

ECONOMIC DEVELOPMENT COMMITTEE

MINUTES January 10, 2000

Present

G. Daley, Chair
R. Santangelo
S. Shapiro
J. Robinson

Public: Jane McMillan, Chris Widmer

Power Development: Tom Atkins, Nicole, Ken Roberts

Press: Bill Daley, Mark Christie

Absent

S. Gionfriddo

Also Present

W. Warner, Director PCD
R. Kearney, EDS
G. Russo

A. Call to order: Daley called the meeting to order at 7:03 PM

B. Public Session:

F. New Business

1. **646-654 Main Street:** Widmer, Alderhouse Residential Communities, presented a proposal for this property to develop a 10 unit artist cooperative residence with an art gallery on the first floor, possibly with Wesleyan and the artists in the residence. He discussed the plans to address code issues, elevator, CHIF and having the gallery as a member of the cooperative. The financing plans include donation of the building by the City. It would take 6 months to arrange financing and 1 year of construction with a planned opening of 8/01. He stated that the building is sound and the project would enhance Main Street. He discussed their Hygienic project in New London. Shapiro asked if they would be selling shares in the cooperative. Widmer said that the limited equity would be \$2,000 per share with a fixed annual appreciation of approximately 6% to insure affordability. Shapiro asked if CDBG funds are not available, would they be looking for tax credits. McMillan stated that tax credits would be sought and that the project would be a visible benefit to the community. Widmer stated that Alderhouse has a good record on tax credits. Shapiro asked if HUD funds were available. Widmer stated that HUD funds are difficult to get. Warner asked how this project can be limited to artists only. Widmer stated that this is legal and was acceptable in New London. Widmer will provide additional information on how the process of artists only is allowed. Daley asked how the residents would be selected. Widmer stated that a committee would conduct a market search. The applicants would be subject to an interview process analyzing credit, income levels. Shapiro asked if the gallery would be for profit. Widmer stated that it would be a non-profit to provide a showcase for artists in the residence. Warner stated that \$10,000 of CDBG was budgeted to NEAR to study the feasibility, but they have not initiated the study. Daley stated that there are larger plans for the area in discussion. Santangelo stated that the Connection has plans for this building. Warner stated that a meeting with everyone interested in the area be held. Warner stated that Parker, Fazzino be involved in the other buildings including Green Street School. Santangelo mentioned that Hudson, NY project and sited the bakery is indicative of the development momentum in the North End. Daley asked if an RFP had been advertised for the property. Warner stated an RFP was advertised but there was no response. Warner stated a new RFP could be made specifying artists usage. Shapiro made a motion to advertise and RFP for 646-654 Main Street, Santangelo seconded. Daley suggested a symposium for North End plans. Robinson recommended setting a date in March. Shapiro stated that an RFP might bring other proposals. Daley asked Warner to publish an RFP and to bring results to February 14 meeting. Kearney asked what the rent range would be. Widmer stated \$445-700/mo. Robinson commented on the request for CDBG funds for the project. He stated that if several large requests like this were made there would not be enough money available to help the less fortunate, non-profits and recommended keeping a diverse use of funds. Warner stated that brick & mortar are key parts of the CDBG program funds for projects like Miller & Bridge and Brickyard. The CDBG budget is approximately \$510,000 per year. Daley stated that each project and request for funds should stand on its own merits. Daley stated that after 2 years when nothing happens with funds they should be put to use. Warner stated that \$120,000 in CDBG funds would be reprogrammed.

