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CITY OF STAMFORD
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Enterprise Zone Renewal
August 2008

Background

The enterprise zone was created by Ordinance 724 in 1993 by the Board of Representatives for a period of ten years. In November 2003, the Board of Representatives extended the program for an additional five years to midnight December 31, 2008. As part of this effort, the Board asked for a program review, twice yearly reports and a reactivation of the community enterprise zone board.

Pending as of August 2008, is Board of Representatives Resolution SC27.028 authorizing a five year renewal of the program.

Program Review

The city commissioned a review of the enterprise zone's performance in 2004. The final March 2005 report by Harrall Michalowski Associates looked at over 75 project files, compared the economic base of the South End and Waterside communities to the city as a whole, and evaluated job generation and industry attraction. Among the report's findings:

- The Enterprise Zone was responsible for a modest but noticeable increase in the assessed value of the EZ area.
- The EZ provided an economic development catalyst to the two neighborhoods returning a net fiscal positive to the city.
- Based on an analysis of SICs and NAICs (the classification systems for business) the type of firms that have located in the EZ were firms that paid good wages that could be earned by employees without a need for advanced degrees, specialized skills and extensive training. In essence, this was a surrogate measure attempting to link the jobs to neighborhood residents.
- The EZ has been helpful in diversifying Stamford's commercial base.

Program Management

The city's Office of Economic Development is responsible to manage the enterprise zone program and since the program's renewal it has undertaken the following administrative tasks:

- Re-energized the Enterprise Zone Community Board by new appointments and regular quarterly meetings.
- Conducted visits to each enterprise zone firm to ensure compliance with application and to maintain contact with the firms in order to assist them with expansion or to counter problems at their locations.
- Increased coordination with the Tax Assessor office and the Office of Administration – Finance to ensure accuracy in tax reporting and reimbursement from the State for their share.

The Connecticut General Assembly passed a series of Enterprise Zone amendments in 2006 increasing the reporting and monitoring requirements of the program effective with new applications. Practically speaking, this greatly increases the ability of the city to evaluate the types of jobs, salaries and benefits being produced by the participating firms. The new reporting requirements for each year during the five year term are:

- Job creation (full time, part time, and by residency)
- Wages, Benefits, Training program
- Square footage of space occupied
- Facility and Equipment investments

The Stamford program now has five firms subject to this requirement and as terms expire and new companies join, all participating companies will need to report this data in order to continue with the benefits.

Enterprise Zone Program Today (August 2008)

While nearly 100 firms have participated in Stamford's enterprise zone program, there are 36 such firms active today (up from 32 in 2007 and 28 in 2006). These 36 firms employ in excess of 1900 people and occupy over 800,000 square feet of commercial space. The program's current annual real estate tax subsidy for the city's share is \$674,376, slightly higher than one year earlier but significantly below its peak cost of \$1.56 million in 2006.

Of particular note, manufacturers still make up a noticeable portion of the participating firms (Carolee – jewelry, Fuji Film, Creative Metals); with financial firms (Olympus, Bank of Ireland) and increasingly, entertainment based companies (Verses, Televersemedia) filling out the portfolio.

It is important to note that the South End is going through a dramatic change from the industrial character it had at the start of the enterprise zone program. However, the

program still is critical to numerous commercial properties in the neighborhood and its abutting Waterside community. Its existence does trigger other program eligibilities which have been used by the city to retain and grow business as well.

Why Extention?

The Enterprise Zone has been instrumental in tipping corporate decisions to locate in Stamford and encouraging the relocation from other communities in other states, New York being the most obvious. Relocating companies from New York include Artha Capital and Merrimac Corp. Locating from outside the metro area include Robert Baird (Chicago) and Entergy (New Orleans). Moving to Stamford from Greenwich includes such firms as Altrinsic Global Advisors, Bank of Ireland, Carolee, and Olympus Capital. In addition, the program has made Stamford corporate space more competitive with other spaces owned by the same corporation in Manhattan including such companies as Thomson, Jefferies and Legg Mason.

Further, the Enterprise Zone program maintains a competitive balance for Stamford when competing with other Connecticut cities such as Norwalk and with nearby Westchester County communities such as New Rochelle, Mt. Vernon, White Plains, Yonkers and Port Chester.

