

**City of Middletown, CT**

**Economic Development Committee**

**Amended Minutes from the Economic Development Committee Meeting of January 12, 2009**

<b><u>Present</u></b>	<b><u>Also Present</u></b>
G. Daley, Chair	R. Klattenberg
R. Santangelo	E. Roberts
H. Kasper	M. Lesser
J. Bibisi	W. Warner
D. Bauer	R. Kearney
Public: T. Davis, E. McKeon, M. Fraulino, S. Stachelek, D. Spilka, W. Corvo, L. Hoffman, P. Carroll, S. Schory, J. Williams, J DeSena, D. Giordano, J. Nealin, J. Alexander, K. Antin and other members of the public	

**Minutes**

- A Call to Order:** Santangelo called the meeting to order at 6:07 PM
  
- B Public Session:** Roberts discussed item F5 stating the item was not heard at the Inland Wetlands meeting notice sign was not in place and the meeting was cancelled due to bad weather. Roberts questioned the request for easements relative to public property rights v/s leasing v/s selling relative to the issue of permanent easements. Roberts noted the plans to demolish the quaint house. Roberts provided a letter from the Mayor to the State Senators and Representatives regarding the open space land.

Fraulino, representing the Middlesex County Chamber of Commerce, stated the Chamber’s support of items E5, F1, F2 and F5

Alexander stated support for E5. Alexander stated Kidcity Children’s Museum is doing well attracting 100,000 visitors and the strong through the fall with attendees from affluent demographic markets. Alexander stated the intent of creating the museum was to drive visitors to Main Street. Alexander noted the undesirable access to Main Street through the cut in the chain link fence and suggested the committee consider an having an agenda item to address the issue of access and suggested a partnership to erect a new fence, to pave the Holy Trinity driveway and design an archway directing visitors to Main Street.

**C Minutes:** Kasper made a motion seconded by Bibisi to approve the 10/14/08, 11/3/08, 11/26/08 minutes of the committee. Bauer stated he did not attend the 11/3/08 due to not being notified of the meeting and therefore abstained from voting on the 11/3/08 minutes. The committee voted to approve the motion. Daley was not present.

**D Communications**

**E Old Business**

**1) Sale of Remington Rand**

a) **TWB Properties, LLC:** Warner stated the buyer is still positive. DECD has agreed to forgive the lien on proceeds of the sale as long as \$200,000 of the \$1.2 million goes to the EDF. Bauer requested to see this in writing. Warner said he will supply along with a list of projects funded by the EDF.

b) **Budget update:** Warner reviewed the document.

**2) Harbor Park Restaurant lease**

**3) Request to purchase city land on Newfield Street: a portion of Map 10, Block 11-1, Lot 22A-24:** Warner stated he is still looking at the property. Bauer noted the potential for increased value if and when the bridge is rebuilt for 4 lanes of traffic.

**4) Midfield Corp: Property at the corner of College and Broad Streets:** **EXECUTIVE SESSION** CGS Sec. 1-200, 6(B) strategy and negotiations with respect to pending claims or pending litigation to which the public agency or a member thereof, because of the member's conduct as a member of such agency, is a party until such litigation or claim has been finally adjudicated or otherwise settled. Warner stated Midfield has voted to fight forever on this issue. Warner questioned the committee if they wanted to continue and invite the attorney back to the committee. The committee agreed.

**5) Government Reorganization Study for Parking Department:** Warner stated the everyone agrees on the concept and he budgeted the cost to hire a director and funds for space. Bauer suggested outsourcing due to the turbulent times since the last director of the Parking Authority was here a long time. Santangelo noted this would not be a Parking Authority and the Common Council would have more control over the department that should support itself with parking revenue and be managed by a trained and certified director. Current revenue supports the General Fund. Bibisi made a motion seconded by Kasper to move the recommendation to the Finance & Government Committee and the Common

Council. Alexander stated the department would run on \$130,000 in the first year and would have an oversight board of downtown residents and business people. Alexander urged the city to get the structure in place.