- 2. Meriden Gas Plant:** Daley stated that in conversations with Warner he saw the need for additional information relative on the future economic impact of this project and the water diversion issues. Russo stated that he has met with the consultants from Power Development. A model was run on the river flows with results indicating negligible impact and salinity with no impact on wells or Dart Island. Daley asked if data was available. Russo said he has a formal report. Warner stated that from a future economic development perspective the \$8 million sewer project will open 3,000 acres of industrial land and a large industrial user needs will probably look for water diversion. If Meriden Gas goes forward there may be significant economic impact on Middletown. Daley asked if the City should step forward. Atkins stated the Connecticut Watershed Council is not opposing the project. The CWC considers this project as not a large diversion. Daley questioned whether the City should file intervenor status. Atkins said that they would share all information. Existing diversions are 100 million/gal/day. Nicole stated that DEP has looked at their need for water. Santangelo asked how much diverted water is returned. Atkins stated that Dexter the biggest and does not return. Roberts stated that Hartford Steam Plan returns 10%. Santangelo asked how much water runs through Middletown today. Nicole stated 7600 CFS runs. Shapiro stated that Maromas needs water and asked what the average water needs would be for 3,500 acres. Nicole stated that it depends on the type of company. Daley asked about CT Yankee's usage. Roberts stated that power companies are the most consumptive use and shows no impact. Shapiro asked what percent would affect the river. Nicole stated this depends on the volume of water and that Middletown has a tidal advantage. Daley asked how the collection site was selected. Atkins stated that water is collected under the bottom of the river depending on the geology of the site. Daley asked if that the site is close to an aquifer. Russo stated that it is not near an aquifer. Roberts stated that in depth studies on Cromwell wells and aquifers were done. Daley recommended the City monitor these studies to protect and be assured the future of City water be assured. Russo stated that DEP judgement on transfers and cooling life. Atkins stated that they would keep the City informed on an on going basis. Daley questioned whether the City can comment in the future after DEP makes its findings. Roberts stated that the conversation can remain open. Daley asked why the route, originally going through Middletown, was changed. Atkins stated that a new route was chosen based on disruption to the environment and access. Potable water is not allowed and needs to be preserved for future use. Roberts stated that wet-dry system incurs inefficiencies during summer peak demand causing worse air emissions. Atkins stated that wet-cool is the best system. Daley asked if Middletown sites would be considered if Meriden did not work out. Daley asked if there is strong demand for gas plants. Atkins stated that siting on brownfields is desirable but NU was not available at the time of deciding on sites. Daley asked what harm would there be to the project if the City filed as an intervenor. Atkins stated that the project would be delayed. Daley suggested that Cromwell and Meriden are good neighbors but that Middletown must protect its interests. Atkins state that intervention would allow the City to gain all information as it becomes available. Roberts stated they operate on an open door policy in disseminating information. Atkins stated they would address all issues to any questions and were flexible on routing. Daley questioned what the status of other plantst. Atkins stated that Milford is 1 year from starting. Warner stated that by filing as an intervenor allows the City the right to appeal. Robinson stated that it would be positive to file as an intervenor. Warner stated that filing would compel Power Development to answer and demonstrate any impact questions. Atkins stated DEP would not compel proving impact on Maromas. Daley questioned timing of filing. Atkins stated that 30 days after tentative determination. Russo recommended checking with City Attorney. Daley stated that the City Attorney be involved in the process. Shapiro asked what the highest user of water diversion. Atkins stated that papermills are and Dexter has a 100 million permit. Atkins stated that DEP likes the blowdown to the Quinipiac. Roberts stated the State can be challenged on water allocation Warner asked why the route is not following the existing gas line. Nicole stated the routing decision centered around environmental impact. Atkins stated that DEP can reverse the route. Shapiro asked how the water gets to the plant. Atkins stated by city water system. Warner stated that filing requires Power Development to cc intervenors. Daley recommended further discussion on this issue with the City Attorney. Shapiro questioned what the City would lose by not filing. Warner stated DEP is involved only in technical denials and that there are additional unknowns. Daley recommended further discussion with the City Attorney and the Mayor. Russo stated a minimum of 60 days for DEP. Russo stated that the Quinipiac is a different basin. Warner questioned whether the dry system was more expensive and less efficient than wet. Shapiro questioned what the ramifications of filing would be on the City's relations with Cromwell and Meriden. Warner stated that Cromwell would receive \$150,000 and Berlin

\$300,000 per year. Warner stated filing could result in problems with wastewater regionalization. Russo stated that the upflow would required expansion of Mattabassett with Middletown usage but would result in a more efficient plant. Daley stated that the odor is a problem at the Mattabassett. Daley thanked Warner for bringing up this important issue.

C. Minutes:

D. Communications: No communications received.

E. Old Business

1. North End Industrial Area

a. Remington Rand: Warner stated Midfield recommends a gate system (\$16,000), brick work (\$2,400). Motion to approve expenditure for these items by Shapiro, seconded by Robinson. Daley stated that the property management agreement was signed.

b. Leibman property: (no discussion)

c. Package Store: Warner stated the building can be put on the demolition list. Committee agreed with this recommendation.

2. Industrial Park area and vicinity: (no discussion)

3. Brownfields-Riverfront Properties: (no discussion)

4. Armory: (no discussion)

5. Brickyard Industrial Park: Warner stated that DECD would grant 50% of the \$650,000 budget. Engineering and design this year by using \$55,000 in CDBG funds. Shapiro recommended bonding, not using CDBG. Warner stated 8 lots at \$30,000. Robinson stated that North End project has taken 7 years. Warner stated legal issues held up the North End process. Shapiro stated that a quicker payback is needed. Warner stated CTDOT is responsible for the RT3 work. Daley recommended that bonding TIF be investigated with J. Reynolds. Warner stated that DECD would take half the lot sales revenue. Robinson stated concern over using CDBG funds. Daley recommended that other sources of financing be explored.

6. Sumner Brook Realty: Warner stated that the interior environmental work is being done.

7. JOBS Loan Program Guidelines: (no discussion)

8. Reuse of Old Police Station: Daley questioned the lack of concern by the City in not salvaging and selling/auctioning office equipment. Also questioned collecting insurance on the roof damage.

9. Town wide vernal pools: (no discussion)

10. REINVEST Loan: Touch of Class, Bankruptcy discharge: (no discussion)

11. Main Street BID Ordinance: (no discussion)

F. New Business

1. 646-654 Main Street (see Public Session)

2. Local Workforce Investment Area, Interlocal Agreement: no discussion

3. Meriden Gas Plant: (see Public Session)

4. Transfer of funds from Economic Development Fund, Unappropriated Balance to Reinvest Loan Fund: Kearney stated the transfer was needed to fund the Mia Mammias closing. The Committee agreed.

G. Status Reports

1. Economic Development Specialist's Report: (no discussion)

2. REINVEST monthly summary report: (no discussion)

3. Economic Development Fund Status Report: (no discussion)

4. INFORM monthly report to Mayor and Economic Development: (no discussion)

H. Other

I. Adjournment: There being no further business, the Committee adjourned at 9:01 P.M.