The Enterprise Zone program existence qualifies Stamford as a "Targeted Investment Community" within the state law and in doing so, qualifies the city to participate in the following state programs:

- Entertainment District – offering incentives to such companies as Verses, Visual EFX, Televersemedia
- Urban Jobs – offering the means to attract United States Tobacco and Carolee during 2007. As critical, the Urban Jobs program allowed for the expansion of EZ firms, Fuji Film and Creative Metals within the city when they could not find available space within the actual enterprise zone.
- Urban and Industrial Site Reinvestment Act – providing the economic stimulus package that secured the RBS deal for Stamford and more recently to keep GenRe Insurance within the city.

The Enterprise Zone program qualifies the city to increase the city's Conveyance Tax levy from .11 to .35, translating into over \$5million in tax revenue to the city general fund in fiscal year 2007-08 and representing \$3 million in additional revenue within the current 2008-09 budget.

Noting that the EZ program 'cost' the city \$674,000 in forgone tax revenues in the current year, but by its existence, allows the city to trigger the higher conveyance tax and thereby generate an additional \$3 million, the program is highly tax efficient and could be supported on this result alone.

| Year | Certified | Name of Company | Company Address | Certificate Number | Business Type | Initial Jobs | New Stmfd. Jobs | Square Footage | Annual RE Tax Subsidy | Type Benefit | SIC #'s | EZ visits fr: OED | End date Tax Bene. |
|---------------|-----------|--|--------------------------------------|--------------------|-----------------|--------------|-----------------|----------------|-----------------------|--------------|-------------|-------------------|--------------------|
| 2003 | | Visual EFX, Inc. | 700 Canal Street | 1791 | Entertainment | | 9 | 5,000 | 2,935.00 | Enter | 7811 | 8/26/2008 | 10/1/2007 |
| | | X.L. America, Inc. (1) | 333 Ludlow 3rd & 4th floor | 1796 EZ491 | financial | 118 | 330 | 40,572 | 55,353.00 | EZ | 6719 | 7/6/2006 | 10/1/2007 |
| | | Jefferies & Company, Inc. (1) | The Metro Center, One Station Pl | 1819 EZ505 | financial | | 29/69 | 17,987 | 27,229.00 | EZ | 6211 | 8/17/2006 | 10/1/2007 |
| | | Sanford Redmond, Inc. | 65 Harvard Ave. | 1802 | manufacturing | | 45 | 8,667 | 4,948.00 | UJ | 3565 | 6/19/2006 | 10/1/2007 |
| | | The Thomson Corp Dela. Inc. (1) | Metro Center 1 Stat. Pl (4,5,8th fl) | 1801-EZ 493 | service | 196 | 20 | 19,055 | 22,029.00 | EZ | | 8/22/2006 | 10/1/2007 |
| 2004 | | Fences Etc. Inc. | 23 Brown House Rd. | 1883 EZ 543 | manufacturing | | 8 | 7,000 | 4,788.00 | EZ | 2499 | 1/10/2006 | 10/1/2008 |
| | | American Diagnostica, Inc. | 500 West Ave. | 1872 - EZ538 | manufacturing | 30 | 2 | 10,750 | 9,840.00 | EZ | 2835 | 2/16/2006 | 10/1/2008 |
| | | Creative Metal Fab, LLC (2) | 289 Selleck St. | 1840 EZ 519 | manufacturing | 14 | 8 | 4,446 | 1,852.00 | EZ | 332999 | 6/30/05 | 9/30/2009 |
| | | West Avenue Donut Shoppe, LLC | 349 West Avenue | 1832-EZ 514 | manufacturing | 25 | 75 | 1,600 | 3,702.00 | EZ | 2051 | 2/23/2006 | 10/1/2008 |
| | | Paul's Marble Depot, LLC | 40 Washaw Place | 1824 EZ 508 | manufacturing | 2 | 14 | 14,000 | 8,124.00 | EZ | 3281 | 3/16/2006 | 10/1/2008 |
| | | The Thomson Corp. Delaware (2) | Metro Center One Station Pl 4th fl | 1834 EZ516 | service | 72 | 20 | 55,287 | 53,646.00 | EZ | 514131 | 8/22/2006 | 10/1/2008 |
| | | The Thomson Corp. Delaware (3) | Metro Center 1 Station Pl 4th fl | 1885 EZ 545 | service | 10 | 3 | 3,018 | 4,162.00 | EZ | 514191 | 8/22/2006 | 10/1/2008 |
