

City of Middletown, CT

Economic Development Committee

Amended & Approved Minutes from the Economic Development Committee Meeting of March 8, 2010

<u>Present</u>		<u>Also Present</u>
G. Daley		W. Warner
R. Santangelo		R. Kearney
J. Bibisi		J. Sipperly
D. Bauer		
V. Loffredo		
Public: J. Pugliese, A. Pioppi, C. Johnson, A. Rich, E. Emery, Elizabeth Roberts, R. Wilson, W. Longo, A Rak, L. Owens, L. Liebenhaut, N. Stamler, J. Manafort, K. Marino, N. Panuzio and members of the public		

Minutes

- A **Call to Order:** Santangelo called the meeting to order at 6:04 PM.
  
- B **Public Session:** Elizabeth Roberts, former member of Redevelopment Agency, spoke in favor of the proposed golf course noting the results of redevelopment efforts downtown. Elizabeth Roberts lives on Bow Lane noting the course would be an asset to the neighborhood where many people walk in the streets and unpaved roads.  
  
Wilson spoke in favor of the proposed golf course noting his involvement in getting the state land to allow for recreation. Wilson noted the state had proposed a 700 person prison, trash to energy plant for the area. Wilson stated the state offered to purchase his property for ten times the worth. Wilson noted open land is a potential invitation to the state to acquire and develop through political deals. Wilson stated he does not play golf. Putting the site to use takes away from the state by increasing the value.  
  
Longo spoke in favor of the proposed golf course noting his restaurant business is slower in the summer months and golfers dining would make up for people on vacation or traveling to the shore.  
  
Rak spoke in favor of the proposed golf course noting the project does not rely on building houses adjacent to the course to support the cost of the project.  
  
Pugliese, representing the Middlesex County Chamber of Commerce, spoke in support of the proposed golf course and the Centerpoint Connecticut project.  
  
Wilson, representing Centerpoint Connecticut, described the office condominium project.  
  
Five members of the public expressed support for the community garden proposal noting the project would teach, socialize and build community morale

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Emory questioned if Michael Ennis' letter regarding the Maromas lands had been read. Warner stated the letter was mailed to the committee.

C Minutes

- 1) December 14, 2009 meeting minutes: Bibisi made a motion seconded by Santangelo to approve the minutes. The committee voted unanimously to approve the motion.
- 2) January 11, 2010 meeting minutes Loffredo made a motion seconded by Bibisi to approve the minutes. The committee voted unanimously to approve the motion.

D Communications

E Old Business

- 1) Harbor Park Restaurant lease
- 2) Midfield Corp: Property at the corner of College and Broad Streets: EXECUTIVE SESSION CGS Chapter 14, 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.
  - a) Contract with Attorney Corey: Warner stated Midfield is responding and there is a need for \$3,000 from the EDF to continue the case.

Motion: Bauer made a motion seconded by Bibisi to recommend \$3,000 from the EDF be transferred to the account. The committee voted unanimously to approve the motion.

- 3) Lady Katharine Cruises lease: Sipperly stated the Harbor Improvement Commission has worked closely with the company. Kearney discussed the draft agreement noting memo from G. Russo, Director of Water & Sewer, analysis of the engineer's report. Discussion of lease language ensued. Manafort stated the Coast Guard calls the company when there is a need to move the ship due to water level changes. Manafort stated the company also monitors the river conditions on the Internet. Bauer asked that the agreement be reviewed by the Harbor Master prior to the April 4, 2010 Common Council meeting.

Motion: Bibisi made a motion seconded by Santangelo to recommend the agreement to the Common Council.

- 4) Extension of Federal Transportation Funds: Warner discussed the \$5.0 million in federal funds planned for the street car. The Federal Transit administrators are no longer supportive and are requiring the funds be used for bus transit. \$10 million is for the garage, \$3.0 million is for a new bus maintenance garage in the North End. Panuzio stated the 2005 funds were extended for the life of SAFETLU (a five year cycle). Warner noted reprogramming the funds for street car design would require the city have all the funds and an operating budget. Daley questioned the status of the garage project. Warner stated the project will come out of DOT and be designed this year. Bauer stated the need for a plan and that the committee did not have the proper information on the fund use. Panuzio stated the need is to know how the city will spend the funds. The 20% match

