profits.

Mayor Knopp said that the problem is that property tax reform would cause the city to lose while the state would gain. They should join with CCM and find alternatives to the property tax. Property tax reform has been unsuccessful in the Legislature.

Mr. Morque asked if high value-added manufacturing and medical devices are being looked at and how that can be encouraged from a zoning and economic standpoint. Mr. Johnson said he did not see how they could do this from a zoning standpoint, but they certainly can aggressively go after this. The issue with those companies is that they need the most expensive equipment and are adversely affected by the personal property tax on manufacturing equipment.

Mayor Knopp said that Gov. Weicker had proposed a program where the state would reimburse 100% of the property taxes on new manufacturing equipment for five years to encourage investment. Gov. Rowland, in order to balance the state's budget, required that cities receive 80% rather than 100%. Norwalk taxes have to be increased to cover taxes that the state refuses to send and the manufacturers does not have to pay to the city. State colleges and hospitals, all of which are located in cities, are subsidized by cities. They should be the responsibility of the state, not the cities.

An audience member asked if there was any reason not to allow a use for a particular building. He asked if anyone was aware of a generalized state that relates uses to the type of traffic they generate. Mr. Johnson said that information is available. The International Traffic Engineers Manual is used in all zoning applications.

An audience member asked if there was concern that the definition of industrial zone becomes so diluted that it has a negative impact on manufacturing or industrial use. Mr.

Johnson said as long as manufacturing is allowed in a zone, it will remain a manufacturing zone.

A member of the audience asked if there were any efforts to conduct these businesses in a clean and contained way. Mr. Johnson said there are companies that feel they do so.

An audience member asked if there was a mechanism to enable new uses proposed to be dealt with in a quick way. Mr. Johnson said they can do this within 60 days in Bristol. The land use process in Connecticut is a long process.

Mr. Morque said they have had a lot of inquiries from recreational uses, and he asked about power generation use. Mr. Johnson said they have not seen this, but through Mac, they run a generation pool. Everyone needs this but no one wants it in their neighborhood. If there are benign technologies that can be utilized, they would consider it.

Mr. Failla said they are requiring higher skill levels in manufacturing, but apprentice programs are run on a low tech level. What do the schools need to do to support this. Mr. Johnson said part of this is the school system. None of the school systems turn out workers with math skills. The community colleges don't turn out students useable to an industry. This is a huge problem. Other states have programs specifically geared toward manufacturing workers. There was a tax program associated with apprentice programs, but this was eliminated two years ago.

The Chairman thanked Mr. Johnson.

APPROVAL OF MINUTES – DECEMBER 6, 2004 & JANUARY 26, 2005

Approval of minutes was held over to the next meeting, due to the lack of a quorum.

SET FUTURE MEETING DATE

The next meeting will take place on March 17th at 8:30 a.m. in the Community Room

ADJOURNMENT

The Chairman adjourned the meeting at 9:45 a.m.

Respectfully submitted,

Cheryl Telesco
Telesco Secretarial Services