## **F New Business**

- 1) Norpaco Inc.: Urban Jobs Tax Incentive Application & City of Middletown Tax & Business Incentive Program Application:** Warner stated this is the undisclosed company that the Common Council had approved resolution for Liberty Commerce Park. Stachelek and Sitka presented a PowerPoint presentation of the company and plans for expansion in Middletown. Warner questioned whether the company had considered buying local produce products. Sitka stated the company outsources products by geography and growing seasons and noted the company had conversations with the State Dept. of Agriculture. The outsourcing is due to the issue of costs. Bibisi questioned how long it would take the company to grow from 100 to 140 employees. Stachelek stated 2 years and that the product requires a lot of manual labor. Sitka noted the company is experiencing strong growth and able to produce and sell a lot more product to companies like Sam's Club but they are constrained by a lack of space. Sitka stated the company would appreciate any assistance from the city. Daley noted the DECD Urban Jobs approval provides for an 80% tax abatement which the state reimburses the city for half and the city foregoes the other half. Daley noted the employment opportunities as most important. Warner noted the application for the city's business incentive ordinance with the request for relocation assistance. Warner noted the state wants to help expanding companies. Daley questioned what the city's participation could be. Warner stated the need for relocation assistance. Daley and Warner noted a planned meeting on 1/26/09 with DECD where the company could request relocation assistance. Warner suggested a special meeting be held after the DECD meeting to determine other assistance to the company. Kasper made a motion seconded by Bibisi to recommend the Urban Jobs Application to the Common Council.
- 2) JDS Holding Company, LLC: Request to purchase city property located at 82 North Main Street:** Williams, business manager for JDS, described the company and its building rehabilitation accomplishments and presented a revised handout. Williams noted the company did not have office space and sought to acquire and rehabilitate this property for immediate occupancy. Warner noted the company would put \$39,000 into the property which is assessed at \$23,000 noting the increased assessments in both prior projects at 471 Washington Street and 1359 Newfield Street. Williams stated if the city agrees the property will be handed over to an onsite company with a track record and will rehabilitate the property in 3 months. Daley noted the request was to convey the property for \$1. Bauer stated the city has an ordinance for the sale of public property. Daley noted

the ordinance has a provision for the Common Council or EDC can waive the requirements of the ordinance. Daley stated the likeliness of someone coming forward to acquire a small parcel or the potential to attract other proposals is minimal and noted the timing of avoiding having a city owned property on the blighted list. Bibisi stated the list is prepared and would be release to the Common Council in the next several months. Daley stated the city worked for many years on acquiring the former package store. DeSena stated the company would in addition construct a bathroom and connect the property to the city water & sewer system. Warner stated the proposal is shovel ready and following the requirements would delay rehabilitation until June 2009. Bauer disagreed that it would take that long and stated the site appears to be in the planned right of way by the DOT for bridge access. Warner noted the city cannot wait for the DOT to find the funds for the bridge project. Warner reviewed the list of benefits to the city by selling the property. DeSena questioned why he was not receiving support for a project that would benefit the city. Bauer noted the ordinance for sale of public property. Kasper made a motion seconded by Bibisi to recommend to the Common Council for the sale of the property to JDS. Santangelo stated JDS would be assuming environmental liability. Daley stated JDS would have to deal with the state when the state decided to move forward on the bridge access. Warner stated it would cost the city to appropriate \$25,000 to demolish the building. Daley read from the ordinance that “this is in the best interest of the city” to waive the provisions of the Code of Ordinance 232-4-14. The committee voted to approve the motion with Bauer voting nay.