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must be non federal funds. Warner stated the Liberty Square parking lot would not qualify as a match since the city did not use federal funds. Discussion of unapproved \$1.2 million funds at the state bond commission. Warner stated the MAT board is not in favor of the streetcar proposal. Bauer stated the board is extremely concerned about funding for daily operations and an operating budget is needed for a streetcar proposal. Warner stated VHB estimates \$600,000 operating budget. Daley suggested Redevelopment and MAT discuss the streetcar. Important to spend the \$5.0 million and not loose it. Reconvene the Parking Advisory Committee the Common Council passed a resolution supporting the Parking Study Recommendations. Loffredo asked if the streetcar falls through, what are the options? The project must be a transit project. Warner stated the bike path system connected to the bus system would qualify. Panuzio stated the plan is needed for Congress in the fall. Loffredo stated the responsibility is with MAT. Bauer stated the reality is the city's street system is in dire need of rebuilding. Daley stated it is important to spend the funds and not loose them. Panuzio stated Dodd is retiring and the city must act now. Bauer asked if the funds can be reprogrammed to a broader use. Panuzio stated the use is broad and the funds must stay as transit for another use. Daley recommended to reconvene the subcommittee and meet with Redevelopment and MAT.

a. RFP for Riverview Arcade Garage

5) RFP for former CVH lands

a) Connecticut Forest & Park Association

b) Artfarm

c) Arawana Golf Course: lease template: Warner stated the developer needs to receive city approval prior to seeking financing and design of the course. The developer would still have to obtain Planning & Zoning and Wetlands approval. The city has only seen general concept plans. The developer is seeking authorization from the city to go forward with design and seek financing. Terms are 80 years: 10 years plus 7 ten year renewals. The proposals discussed include various combinations of taxes and rent payments. The lease allows the developer 2 years to obtain approvals. The city will require evidence of financing. The lease allows for 3 years to complete construction of the course. The Assessor has stated that since at the end of the lease, the city will own the course, then the city can tax the property. Pioppi stated it takes 5 years for the course to grow in. Loffredo noted the Pinoaks lease was for 50 years. Pioppi stated banks look for 65 year terms. Warner noted that if the business fails, the bank will have enough term to resell the lease. Loffredo stated the need to review the insurance and escalators. Santangelo restated the support expressed in the Public Session of the meeting. Daley noted on page 9 the insurance is reviewed every 5 years. Bauer stated the economic issues are about jobs not golf and cautioned that the committee might be viewed as telling the jobless to eat cake a la Marie Antoinette. Loffredo stated the deed allows for recreation and noted the Bow Lane residents support and noted the previous intent to develop a course on Mile Lane which had wetlands issues noting the letter from Ennis. Daley stated the city has been involved since the 1960's in seeking a course with federal funds which lead to Pinoaks which was a site with difficulties and financing difficulties. Daley suggested the developer be given the chance to see if he can put the pieces together since currently local golfers have to go out of town to spend their money on golfing versus golfing locally and dining downtown.

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**Motion:** Loffredo made a motion seconded by Santangelo to recommend a lease agreement be sent to the Common Council. The committee voted to approve the motion with Bauer voting nay.

Pioppi questioned whether the tree farmer was required by lease to put dirt into the holes after trees are dug up-noting it does not appear to be done. Daley stated this is required and asked the City Attorney to review the issue.

6) Remington Rand

**F New Business**

- 1) Connecticut River Festival: Sipperly described the proposed small speed boat event noting the idea had been discussed with the Mayor, Chamber of Commerce and Harbor Improvement Commission. Sipperly noted the organization believes that Middletown has a much better viewing area than Hartford and they are not looking for sponsorship, just donation of city fire and police services. The committee suggested the issue be reviewed at a future date.
- 2) Harbor Park: no discussion
  - a) Parking
  - b) Vendors
  - c) Tunnel entrance
- 3) Riverfront development and water treatment plant: no discussion
- 4) Tax & Business Incentive Ordinance 272-9: request to modify for commercial condominiums: Liebenhaut described the Centerpoint Connecticut office condominium project designed for small business ownership and the high development and acquisition costs associated with it. Liebenhaut described his business history in Middletown. The requested change is to allow the assignment of a tax abatement to owners of the condos which would make the early years of ownership more palatable and acceptable to the market. Liebenhaut stated the fallback is to lease the units to appease the banks. Daley questioned whether the Assessor and City Attorney had reviewed the proposal. Warner stated they had and had reviewed similar ordinances from Rocky Hill and Wethersfield. Discussion ensued. Warner stated a building divided into 4 units could be higher than a single user building. Daley stated his support that the concept is creative and the LEED certification would create a premium property. Bauer agreed that the company is a good commercial citizen and agreed that the city should try to help. Bauer questioned if the ordinance should have a sunset provision when the economy get better. Daley stated there is no reason for such a provision and noted the positive impact of new facilities for small companies. Daley stated a company receiving the assignment would have to apply to the committee. Loffredo questioned what portion of the abatement would be for the approved 7 buildings. Liebenhaut stated he has 2 MOU for 8,700 square feet of a 12,000 SF building B or C. Warner stated Liebenhaut had asked for the 7 year abatement for the entire project but noted the potential for the entire project not being built. Liebenhaut noted he must be able to disclose the tax abatement to all prospective buyers.

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**Motion:** