



City Of Norwich

Mayors Office

Peter Albert Nystrom, Mayor

Good evening everyone and thank you for coming to tonight's council meeting. This is the State of the City as I see it tonight.

We are fortunate to live in a magnificent City, rich with history, legacy, and diversity. We have long ago suffered from a change in fate as the economic forces of the world shifted from our favor to other communities across the world. It has taken time for us to recognize that the cures are not simple or quick and that no singular actions will bring back what we once had here in Norwich.

However, as this new year unfolds, we can look back on a long list of successes, a growing economy in the City and region, and great hope for the future. Norwich has more than hope. We are assembling comprehensive plans to lead this community back into the limelight of success. It should be noted that change through economic development is a long-term proposition that takes focused teamwork and dedication to implement and benefit from. We have a talented team of professionals. Passionate and dedicated leadership. A highly flexible and resourceful utility. And, a community ready to embrace change.

The continued investment of Ponemah Mills has encouraged further development across Route 97 in Taftville with the purchase of 3 North Second Avenue by OneKey Developers the plans include development of 22,000 sq. ft. A pharmacy has already committed to occupying a section of the building. The year also brought a new, respectable owner to the Hale Mill in Yantic who is underway to finish the property as a historic hotel in a \$30,000,000 redevelopment.

While these mill buildings are not being reused as modern manufacturing facilities,

there are key manufacturing investments coming again to Norwich. Two significant examples are Nordson EFD (Formerly known as PlasPac) and a new advanced manufacturing company called NALAS Engineering. Both are located in the Business Park and combined are bringing over \$35,000,000 investment and 140 jobs over the next few years. We did see two significant properties in the Business Park go dark, but plans are already underway to place new, vibrant users in them.

You may recall the tragic fire that destroyed the former Peachtree Apartments in Thamesville back in 2008. A new project, called West Ledge Apartment Community Development, is seeking to build market-rate housing, they are looking to go before the Commission on the City Plan in March.

Norwich Public utilities played a very active role in promoting development in all three developments, Ponemah, Westledge Development and Hale Mill. Their ability to answer important questions about utility needs when a new developer visits our city has and will always be one of the most critical reasons why investors choose the City of Norwich.

Recently a visitor from Ellington was asked why he chose the City of Norwich for his investment. His statement was as follows: "Norwich came on my preferred list when the governor of Connecticut declared parts of Norwich as opportunity zones eligible for federal Capital Gains tax benefits for investors. Upon analyzing publicly available documents on the town website and reviewing the plans by the Norwich Community Development Corporation, it was clear to me that the town has an intentional focus on attracting businesses and improving the town. Very few towns have the equivalent of an NCDC. I also analyzed the rental returns on almost every town in the state and found it very appealing here in the city of Norwich.

Norwich also showed stability of employment." Recently NCDC received three significant awards including the 2018 Ron Aliano Service Award; the 2018 NAACP Community Service Award, the 2018 CelebrateCT SECT Project of the Year.

On a side note, NCDC continues the managing of Foundry66 while hosting the

Global City Norwich Program. Most notably, the Global City Norwich Program recently received a second year of funding through the gracious support of the Chelsea Groton Savings Bank of which we are most grateful for their partnership here in Norwich.

At this time, it is my wish to personally thank and express my gratitude to Mr. Michael Rauh of Chelsea Groton Bank and Mr. Robert Mills of NCDC for the efforts of these organizations.

As one recalls it was NCDC back in the 60s that began to develop the Norwich industrial park. They, however, were not the first private sector organization to assist development here. In the late 1870s the Norwich Board of Trade, a group of 215 business leaders and companies shared and pooled their own resources as they started to build structures to House manufacturing here in Norwich. They negotiated the fares on the railroads that came through the city and they negotiated the cost of shipping goods up the river to our harbor. The same individuals made it possible for King Seeley Thermos to locate here in the city of Norwich, a company that would lead to over 600 jobs for a number of decades here at their peak. They also valued quality-of-life issues and built the Norwich Broadway Theater.

Looking forward there is unfinished business which includes expansion of a downtown Bond program to other parts of our city. This remains an important missing piece. Ultimately, we must engage and include the voters in the city of Norwich in major future decisions. Elected officials must never limit the future of the city, we must include the people who elect us so I'm charging everyone on this council to roll up their sleeves to get engaged. It was a year ago I spoke of the expansion of the downtown Bond programs across the city to places like Greenville Taftville, Occum, Norwichtown, Thamesville and the West Side. Additionally, we're working with NCDC to develop a full waterfront concept involving the entire harbor. Public/ private investment has been the cornerstone of the history of this city. We must continue to walk that path together and not abandon it. We all share a higher obligation to engage the process this year.

