

ECONOMIC DEVELOPMENT COMMITTEE
Minutes: February 14, 1994

Present

G. Daley, chair
R. Santangelo
S. Shapiro
J. Milardo
N. Conaway Raczka (arr.7:32)

Also Present

M. Daley, Courant
C. Stannard, Press
W. Kuehn, Staff
L. Ozga, Staff
C. Wilcox, staff

C. Charton
T. Charton
T. Riley
M. Lastrina
B. Lastrina
S. Libby
G. Souto

Chairman G. Daley called the meeting to order, deferred the approval of minutes to later in the meeting, and opened the Public Session at 7:10 pm. S. Libby of Court Street spoke to Item 4 under Executive Session, and commented that the Committee cannot use executive sessions on a whim. He disputed the validity of the exemption under Connecticut General Statutes 1-19(b)(5) regarding trade secrets, and did not agree that trade secrets would be violated by an open meeting. He then went on to verbally abuse Municipal Development staff and some Economic Development Committee Members with regard to an incident of harassment earlier in the day to which the police had responded.

Chairman Daley explained that, insofar as executive sessions are concerned, staff has no knowledge or authority to say whether a Committee will or will not decide to go into a closed session. Only the Committee can decide to do that, when it reaches that point in their meeting; and nobody has foreknowledge of it. Mr. Libby went on to deride the "Belair Report" and commented that if the Committee went into executive session, he would not leave, and the EDC would need to call the police. Upon a motion by S. Shapiro, seconded by R. Santangelo, the Committee voted unanimously to close the Public Session.

BERLIN STREET: Ted and Carl Charton were present to request purchase of a small parcel of city owned land between their property and Berlin Street abutting the abandoned bridge across the Coginchaug. T. Charton commented that people cut through on this property, make a mess of it; and he would like to clean it up, and put in lighting and a fence. He does not intend to use it for any expansion of his housing. He also commented that he does not want to own the bridge. J. Milardo asked what would happen to the bridge and W. Kuehn suggested reserving an easement through the property for the City. The City owns the Bridge now, it has been abandoned for 20 years, and if it collapses, it will fall into the stream. He further noted that the tax assessor put a value of \$2,000 on the property. Its disposition would need approval from P&Z under Connecticut General Statutes 8-24 and Public Works should also be invited to comment. After that, the sale could go to the full Council for approval. Upon a motion by J. Milardo, seconded by R. Santangelo it was moved to consider Mr. Charton's proposal favorably, provided 1.) all appropriate City Departments approve, and 2.) T. Charton provide the easement, fencing and gating to keep people off the Bridge itself. All voted in favor except S. Shapiro who abstained as a member of Planning & Zoning.

REINVEST: Chairman G. Daley addressed applicants T. Riley, B. Lastrina and M. Lastrina, and advised them that they could have as free a discussion as possible; but if they were not comfortable answering some applicable questions in public, they could request an executive session. He then invited them to explain what they intended to do.

T. Riley spoke for the group, and indicated their intentions were to run a restaurant in Middletown and that he had talked to Linda Ozga, Jeff Bianco and Middlesex Mutual. He had submitted an application for REINVEST to L. Ozga and Tad Smith at Liberty Bank, (N. Conaway-Raczka arrives) for \$25,000, indicating that they were going to do at least \$50,000 worth of rehab. He recalled that other restaurants had not done well at the location (600 College Street), and that he knew Bob Byrne when he opened it as the Middlesex Opera House; however, Mr. Riley felt that the location was good for a restaurant business, and it just needed a rebirth. He further commented on their ideas for a Bistro/gathering place, rather than an eating place; and showed preliminary plans for a new interior design. He said that he had been working with Tom Ford of Midfield Corporation on these plans, and that Ann Street of the GMPT had also seen no problems with them. The new plans include swapping the bar and dining areas, redesign of the ladies' and men's rooms, and use of the outdoor courtyard. The Bistro atmosphere was more of a '90s theme.

Questions were entertained from Committee members. S. Shapiro asked T. Riley what their success rate was in the restaurant business, since this location does not have a very good track record. T. Riley replied that they had always wanted to come to Middletown, and that they had even considered the Middlesex Mutual Assurance Company tower. He did not think previous failures were due to the location, and did not want to disparage previous owners; however he felt there was a need to research the market thoroughly; and that their family's ten-year experience in the business had been very successful. S. Shapiro asked, through the chair, if the Riley's would continue their other operations. T. Riley replied "absolutely"..... that they were looking for an access restaurant, and not looking to compete with themselves. Also they were not looking to hurt other restaurants but to help. He mentioned several who have found their niche; however, he felt there is room for more restaurants in Middletown all of which can help each other. B. Lastrina emphasized that they were a family owned and operated business, and that was considered a strength by the Chamber. Conversation continued about the proposed changes to the interior spaces. J. Milardo asked if they were buying the existing business or starting out fresh and how the loan would be secured. T. Riley replied it would be a new business, and that they would go on the advice of their attorney for security. S. Shapiro commented that the Riley family were excellent people willing to take a chance on Middletown, that he would like to see them succeed, and also that the loan be secured. L. Ozga said she would like to see it secured through a mortgage position on real property. The Rileys agreed.

