

ECONOMIC DEVELOPMENT COMMITTEE

MINUTES

JANUARY 10, 1996

PRESENT

G. Daley, Chair
J. Milardo
S. Shapiro
R. Santangelo
J. Vinci

ABSENT

None

ALSO PRESENT

R. Hill, INFORM
J. Bianco, Bianco Giolitto Architects
W. Kuehn, staff
C. Wilcox, staff
J. Robinson (7:25-7:40)
M. Madsen Holzberg (7:35)
W. Daley, *Courant* (7:35)

G. Daley called the meeting to order at 7:10 p.m. in Room 208 of the Municipal Building.

Public Session:

No one from the public wished to speak.

Minutes of December 13, 1995:

Upon a motion by S. Shapiro, seconded by R. Santangelo all voted to accept the minutes as written except J. Milardo who abstained.

Communications:

There were no communications to report.

Old Business:

Bylaws

There was a bylaw change which would reflect changing the meeting dates from the second Mondays of every month to the second Wednesdays of every month on the Agenda for the committee to consider. A motion was made by J. Vinci, seconded by R. Santangelo to so change the bylaws; however, J. Milardo indicated that the second Wednesday was not a good time for him to meet; and he would not be able to attend every meeting. Therefore, the motion was withdrawn by J. Vinci and the second withdrawn by R. Santangelo. A new motion was made by S. Shapiro, seconded by J. Vinci to reschedule the regular meetings back to the second Mondays at 7:00, except that in February the meeting will Tuesday February 13th, and will be a special meeting.

Armory Project

W. Kuehn referred to the memo in the packet which indicated that the Architects for the Armory Project have scheduled several meetings - the first one being next week to discuss the physical aspects and restraints to the project. They also wish to schedule a meeting with the Economic Development Committee at their earliest convenience. The committee agreed to meet with them at their next meeting which will be Tuesday, February 13th.

New Business

INFORM

Bob Hill from INFORM introduced himself to the committee as a corporate attorney; and went on to describe his background. He summarized the activity reports for 1995, based on goals and objectives and achievements that he and his Board had set. (Materials were distributed to the committee.) He handed out the 1995 objectives, the 1995 achievements (which more than surpassed the objectives) and an INFORM position statement which described the organization. He listed amongst the achievements a complete inventory of land and buildings available, development of contacts with Realtors, with the Department of Economic & Community Development, with the utility companies, and with the Chamber and other like entities. A mailing of the new INFORM brochure went out to over 3,000 companies as well as over 300 videos. He described the Internet page - which is basically the cyber-translation of the INFORM brochure - as well as the surprising response to this. There have been 480 hits, so far; some of which have been serious interests. He further noted that the Advisory Council, which had been mentioned in the 95 objectives, was not needed yet; however, he did express a need for a team for showing people or prospective Fortune 500 companies around in Middletown. After handing out the new objectives for 1996, Mr. Hill also stressed the need for more industrial land. He is talking with Aetna about approximately 60 acres, and Connecticut Valley Hospital which has 800 acres some of which might be suitably buildable. He noted the Maromas properties owned by Untied Technologies and Northeast Utilities were not all buildable. He emphasized the need for good sites and enough land for Fortune 500 companies, and the importance that INFORM placed on making sure that Middletown had such sites available. S. Shapiro asked Mr. Hill what his contacts were looking for in Middletown. He replied that he had a list of 30 active companies at the moment; and their requests ranged from 150,000 sq. ft. to as small as 5,000 sq. ft. His brochure mailing had aimed at 26 SIC codes which represented "clean" industries. G. Daley pointed out it was his view that Economic Development should start from deciding which part of industry the City wished to target and based on the workforce and other industries which are already here.

After discussion of the ratio of tax dollars expended versus taken in for commercial and industrial properties (as opposed to residential properties), the committee addressed the request for INFORM to reallocate the \$3,400 balance which is in their brochure line item to the salary item for this year. A motion was so made by J. Milardo, seconded by S. Shapiro and voted unanimously.

REINVEST

Jeff Bianco, architect, appeared for Andrew Huang, who was currently out of the country, and who wishes to apply for a \$25,000 REINVEST Loan in order to convert the former MacAndrew's Restaurant into a new Japanese restaurant to be called "Mikado". Mr. Bianco pointed out that this restaurant would be more of a destination point - there being very few Japanese restaurants in central Connecticut, and none in Middlesex County - and that is the basis of his business plan. Physically, he would change the current bar area to a Sushi Bar, and the bulk of the changes would occur in the former bar/service bar and front area of the restaurant. The main dining room would remain pretty

much the same. There had been a problem with the second egress with which the Fire Marshall was not happy; and happily the architects and Fire Marshall had come up with a new egress that is satisfactory to all. Although the current seating is for 90 people, the new configuration will be somewhat less - probably around 75. They will serve a regular Japanese menu, and possibly some of the MacAndrew's menu as well. The chef is Japanese, and is currently at Wesleyan. The restaurant will maintain its full kitchen. R. Santangelo asked about ADA accessibility - which is not possible. Mr. Bianco reported that the stair will be better designed; but it will not be wheelchair accessible; and there is not anything that anybody can really do about that.

The committee continued to discuss the purpose of the REINVEST Loan Program emphasizing that, unlike JOBS, it was not a loan of last resort. It was, however, to reinforce the City's commitment to induce reinvestment in the downtown. Mr. Daley also felt there was a commitment to create local jobs both in the construction phase and in the new business. J. Bianco replied that, in Mr. Huang's case, the workers were all pretty much local people. He was a local architect, and the chef is currently at Wesleyan; so that objective was met. A motion was made by J. Milardo, seconded by R. Santangelo to approve a REINVEST Loan for \$25,000 to Andrew Huang for physical improvements to the restaurant to be called Mikato at the location of the previous MacAndrews subject to the usual review by Liberty Bank.

On other REINVEST business, W. Kuehn noted that income from REINVEST will be appropriated at the February Common Council meeting.

Proposed Ordinance Regarding Options for Purchase of Real Estate:

The committee discussed the proposed ordinance which would set a limit of \$10,000 for the Mayor to use to acquire options on properties on behalf of the City. The Charter already gives her the authority to acquire options; however, the purpose of the Ordinance is to set financial amount. There was considerable discussion over whether or not \$10,000 was too much or too little. J. Milardo was opposed to having any amount mentioned, whereas Mayor Holzberg, who was present at the time, noted that a nominal amount to make the option power workable was necessary. The previous amount had been very very small and it was often necessary to have the flexibility to move quickly in cases of Real Estate acquisition on behalf of the City. A motion was made by G. Daley, seconded by R. Santangelo and voted to approve the proposed Ordinance as written. All voted in favor except J. Milardo who opposed.

North End Industrial Area

W. Kuehn reported that the date for receipt for proposals on the Phase II environmental study had been extended to January 23rd. He further reported that the Mayor had signed the papers for the \$582,000 grant. The Finance Department reports that the checks for the planning grant are already in; and checks for the second grant should be available in two weeks.

Reports: none

Other:

- ◆ W. Kuehn distributed a proposed resolution which he described as “housekeeping” to keep the Economic Development Funds in place for the next year. This is an action the committee takes each year to keep Economic Development Funds from reverting to the General Fund when a use for them is anticipated in the year. A motion was made by R. Santangelo, seconded by S. Shapiro and voted unanimously.

- ◆ A request for subordination of the second mortgage related to a REINVEST Loan for “In Good Taste” had been received by the City Attorney Office. It was brought to the attention of the Economic Development Committee since they oversee REINVEST Loans. After considerable discussion the committee unanimously agreed that they would not grant a subordination of their position. They were satisfied with the current position; and if there were to be any change to the first mortgage financing, their desire was either to have the loan paid off, or to give the City the first position; but, under no circumstances, would they subordinate their second position as requested. A motion was made by S. Shapiro, seconded by Joe Milardo and voted unanimously to notify the owners of “In Good Taste” of their opinion that they were satisfied with the current position. All voted in favor except J. Vinci who abstained.

There being no further business the meeting adjourned at 8:45.

Cynthia G. Wilcox

CGW/sh

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