

City of Middletown, CT

Economic Development Committee

Minutes from the meeting of February 13, 2006

<u>Present</u>	<u>Also Present</u>
G. Daley, Chair	W. Warner
J. Bibisi	R. Kearney, EDS
D. Bauer	
R. Santangelo	
P. Szewczyk	
Public: M. Arafah, J. Pugliese, C. Johnson, R. Coppola, T. Hibbard, G. Frisk, R. Howard, J. Hall, Mr. & Mrs. Arafah	

- A Call to Order:** Daley called the meeting to order at 5:31 PM.
- B Public Session:** Howard requested the city transfer ownership of the Remington Rand boiler building to Friends of the River (FOTR) for office, educational and cleanup uses. Hibbard discussed the condition of the building and plans to study the building, code analysis and examine city records. Frisk stated the organization will be working on the river for a long time. Bibisi asked if this request was within the charge of the committee. Warner stated that DEP and DECD do not want the city to transfer ownership until the property is remediated by the responsible party. The property has no frontage and would need to become a condominium to allow access. Frisk suggested the FOTR would accept responsibility for the cleanup. Warner stated the state already has identified the responsible party and the cleanup estimates are over \$2 million. Szewczyk stated the city cannot sell the property. Daley stated if the city were to sell the property the course of action would be to review whether city department would need the property and if not then the city would advertise and RFP for the sale of the property. Daley suggested a short term lease. Warner stated the original lease was a 1-year term which has expired making the term a month to month lease leaving FOTR with no security. Just removing the asbestos wrapping on the boilers is estimated at \$45,000. Szewczyk questioned the city's liability with children and visitors to the site. FOTR stated the children were involved in the raft race. Daley cautioned FOTR to keep children off the site. Daley suggested FOTR work out the terms of a lease with Tom Ford who would present the proposal to EDC. Hall stated his endorsement of the FOTR cleanup efforts.
- C Minutes:** Szewczyk made a motion seconded by Santangelo to approve the minutes as corrected. The committee voted to approve the motion. Bauer abstained.
- D Communications**
- E Old Business**
- 1) **CBB Parking**

\$18 million Federal Funding: General discussion ensued. Szewczyk made a motion seconded by Santangelo to advertise the RFP for a Parking and Traffic Study with the city matching the federal funds \$25,000 in funds from the Economic Development Fund. The committee voted to approve the motion. Bauer abstained.

- 2) **Harbor Park Restaurant, option to extend lease EXECUTIVE SESSION- Discussion of the selection of a site or the lease, sale or purchase of real estate by a political subdivision of the state when publicity regarding such site, lease, sale, purchase or construction would cause a likelihood of increased price until such time as all of the property has been acquired or all proceedings or transactions concerning same have been terminated or abandoned, exempt from disclosure under Section 1-200(6)(D) of the Connecticut General Statutes.** No discussion
- 3) **Downtown Redevelopment EXECUTIVE SESSION- discussion of the selection of a site or the lease, sale or purchase of real estate by a political subdivision of the state when publicity regarding such site, lease, sale, purchase or construction would cause a likelihood of increased price until such time as all of the property has been acquired or all proceedings or transactions concerning same have been terminated or abandoned, exempt from disclosure under Section 1-200(6)(D) of the Connecticut General Statutes.** No discussion.
- 4) **Proposed Wetlands Regulations:** no discussion.

F New Business

- 1) **Northeast Quality Service:** Coppola described his relocation plans to Middletown and expansion of space from 10,000 square feet to 37,000 square feet and employment from 30 to 45 employees. The company is acquiring equipment and has a new \$9 million contract. Daley questioned the type of product being manufactured. Coppola stated the company manufactures washers, nuts and bolts for telecom. The company will spend \$70,000 on electrical upgrades from 440 to 880. Meriden offers \$15,000 in moving expenses and a 4.5% interest rate loan. Szewczyk asked what other incentives the city could offer. Daley stated the city could waive fees. Previously, the city has assisted with infrastructure improvements but the building has water & sewer. Coppola discussed the equipment, which he is buying for \$565,000 with a value of \$750,000. Coppola stated the space will allow his company to grow and that employees are okay with relocation with many living north of Wallingford. Pugliese stated the Chamber works with job training and would like to assist the company. Coppola stated his need to hire employees. Warner mentioned the potential opportunity for Coppola working with Pegasus Manufacturing. Daley recommended that the city could assist in the electrical upgrade through funds returned to the city from the grant to Liquid Plastics

