

Economic Development Committee

Approved Minutes from the Economic Development Committee Meeting of January 10, 2011

Present: G. Daley, R. Santangelo, J. Bibisi, D. Bauer, D. Drew, W. Warner, R. Kearney

Public: J. Pugliese, T. Davis, C. Johnson, E. McKeon, D. Cronin, F. Nunnes
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Minutes

- A Call to Order: Santangelo called the meeting to order at 6:02 PM.
- B Public Session: Pugliese stated the Middlesex County Chamber of Commerce supports the Mattabeset Canoe Club efforts to develop its business.
- C Minutes
 - 1) December 13, 2010 Meeting Minutes: Bibisi made a motion seconded by Bauer to approve the Economic Development Committee December 13, 2010 meeting minutes. The committee voted to approve the minutes with Drew abstaining.
- D Communications: none
- E Old Business
 - 1) Mattabeset Canoe Club: fire alarm system: Warner noted the letter Mattabeset Canoe Club. Cronin stated the worn condition of the city owned building where maintenance was quickly done and the leaking roof which should be expected. Cronin stated prior to closing on the lease, he walked through the property with city department heads. The fire marshal indicated no issues at that time. Since the closing, the fire marshal has requested a new fire alarm system be installed. The system would cost between \$15-25,000 depending on the definition of the space for type of occupancy or assembly. The change came as a surprise. The business is closed for renovations until March. Cronin met with the Mayor and Larry McHugh, Middlesex County Chamber of Commerce to discuss the alarm issue. Warner stated a new company can succeed or fail in its early stages. Bibisi stated support for the company and requested an itemized list of renovation costs including the fire alarm system. Daley questioned what abatement was being requested. Warner stated the request is to defer rent and add the deferred rent on to the end of the lease term-noting the payments go the Economic Development Fund. Bauer stated he is sympathetic to the issue suggesting the deferral be revisited in one year. Bauer questioned the operation of city departments. Daley agreed with Bauer's concerns and questioned why the alarm system was not brought up during the due diligence that the city cannot do business in this manner noting the hotel faced similar issues with city departments. Daley stated hesitancy in agreeing to no rent for a period of time and noted a company can get accustomed to not paying rent and then other things happen to cause the rent to not be paid. Daley suggested paying half the rent and stated the city bears some responsibility in this matter. Warner noted the improvements are being made to city property for which the city will benefit. Cronin agreed that maintenance is part of the deal. Daley suggested reviewing the cash up front and Bibisi's suggestion of reviewing a list of renovation costs. Warner stated the only cost concern is the alarm. Daley requested a range of costs for the alarm. Drew asked when the quotes would be available. Cronin stated he would have the

quotes in two weeks. Cronin noted the fire regulations may have changed. Warner suggested reviewing the information at the February meeting. Daley and Bibisi concurred.

2) 20 Portland Street: Warner stated no response from the non profits and the property was also listed on Craig's List at the suggestion of McKeon. Several people had responded and he suggested they view the property and comment. None of the responders had a portfolio. Bauer suggested following a dual track of selective abatement by investing funds which would reduce the grant funds and keep the offer to sell open. Daley noted spending the grant funds would reduce the incentive. Bibisi noted it would cost \$30,000 for lead and asbestos abatement. Nunnes, owner of eleven units on Portland Street, stated he looked at the property and noted the rear building is gutted and the project is not economically feasible. Warner cited a letter which proposed using the block grant funds for abatement but any project using block grant funds must be lead free. Nunnes questioned who was advocating for the renovation of the buildings which are being used by crack dealers to hide their stash. Daley stated preservationists who value the architectural qualities of the buildings noting the city has worked with Broad Park and Neimiah Housing on other properties. Warner stated those projects cost \$380,000 per unit. Drew questioned the value of 20 Portland. Kearney noted a 2005 assessment of \$93,630. Bibisi noted that was before the buildings were gutted. Nunnes stated he considered buying the property for parking since there is limited parking in the area-that was before the lead and asbestos issues. Warner stated the dual track would continue and a demolition permit would notify historic preservation. Warner stated numerous outreaches to organizations. Bauer stated everything possible was done to save the buildings and asked if there is a deadline. Warner noted Code Enforcement and the safety of children were serious concerns along with the potential for risk to fire fighters who might have to be called in to rescue people who are attracted to abandon buildings. Nunnes stated he had called the city on several occasions to report issues with the building and drug dealers. Bauer stated the need to be realistic. Warner stated the demolition permit would give 15 days notice and the Common Council had approved the funds. Daley suggested moving forward with the demolition plans and to keep the offer open in case someone comes forward to acquire the properties. Bauer agreed on pursuing the dual tracks in the off chance that someone comes forward. Daley noted the city has heard more testimony that renovating the property is not feasible and the city may recoup some funds by clearing and selling the land. Drew noted the potential to gain some value with the sale and a new building on the site. Bauer requested a report on the potential assessed value of a new structure on the site in five years. Bauer made motion seconded by Bibisi to proceed with the demolition. The committee voted unanimously to approve the motion. Johnson questioned why the property had no sign directing interested parties as to where to inquire about the property. Johnson stated the city's efforts were silly and incompetent in outreach and that LinkedIn is not a viable outreach. Johnson stated the property is not the proper size for a parking lot. Daley stating the city had made a concerted effort and had received testimony from two Portland Street property owners on the lack of economic feasibility of the property. Bibisi stated this is a code enforcement issue. Johnson stated there is no department in the city to handle old buildings and that erasing buildings is not a viable option. Every city in the northeast has an office and policy to handle old buildings. The city does not educate people on lead abatement. Boston has a store where interested parties can acquire city owned properties. Middletown is a smaller city but should offer services and outreach regarding old buildings. We are not getting all the information-this is all about the building. Bauer noted the ideology issues and stated the city has to be practical and a lack of knowledge requires the city get guidance if the property could be saved and the city would try to save it. The city has liabilities to deal with. Johnson stated a builder had walked through the property and saw no problems and who cares about the condition? A property that is stripped back to the studs is still viable. Nunnes noted the foundation is crumbling. Johnson stated her old home foundation is crumbling. Nunnes stated that is not safe. Nunnes stated he would put forth a comp builders quote to show if it was worth doing to rehab or remove the property to increase values on other properties in the area. Nunnes stated boarded up buildings turn off future tenants and hurt the

city. Daley admonished Johnson stating her comments were insulting to the city and the property owners who had spoken to the committee.

F New Business

1) 138 College Street: Attorney Corey legal bills: Warner stated the need to transfer \$500 from the Economic Development Fund to pay the legal bill balance. Bibisi made a motion seconded by Bauer to transfer \$500 from the Economic Development Fund to pay for the legal bills. The committee voted unanimously to approve the motion.

G Status Reports

- 1) Economic Development Fund, 12/31/10
- 2) Middletown Statistics Report, 12/10
- 3) Future Economic Development Projects report
- 4) Economic Development Specialist Report
- 5) REINVEST Loan Program, monthly summary report
- 6) JOBS Loan Program, monthly summary report

H Other

1) Bauer made a motion seconded by Bibisi to add the Parking Garage to the Agenda. The committee agreed to the motion.

2) Parking Garage: Warner reviewed the federal funding history. The funds are in three pots: Intermodal funds spent by the transit district; Federal Highway funds for a parking garage \$8.0 million which nets \$6.9 million after agency fees; Transportation Infrastructure funds \$9.5 million which is bus money which MAT controls. There is no clear answer on how much funds is left. Our lobbyist says the \$6.9 million is intact and there is \$4.0 million in bus funds of which \$2.0 million could be used for parking allocated to bus patrons. DOT is working with the city on the approved plan to build a garage behind the police department. Today, the federal government is talking about removing all orphan earmark funds-it is important to show we are making progress on the project to insure funding. The language in the legislation assures that the city's earmarks are not revocable. Drew questioned if there is a bonding requirement and how many parking spaces and what are the costs. Bauer requested a working document be produced tracking the funds to show the city's progress and say the right things. Daley reiterated stating putting the dollars on paper and what's been done. Warner stated the DOT might agree to move the funds to the FTA. If the city moves the location and we get the funds out of DOT, then the transit funds with the garage would move the process out of the difficult CEPA into the easier to deal with NEPA. Warner stated the difficulty in getting a straight answer out of the agencies. Daley questioned the status of the Purcell Arcade garage study and noted the need for a plan to replace the spaces during construction. Warner stated the need to show the city has its act together and is proceeding and not waiting. Daley stated the need to see Hartley's statistics on supply and demand and the Purcell study. Warner stated moving forward for two years to start the process negotiating the design fees with URS will show we are doing something. Daley questioned the LOCIP funds. Warner stated LOCIP is allocated and the design fees are negotiated and will be submitted to DOT which will negotiate with URS the design fee to award the contract. Daley questioned whether

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the Common Council had approved the resolution. Warner affirmed stating the tabled resolution was to move the site of the garage to Melilli Plaza. Warner stated the main issue is to preserve the funding it will take six months to negotiate the contract. Daley stated the need to negotiate the two proposals with DOT. The committee agreed to recommend to the mayor to formulate a plan to show progress and to discuss with Larry McHugh the city's plan. Warner stated the need to deal with the Arcade garage. Johnson stated the missing design plan to tuck the garage into planned new buildings and the need to get a competent architect to do this easy project. Warner noted URS is an international company of 10,000 employees. Drew questioned the cost of the garage design. Warner responded: \$1.1 million. Warner noted this is a great time in the economy to build a garage as the costs are lower and there is no backlog. Santangelo noted the savings of \$500,000 in Arcade garage maintenance. Daley asked who designed the garage conceptals? Warner stated VHB commissioned the design work. Warner noted the Meriden Mall garage has fourteen foot ceilings and is consumers like parking there. Warner noted the conceptals showed connecting Riverview Plaza to the new garage and suggested perhaps a 2 story structure might be more consumer friendly. Daley recommended doing what is necessary to preserving the funding. Warner stated it will be easier to work with the FTA. Daley stated it is important not to blow the funds and to work with the Mayor on moving forward.

- I Adjournment: Bauer made a motion seconded by Bibisi to adjourn. The committee voted unanimously to adjourn at 7:15 PM.