Discussion ensued about scheduling and the Committee was assured that a "Riley" would be on hand at all times. G. Daley asked what the loans would be used for. L. Ozga asked that because many of the improvements would be done as leasehold improvements by Midfield Corp, that the Committee waive the guidelines to allow the funds to be used for equipment - as had been done in two previous REINVEST loan cases. She further explained that, with the waiver of policy, the applicants should submit a list of equipment and capital improvements amounting to at least \$50,000 without any soft costs. More discussion ensued on the improvements, which S. Shapiro noted were in excess of \$200,000. N. Conaway-Raczka asked if it was permissible to loan on equipment, to which L. Ozga responded that the Council needed to approve a waiver for that. (More discussion on equipment and its relative transportability.) The Committee felt the scope of this project was sufficient to cover all these contingencies. After several attempts at rewording and more comments on the good quality of the application and applicants, the benefits to Middletown, the potential for creation of 12 full-time and 24 part-time jobs, and relative need for the loan ... a motion was made by S. Shapiro, seconded by R. Santangelo to recommend to the Common Council approval of a REINVEST loan for \$25,000 to Executive Caterers, subject to proper private collateralization and a waiver of the guidelines so that the loan can cover equipment and furnishings.

MINUTES: A motion was made by N. Conaway-Raczka, seconded by G. Daley, and voted to accept the minutes of the January 11, 1994 meeting. S. Shapiro, R. Santangelo and J. Milardo abstained.

ECONOMIC DEVELOPMENT FUND TRANSFERS: S. Shapiro asked W. Kuehn what the purpose of making the transfers was. W. Kuehn replied it was to clean up Finance Department errors, and to clean out dead line items. S. Shapiro asked why they should decrease line items such as the Co-op Advertising, which he felt to be a very successful venture. Staff indicated the amount was not large enough to do another round and that the funds would be put into another area on promoting downtown. Discussion ensued on Downtown promotion ... L. Ozga suggested a campaign on "Ten reasons to stop in Middletown after 6:00 p.m.".... S. Shapiro suggested this also be in the form of co-op ads. W. Kuehn noted the Downtown Manager will be on board soon. G. Daley wanted to promote Middletown as a destination and to dovetail it with an opportunity for local businesses to promote themselves. More comments included:

- Give local businesses a cost-effective chance to advertise
- Whatever is designed, aim at Wesleyan
- At Westlake, nobody knows about downtown
- Try to attract people who live here, and those who drive by
- Sponsor a "Taste of Middletown" at Wesleyan Hockey Rick combined with

Arts and Entertainment... dovetail with Regatta... Haddassah Fair.... July 4th (when restaurants are closed).... Labor Day Weekend when college kids are just back.... combine with co-op ads and coupons.... etc.

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The Committee discussed the balance of the REINVEST line which should be around \$38,000 plus monthly income. A motion was made by N. Conaway-Raczka, seconded by S. Shapiro and moved unanimously to approve the list of proposed changes to line items in the Economic Development Fund. (J. Milardo leaves at 8:29 p.m.).

DANFORTH PEWTER SHOP: Staff noted that the Council had approved the historic easement on the building. N. Conaway-Rackza commented that the City was obligated to deal with Doctors Sosa and Thomas, exclusively, and that the Committee had made that decision. She made a motion which was seconded by S. Shapiro and voted unanimously that staff have the deed prepared by the City Attorney; and present it to the Doctors in the next thirty days.

DOWNTOWN DISTRICT MANAGER: W. Kuehn reported that the last of the interviews had been completed that day; and that, tomorrow, the top three candidates would be presented to the Mayor. The interview panel had made their choices. The search had been both local and nationwide; and they were comfortable with their choices. S. Shapiro and G. Daley were concerned that their references be checked thoroughly, since the taxing district will be the key to the recovery of Downtown. This person will have a "full plate" of duties; and a seasoned professional is what is needed.

There being no further business, the meeting adjourned at 8:37 p.m.

Cynthia G. Wilcox

CGW/lmk

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