| | | Cytec Industries, Inc. | 1937 West Main St. | 1845 | manufacturing | 205 | 35 | 190,000 | 109,491.00 | UJ | 2821 | 9/21/2005 | 9/30/2009 |
| | | Wendon Company, Inc. | 17 Irving Ave. | 1862 EZ 531 | manufacturing | 43 | 25 | 5244 | 1,463.00 | EZ | 335312 | 1/31/2006 | 10/1/2008 |
| | | Altrinsic Global Advisors, LLC | 100 First Stamford Pl. 6th fl. | 1873 EZ 539 | Investment | 6 | 8 | 3620 | 3,927.00 | EZ | 523920-3620 | 1/27/2006 | 10/1/2008 |
| | | Hearth Kitchen Company | 226 Selleck St. Suite B | 1863 EZ 532 | wholesale | 3 | 4 | 600 | 522.00 | EZ | 425120 | 8/4/2006 | 10/1/2008 |
| | | Jefferies & Company, Inc. (2) | The Metro Center, One Station Pl | 1930-EZ 571 | financial | 128 | 89 | 8,404 | 12,764.00 | EZ | 6211 | 8/17/2006 | 10/1/2009 |
| | | Vineyard Vines, LLC | 37 Brown House Rd. | 1892 EZ 550 | manufacturing | 35 | 130 | 30,000 | 12,897.00 | EZ | 2299 | 1/10/2006 | 10/1/2009 |
| | | Artha Capital Management Inc. | 300 First Stamford Pl. | 1907-EZ 560 | financial | 9 | 15 | 3,530 | 4,224.00 | EZ | 523920 | 4/11/2006 | 10/1/2009 |
| | | Landmark Document Services | 375 Fairfield ave. 2nd fl | 1897 EZ 554 | manufacturing | 50 | 15 | 5,300 | 1,428.00 | EZ | 2759 | 3/9/2006 | 10/1/2009 |
| | | Visual EFX, Inc. | 700 Canal Street | | Entertainment | 8 | 11 | 1,200 | 572.00 | Enter | 7811 | 8/26/2008 | 10/1/2010 |
| 2005 | | The Thomson Corp. Delaware, Inc. (4) | Metro Center 1 Statio Pl. 6th fl | 1941-EZ.579 | software/public | 225+ | 50 | 17,161 | 25,953.00 | EZ | 51136 | 8/22/2006 | 10/1/2010 |
| | | X.L. America, Inc. (2) | 333 Ludlow 3rd & 4th floor | | Financial | | 155 | 26,969 | 37,797.00 | EZ | 6719 | 7/6/2006 | 10/1/2010 |
| 2006 | | ADJ of Stamford, Inc. | 24 Garden Street | 1943 EZ 580 | manufacturing | 33 | 8 | 2,700 | 11,157.00 | EZ | 3444 | 9/3/2008 | 10/1/2010 |
| | | Entergy Nuclear Power Marketing LLC | First Stamford Place | 1949 E.Z. 583 | power/mktg | | 17 | 4,667 | 4,910.00 | EZ | 6221 Sic | 8/26/2008 | 10/1/2010 |
| | | Newbury Partners, LLC | 100 First Stamford Place, 2nd floor | 1975-E.Z.594 | financial | | 14 | 4,912 | 6,052.00 | EZ | 6799 SIC & | 8/26/2008 | 10/1/2010 |
| | | PS America Inc. DBA Pro Source Stamf. | 330 Fairfield Ave. Suite 3 | 1976-E.Z.595 | warehouse | | 6 | 17,306 | 7,255.00 | EZ | 5023 SIC | 9/18/2008 | 10/1/2010 |
| | | Creative Metal Fab, LLC (2) | 316 Courtland Avenue | #1993 2006 | manufacturing | 15 | 10 | 17,152 | 7,005.00 | UJ | 332210 | 7/7/2006 | 10/1/2010 |
| 2007 | | Carolee Designs LLC | 88 Hamilton Avenue | #2044 E.Z.622 | manufacturer | | 130/40 | 41,000 | 16,182.96 | UJ | 3961 | 11/13/2007 | 9/30/2012 |
| | | The Governor & Co of the Bank of Ireland | 300 First Stamford Place | 2008 EZ 1063 | financial | | 20/76 | 27,175 | 29,650.00 | EZ | 541613 | 8/29/2008 | 9/30/2012 |
| | | Televersemedia, LLC | 700 Canal Street (certified 8/22/07) | #2000-ED10 | Entertainment | 3 | 5 | 1,780 | 1,103.56 | Enter | 512110 | 8/26/2008 | 9/30/2012 |
| | | Olympus Growth fund IV L.P. | Metro Center One Station Pl. ste 4 | 2032 E.Z. 617 | financial | 14 | 5 | 2,414 | 3,809.18 | EZ | sic 6799 | 9/4/2008 | 9/30/2012 |
| | | FujiFilm Medical Systems U.S.A. | 650 West Avenue | #2040-E.Z.620 | manufacturer | 5 | 2 | 20,000 | 13,349.17 | EZ | 334111 | 8/21/2007 | 9/30/2012 |
| | | FujiFilm Medical Systems U.S.A. | 11 River Bend Dr.So. | #2041- | manufacturer | 85 | 50 | 25,962 | 31,838.87 | UJ | 334111 | 8/21/2007 | 9/30/2012 |
| | | Verses, L.P. d/b/a Verses | 208 & 232 Harbor Drive | #2048-ED11 | Entertainment | 10 | 45 | 43,266 | 27,273.19 | Enter | 51510 | 4/22/2008 | 9/30/2012 |
| | | UST Inc. | 6 High Ridge Park | #2051UJ | Corp.Hq. | | 350 | 136,000 | 105,145.03 | UJ | NAICS#55114 | 9/20/2007 | 9/30/2012 |
| totals | | | | | | | 1955 | 823,744 | 674,376.96 | | | | |