At this time, I'd like to share with you some highlights of the past year of the finance, treasury, and tax offices as the city is on target to exceed its budget projections for interest revenue by about a quarter of \$1 million. Treasurer Mike Gualtieri takes advantage of the opportunities in the rising interest-rate environment; the finance department is assisting the personal & pension board and its consultant to obtain proposals from firms to perform investment advisory services for the city's pension and other post-employment benefits funds. The city will ensure that it obtains the best value through the RFP process as it has for a number of other professional services. In December 2018 the city issued \$8 million of bonds at a very favorable interest rate cost relative to its peers. During this process,

Standard and Poors confirmed for Norwich a double A bond rating. The City Council approved a bond in July which assists the Norwich Public schools to integrate human resources and accounting functions with the city. The city expects the project to be operational by December 2019. The city is nearing the end of a revaluation process for the October 2018 grand list. There is still a lot of work to be done before the grand list is finalized, including hearings and appeals, but our preliminary estimates indicate an increase in the net grand list of approximately \$110 million or 5.9 % over the 2017 grand list. At the current general fund mill rate of 41.01, this \$110 million would generate an additional \$4.5 million in tax revenue. Last year's grand list grew by 2%. Just as a historical note the gas bonds expansion program that the voters supported beginning 8 years ago is set to now produce \$813,000 in new revenue. A great return on our money.

Current levy property tax collection percentages are higher than they've been in the past several years. In addition, the collections of delinquent taxes and interest are ahead of budget projections. Some of the improvements are being driven by the acceptance of tax payments at People's United branches during January and July and the hiring of a new collection agency. This is another example where public and private partnerships can help.

Additional commercial activity includes the stabilization and restoration of the Reid and Hughes in downtown Norwich, and a dozen new businesses such as The Royal

Punjabi Restaurant, Craftsman Cliffs Coffee Roastery, and Amazing Furniture. Across the city, the Bubbles to Butterfly Swim Academy in Occum and Hi Dental office on Salem Turnpike are also new additions. In the near future, a new pharmacy will be located across from Ponemah Mills and Cafe' Otis in downtown will be opening in the next few months at 80 Broadway across from City Hall. Foundary66 has expanded to the second floor and is incubating many more businesses whose growth we expect will prompt relocation within the city. Norwich is courting developers for underutilized vacant property, specifically in downtown, Shipping Street and Marina area. We also continue to work with FEMA and Southeastern Council of governments to be accepted into the community rating system to reduce the cost of flood insurance for Norwich property owners.

We dedicated the Ellis Walter Ruley Memorial Park on the east side. This park celebrates the life of a dedicated world renowned painter. The City completed the Uncas Leap Master plan and is moving forward with construction of the off-site parking area and phasing the site development. The City is utilizing grant funds from DECD for this purpose. The Hills at Riverview are still constructing apartments and their continued expansion includes plans for a clubhouse spending over \$ 1 million. Additionally 204 Sturtevant St. is being remodeled for numerous retail establishments. This renaissance was led by Small Potatoes moving there 2 years ago.

Additional steps which will help for the investment is the hiring of an assistant city planner. That individual has been selected and will come on board the beginning of February allowing us to respond to applicants' needs at a much higher level. The City has hired a blight enforcement/housing code enforcement officer. The City is working with commercial property owners to provide free of charge environmental assessment with grant funds received from the federal Environment Protection Agency.

My office in coordination with NCDC, Norwich Public Utilities, and other city department heads all participated in negotiations leading to many of these business opportunities and more announcements in the near future.

In closing I'd like to note that a city that collaborates and works well together will succeed. To that end I request that this council approve a charter commission to address issues such as zoning authority, and perhaps staggered terms for council members which will allow for greater experience and knowledge for members serving. In addition as we schedule council workshops and charrettes concerning water development and possible bond expansion I ask every council member to get heavily involved. Our goal is to have everyone plan out a series of logical and sustainable series of developments between Mohegan Sun, downtown and Preston Riverwalk. Keep your weekends open, we are going to be busy.

Thank you for your time and attention.