Szewczyk made a motion seconded by Bibisi and Santangelo to assist Northeast Quality Service in defraying the costs of the upgrading of electrical service to 699 Middle Street with a grant of \$12,500 from the Economic Development Fund. The committee voted to approve the motion. The funding will be by reimbursement of the work and is contingent on submitting to the city paid bills for the work.

- 2) **Hills Farm:** Warner reviewed 5/05 memo to Common Council. Discussion about Hill's request to continue to hay the land, Middlesex Aero Modelers using 5 acres for their activities and the lease of land to Millane's Nursery. The Hills provide insurance for their use. Bauer stated that this is a new asset to the city and the city should entertain new uses. The city should advertise to the public to solicit new ideas to get a better deal and fairness and not just continue with the same uses. Daley stated the Millanes lease was resolved. General discussion ensued. Daley stated that

Bauer's suggestion of taking a long term view by brainstorming the use of the open space with a joint meeting of the EDC, Conservation Commission in the near future.

- 3) **Resolution asking State to allow the sale of four homes which were deeded to city:** Bibisi stated that there was no support from the state to support legislation to allow the city to sell the houses. General discussion ensued.
- 4) **Purchase of 24 acres in the North End - Jonah Center:** Hall presented a plan to acquire 20.8 acres of land owned by the Salafia family along the Conginchaug River. The owners originally offered the land for \$400,000 but Hall had negotiated the price down to \$20,000 as long as there are no closing costs to the sellers. The land would create a greenway from Veterans Park at a cost of less than \$1,000 per acre. Warner stated that the property is in the flood plain. Szewczyk questioned the assessed value. Daley questioned the access at Spring Street. Hall stated there is deeded access. Bauer stated there is access at Griffin Place. Warner stated this is consistent with the 1990 Plan of Development and the Conservation Commission was scheduled to review this plan but the meeting was cancelled. Hall stated Jonah Center would assign its option to the city. The city would maintain ownership as open space for public use. Discussion of recreational access. Warner stated DEP will have announce in the Spring with applications accepted in the fall. Hall stated the option is for 8 months. Szewczyk suggested the option be extended to fit within the DEP Open Space Grant time period. General discussion of access to the site. Warner suggested further research and stated there is \$510,000 in the Open Space Bond.

Szewczyk made a motion seconded by Bibisi to recommend the plan to purchase the property subject to endorsement of the Conservation Commission and funding with the DEP open space grant program. The committee voted to approve the motion.

- 5) **Baldwin Furniture Lease:** Warner stated negotiations for a lease are in progress.
- 6) **Coffee House Recording Studio EXECUTIVE SESSION- discussion of documents, specifically confidential personal financial data plan submitted by the Michael Arafah, The Coffee House Recording Studio from the City of Middletown as authorized by Sections 1-18a(e)(5) of the Connecticut General statures, which Sections allow for the discussion in executive session of documents which would result in the disclosure of public records i.e. commercial or financial information given in confidence, not required by Statute, exempt form disclosure under Section 1-19(b)(5) of the Connecticut General Statutes.**

Szewczyk made a motion seconded by Santangelo to enter executive session. The committee voted to approve the motion and entered executive session at 6:09 PM. The committee exited executive session at 6:36 PM. Santangelo made a motion seconded by Szewczyk to have staff work with the City Attorney and the Director of Finance to create a compensation plan for Michael Arafah, Coffee House Recording Studio. The committee voted to approve the motion.

G Status Reports

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

H Other: Liquid Plastics, Inc. grant funds. The committee reviewed the letter from Liquid Plastics offering a 6-installment repayment of the grant. Szewczyk made a motion seconded by Santangelo to accept the repayment terms.

I Adjournment: With no further business, the committee adjourned at 7:03 PM.