ENTERPRISE ZONE BUSINESS CHART

Total companies from start of program 1994 to current year of 2007 that previously/currently receive EZ tax benefits: 105

Total companies still located in Stamford: 79

Total companies that moved out of Stamford: 18

Total companies that went out of business: 8

105

EZ tax benefits - 1994 to 2007 updated 9-23-08

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Comparison of Conveyance rates @ 0.11, 0.25 and 0.35

FY 07-08 Revenue (unaudited)

| | | |
|----|------------------|--|
| \$ | 23,857,526 | 2007-2008 Total Sales (approx) |
| | | 0.35 Conveyance Tax Rate - Current Rate |
| \$ | 8,350,134 | 2007/2008 Revenue - unaudited |

| | | |
|----|------------|--|
| \$ | 23,857,526 | 2007-2008 Total Sales (approx) |
| | | 0.25 Conveyance Tax Rate (former rate) |
| \$ | 5,964,381 | 2007/2008 Revenue @ .25 Conveyance |

| | | |
|----|------------|--|
| \$ | 23,857,526 | 2007-2008 Total Sales (approx) |
| | | 0.11 Conveyance Tax Rate (former rate) |
| \$ | 2,624,328 | 2007/2008 Revenue @ .25 Conveyance |

\$ 5,725,806 Variance of 0.11 to 0.35
\$ 2,385,753 Variance of 0.25 to 0.35



CONNECTICUT FILM CENTER LLC
76 PROGRESS DRIVE, STAMFORD CT 06902
(203) 348-2500 PH .. (203) 348-5200 FX

August 25, 2008

Mr. Michael Freimuth
Director
Office of Economic Development
City of Stamford
888 Washington Boulevard
Stamford, CT 06901

Re: Enterprise Zones

Dear Mr. Freimuth:

On behalf of the scores of motion picture productions and their hundreds of employees who have made movies in Connecticut, I want to thank the City of Stamford for its support. These productions have brought in hundreds of millions of dollars in direct and indirect spending, thanks to the State's 30% tax credit and facilitation help from the City. Attracting these productions has been step one, and we have been extremely successful in doing so, thanks in great measure to the City and State.

We are now in the middle of step two: building the permanent infrastructure for a sustainable film and digital production industry right here in Stamford. My company, Connecticut Film Center, has made numerous trips to the U.K., France, L.A., San Francisco and other destinations, and is in serious discussions with companies interested in locating at our Connecticut Film and Digital Media Center (The Center) in Stamford. These companies represent potentially thousands of high-paying, permanent jobs for the area. We are in the design phase for The Center, and are working with established and highly respected development and financial partners.

In order to build The Center, it is imperative that we have access to the tax advantages of the Enterprise Zone designation to make the financial metrics work. We hope that the City of Stamford will maintain the Enterprise Zone designation well beyond the end of this year so that we can bring a sustainable film and digital production industry to Stamford.

Thank you in advance for your good help on this front.

Sincerely,

Kevin Segalla
President