- 3) **Panuzio & Giordano:** Giordano described the history of the company with the city. Giordano stated the 3 year federal transportation funds earmark would expire and was seeking a 1 year extension since the city had completed the parking and transportation study. Giordano noted work with the city on the Army Reserve Center issue and the impending 2010 appropriation session as reasons to renew the contract. Giordano noted the economic stimulus package will have no earmarks and the funds will be directed through the state. J. P. Nealin discussed state legislative initiatives including the veterans’ museum and community center and bills that would have had a negative impact on the city. Panuzio stated the company would continue to update the city, meet regularly and offered complete accessibility to the Common Council. Daley questioned how the contract had been funded in the past. Warner stated the contract was funded by appropriation and the EDF noting the contract expired in December. Bibisi stated the Mayor is working with a CT small cities group with common interests and questioned if the group could pay for the services and achieve an economy of scale in costs. Panuzio encouraged the idea. Warner stated the committee look at the information on F4/Ferguson Group whose costs are \$10,000/month. Panuzio referred to a list of 8 projects that were proposed to Dodd & Lieberman. Panuzio noted the senators may not have the influence to get them included and the state

will be handling the stimulus projects. Daley noted how the state takes their fees right off the top of the project budgets. Panuzio noted the stimulus package would be very fast and vetting is not possible. Bauer stated to stick with the project earmarks. Warner stated the possibility of successfully getting federal funds to pay for projects already funded. Daley recommended a 6 month extension of the contract to bring the term concurrent with the city's budget year. Santangelo made a motion seconded by Bibisi to extend the contract for 6 months. The committee voted to approve the motion.

- 4) **The Ferguson Group:** see F3
- 5) **Buckeye Pipe Line Company: easements:** Corvo stated the Kleen Energy project is 48% complete with a firing date of 6/2010. General discussion of pipeline construction and easements. Hoffman stated the pipeline plans were rerouted to avoid the aquifer protection area. Hoffman noted the pipeline would be reviewed by Inland Wetlands, Planning & Zoning and the Common Council. Warner stated the portion of the pipeline from Bow Lane to the plant requires 30 foot easements along with the Middletown Junction at the Arrigoni Bridge and Green Street park for temporary work space. Daley questioned the \$45,000 figure for easements. Warner stated the assessor's estimates were lower. Discussion of having a fenced in basketball court at the Green Street park. Discussion of demolition of house. Daley questioned review of the easements by the city attorney and submission to the February Common Council meeting. Corvo stated the pipeline construction is 6 months. Warner and Corvo stated the pipeline is a large tax generator. McKeon questioned where the pumps are located. Corvo replied New Haven. Bauer stated the ownership of the natural gas pipeline which is owned by Algonquin. Kasper made a motion seconded by Santangelo to recommend the easements to the Common Council. Bauer stated the decision does not obviate the decision of the Inland Wetlands Commission. The committee voted to approve the motion.

## **G Status Reports**

- 1) **Economic Development Fund, monthly report**
- 2) **Future Economic Development Projects, monthly report**
- 3) **Economic Development Specialist Report**
- 4) **REINVEST Loan Program, monthly summary report**
- 5) **JOBS Loan Program, monthly summary report**

ECONOMIC DEVELOPMENT COMMITTEE  
JANUARY 12, 2009 MEETING AMENDED MINUTES

**H Other:** The committee discussed a list of projects proposed for federal economic stimulus funds. Daley noted they must be shovel ready. Warner stated DOT would not consider submitting the parking garage as a project. The Governor will only consider fully permitted projects. Warner noted the need to look at projects that are funded. General discussion ensued.

*(Amended 2/9/09) Mayor's letter to Governor Rell listed the following projects:*

- 1. Coginchaug River Protection Project and Palmer Filed Park Lot Reconstruction \$500,000*
- 2. Wilcox Road Bridge Construction \$1,000,000*
- 3. Reconstruction of Industrial Park Road/Westlake Drive/Westfield Street/Nejako Drive \$2,500,000*
- 4. Melilli Plaza Parking Lot Reconstruction \$500,000*
- 5. Water Service & Water Line Installation for Westfield Area of Middletown \$3,300,000*
- 6. North End Homeownership \$4,000,000 and Health Renewal Project \$6,000,000*
- 7. Bartholomew Road Pump Station \$1,100,000*
- 8. Multiple Function Storage Facility \$1,500,000*

*The committee ranked the projects by priority: 1. North End Project (#6), 2. Westfield Water Service (#5), Industrial Park Road (#3).*

**I Adjournment:** Bauer made a motion seconded by Santangelo to adjourn. The committee voted unanimously to adjourn. Bibisi was not present.