

Economic Development Committee

Minutes

March 8, 2004

<u>Present</u>	<u>Absent</u>	<u>Also Present</u>
G. Daley, Chair	S. Gionfriddo	W. Warner, Director, PCD
R. Santangelo		R. Kearney, EDS
J. Robinson		
J. Bibisi		
Public: D. Bauer, L. McHugh, K. Marotta, C. Widmer, L. McMillan, T. Ford, G. Strange, B. Bannerman, R. Liva		

- A **Call to Order:** Robinson called the meeting to order at 5:35 PM.
- B **Public Session**
- C **Minutes:** Santangelo made a motion seconded by Bibisi to approve the minutes of February 9, 2004. The committee approved the motion.
- D **Communications:** Warner described a letter from a person living near Stop & Shop. The writer cited a disability which requires a ramp to be built. The writer requested a waiver of \$120 variance fee and the building fee of approximately \$30. Bibisi made a motion seconded by Santangelo to recommend to the Common Council for a waiver of fees. The committee approved the motion.
- E **Old Business**
 - 1) **North End Industrial Area**
 - a) **Remington Rand:** Warner and Ford gave an update on the project.
 - 2) **Industrial Park Area and Vicinity**
 - a) **Lot 21 Middle ST/Timber Ridge RD**
 - 3) **EXECUTIVE SESSION**- Discussion of documents, specifically confidential real estate evaluations and financial data submitted by prospective developers for

information from the City of Middletown as authorized by Sections 1-19(b)(5, 7,8) of the Connecticut General statutes.

- a) **Brownfields-Riverfront Properties:** Warner updated the committee on the progress of the project and the MOU. Daley asked if strict time lines were in the MOU to prevent the property from being tied up for too long a period. Warner affirmed.
- 4) **CBD Parking:** Warner stated the proposal for the center core was expandable to the entire CBD. The study by an expert to answer either the Goodspeed Musicals questions or other companies' expansion plans. The study from an expert is needed to support revenue bond financing for the construction a parking facility. Santangelo questioned how much was needed to spend. Warner stated the project would be on a block-by-block analysis. Warner stated the need for an entire downtown study. A motion was made by Daley seconded by Robinson to recommend to the professional services committee to pursue to hire Desman Associates to evaluate and make recommendations on parking in the downtown area. The committee approved the motion. Daley stated the study should be for the exclusive use of the city and the study area should be expanded all the way to Union Street and include information on future business expansion capacities.
- 5) **Godfrey Library:** Kearney gave an update on the project.
- 6) **North Cove Rentals:** Warner gave an update on the project. Warner discussed the mix up on whether North Cove Rentals or the City would be doing the tunnel railing modifications. The committee and staff thought North Cover Rentals was doing the modifications. Santangelo questioned the potential liability issues on not making the modifications. The committee asked staff to get a quote on the cost of the modifications.
- 7) **Middlesex YMCA Parking Lot**
- 8) **Dr Liva Parking**
- 9) **Rapallo Avenue Parking Lot:** Widmer presented Alderhouse's response to the RFP. The project would be financed with a construction loan and a final loan passed through to the buyer. Funding from Home and Federal Home Loan would be applied for this summer with an answer in September. Alderhouse would consult with NEAT to see if there would be interest from people in the neighborhood. Robinson questioned whether funds would be available as last year FHLB did not allot funds to Connecticut. McMillan stated only \$30,000 was needed and Alderhouse has a good track record with the FHLB. Warner questioned how skilled the future owner would be in managing a low-income 2-unit muliti family house and how much of a challenge this would be on \$50,000 income household. Widmer stated a management course would be required and the rental income assists the finances and makes affordable for a low to moderate-income household. McMillan noted Alderhouse has successful experience with developing landlord management skills. Daley questioned how the property would remain owner occupied. Widmer stated through deed restrictions.

Robinson noted a similar situation on Silver Street where the owner moved up to the Red area at Wesleyan Hills. Widmer stated sometimes family members become the tenants.

Warner stated Fazzino was not present to present his offer to the committee. Warner asked if Alderhouse could wait until after the April meeting. Alderhouse affirmed. Daley stated Fazzino would present at the April meeting noting Fazzino was not looking for government funding. Daley recommended the city think about its approach to the project.

10) Goodspeed Musicals

F New Business

- 1) **Vital Nutrients:** Howell presented the company plans for expansion and requested a \$110,000 grant for blasting for site improvements. Warner discussed the differences in the financial analysis of the State Urban Jobs program and the City Tax and Business Incentive program. Daley asked what for precedence on requests for city assistance. Kearney described the XSE Group assistance made last year. Howell stated they Kenneth Dooley property option expires on 5/1/04 and an option on a Cromwell site. Robinson questioned what Cromwell was offering. Warner stated Cromwell could offer the same city tax incentive, but not the State Urban Jobs program. Kearney stated the Urban Jobs program is now stricter due to changes by DECD and no longer a guaranteed approval. Daley questioned where the City would find the money. The committee asked staff to follow up and report on the progress of the Urban Jobs application.
- 2) **Mortgage Lenders Network USA:** General discussion of the company's expansion plans.
- 3) **Guida Farms:** Warner described the deed restricting the life use for haying and farming. The Guida's do not wish to continue farming the property but would like to see the land farmed rather than go fallow and become no longer suitable for farming. The Greenbacker farm is interested in haying and planting corn at the farm. To accomplish this, a modification of the deed would be needed. After the Guida's die and the life use expires, the Conservation Commission would decide on the farming uses of the property. Currently, 30 acres are farmed and 70 acres are forest. Santangelo made a motion seconded by Bibisi to recommend the deed be modified to allow another farmer to farm the property during the life use. The committee approved the motion.
- 4) **ID Mail-IDS:** Ford described the dramatic growth of the company. Strange described the formation of IDS to presort mail and the need for space. Ford described the need for an immediate 5,000 square feet of space with the potential expansion to 15,000 square feet. Ford described the options as an extension of the 2nd floor space or moving to building F on the 1st floor. A temporary, basic build out cost of \$78,000. Building F bathrooms would cost an additional \$20,000. McHugh stated the Chamber's support for the strong growing company. Strange described his extensive experience in the mail sorting

business. Strange stated one example of the size of client volume: Fleet Bank account would send 200,000 pieces of mail per day at 7 cents per piece savings. A ½ million piece daily volume would create 50 jobs. Ford stated ID Mail has grown from 6 to 35 employees in just 3 years. Warner stated the lease covers improvement costs, increasing rental income, which is put back into the building's capital improvements. Daley observed that the first floor would create the best situation for maximizing the business. Warner stated with Prokop out sick the project requires a request to the Common Council for a bid waiver. Santangelo noted the importance of expediting the project. Strange stated the need to begin the project yesterday, a new machine could be delivered in just 3 weeks. Daley stated it would be up to the Common Council to decide on the bid waiver request. Bibisi stated the bid waiver is an issue and it would be important to get as many quotes on the project. Daley asked staff to work with IDS to get a minimum of 3 or more quotes for the April 5, 2004 meeting of the Common Council. Ford stated 30 days would be the quickest a contractor could complete the work. A motion was made by Robinson and seconded by Bibisi to support the build out. The committee approved the motion.

5) **REINVEST Loan Application: Shoreline Fencing:** not submitted

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

I Adjournment: There being no further business, the committee adjourned at 7:00 PM