

Minutes

ECONOMIC DEVELOPMENT COMMITTEE

Open Public Meeting - February 22, 1993

RE: Cooperative Advertising for Downtown Businesses

Present:

S. Shapiro, Chair
S. Gionfriddo
N. Conaway-Raczka
E. Pattavina
W. Corvo

Also Present:

W. Kuehn, Staff
L. Ozga, "
C. Wilcox, "

Members of the Public
(see attached list)

Chairman S. Shapiro called the meeting to order at 6:00 p.m. in the Council Chamber of the Municipal Building. He explained to the Audience gathered that this was a public "session" of the EDC and not a formal Public Hearing. He would like to hear the opinions of the Public regarding co-operative advertising.

Larry McHugh: The Chamber supports public-private partnerships, as does the CBB. The "Heart" of the county is Main Street Middletown; so he is personally in favor of the proposed co-op ads. S. Gionfriddo asked if he had had any negative responses - Mr. McHugh responded, only a few from outside the downtown core. W. Corvo asked how the success of the program could be measured ... L. McHugh indicated the Chamber could poll the merchants, and would be willing to do so for the merchants involved. S. Gionfriddo noted that WCNX could measure their response, and suggested the print media might do so as well with a discount offered through the ads. L. McHugh responded that in general, this was a major good message to the downtown merchants.

Diane Gervais: Speaking as an owner of Amato's and as chair of the CBB, she felt that co-op ads should go forward. She noted that their district was a City and not a mall, which has organized advertising campaigns. She supported the public/private partnership and felt that a joint voice (of several businesses) had more force than single ads. She indicated she was aware of the argument that this could be construed as spending tax dollars on a "select few"; however she pointed out that to spread out the program would present a "diluted" rather than "unified" voice to the customers. She commented that Main Street was the "face" of the community; that the tax base of the CBB was \$60M and declining; and that maintaining vitality was important. Outsiders have commented to her that Middletown's Downtown is more vital than other city's. W. Corvo asked whether the CBB would support economic development efforts in other parts of the city; D. Gervais reiterated that an unfocused effort would be less effective, that the downtown is the heart and center of the city, and in the current economic climate, that is what the CBB supports. S. Shapiro noted the CBB had 40-45 members, all of those which were present representing the backbone of good businesses on Main Street. He noted that maybe they were "preaching to the Choir" since the businesses represented already advertised and did a good job. He inquired where all the other merchants were, and why non CBB members were not there. L. McHugh responded that the turnout was pretty good for a Monday Evening, and reiterated that the proposal sent a major good message to family businesses reaching out for help. E. Pattavina asked if construction companies would be able to advertise; and in the spirit of consistency wished to support all businesses, wishing to be involved,

whether in the CBB or not. L. McHugh commented that Middletown had the last vibrant Main Street in Connecticut, and that should be the target. If the CBB is a "vibrant heart" - then that energy will spin off to other sectors. E. Pattavina agreed with starting with downtown, then through the Chair, asked L. Ozga why she had excluded the Middletown Press in her proposal - a situation to which he took great exception. Chairman, S. Shapiro indicated he would like to hear from the public first, before directing questions to staff. N. Conaway-Raczka asked Ms. Gervais if she felt this to be a good policy statement from the City, and if it would have a ripple effect. D. Gervais commented that the current feeling among downtown merchants is that the City is not doing all it can, but that this program sends a positive message which could lead to more co-operative ventures.

Eric Kabel: Mr. Kabel noted for the record that they had two stores on Main Street, and he felt that the Co-op ad idea was a very viable proposal. He urged the Committee not to let it suffer from "what if's". He noted that Kabel's does not advertise in the Middletown area because of its lack of cost effectiveness; however he felt that with the co-op ad they would find it cost-effective, and would advertise both of their stores.

Earle Roberts: Mr. Roberts noted that this seemed to be a pilot type program, as was REINVEST, and asked whether it was to be a 50/50 match. The chairman replied yes, half City \$\$, half businesses' \$\$. Mr. Roberts then asked about accountability, commenting that he still had not received satisfactory answers about REINVEST. He said that he was not opposed to the expenditure of funds for this program; but opposed the lack of accountability. He questioned the long term benefit, asked where the long term limit would be set, and urged the committee to make sure everything was accounted for.

Al Santostefano: Representing Bob's Stores, Mr. Santostefano commented that there was no "black and white" gauge to measure the success of a program like this. He went on to say that they had a chance to talk to other merchants at other specific "Downtown" programs like Holiday on Main Street and the Car Show, and felt these special events were growing every year. They eventually lead to the creation of new jobs, and have a long-range effect.

Sydney Libby: Mr. Libby reported that he was opposed to the Co-op Advertising proposal on several counts: it is contrary to the free enterprise system when government subsidizes business, and this applies to the REINVEST program as well. The businesses represented there were "well-connected, and "you guys (the EDC) are in their pocket." Mr. Libby went on to say that the program would be "ripping off the citizens" and giving away funds to the most powerful businesses. After some abrasive comments about the current government he ended his comments with the statement that this plan just won't work.

G. Souto: Representing himself as a taxpayer, Mr. Souto commented that to equate the strengthening of business with "ripping off" taxpayers, is to say the least, incorrect. Anything the city can do to strengthen its businesses is a help to the taxpayers, and he encouraged the Committee to move ahead to help business.

Bill Huff: Representing Capitol Liquor Store, Mr. Huff addressed the earlier comments about targeting downtown, vs. outside areas. He noted that people in the other areas chose to locate where they are, and could be downtown if they so wished. He had worked in several areas, and

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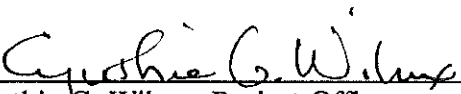
urged the Committee to concentrate on the Downtown and "give it a shot". He then passed around a photo of Downtown in 1943.

Marc Levin: Representing Mallove's Jewelers, Mr. Levin agreed with the previous speaker, indicating that he had grown up in Middletown's Downtown. Several members of the EDC indicated they had, as well. He felt that the government effort should start with the urban core and work outward; not the other way around. He noted that if the Downtown dies, there will be no need for government.

There being no further comment from the public, Chairman Shapiro introduced two letters in support of the program from Kabel's Card and Burger King.

A motion was made by S. Gionfriddo, seconded by W. Corvo to recommend to the Council at its March 1 meeting the appropriation of \$11,000 for a public/private co-op advertising program for the Downtown, with the strong recommendation that guidelines be developed before the second EDC meeting in March. E. Pattavina commented that he supported the concept, but took serious exception to the exclusion of the Press in the proposal, since it is Middletown's local paper. S. Gionfriddo commented that the motion was to approve an amount of money, and did not advocate the elimination of the Press. N. Conaway-Raczka commented she was happy to support the motion on the floor. W. Corvo thanked the members of the public, indicated he was in support of the motion, and wants to see the program functioning for a specific market time. He also asked for a delineation of how the funds would be handled. There being no further discussion, the motion passed unanimously.

Meeting adjourned at 6:55 p.m.


Cynthia G. Wilcox, Project Officer

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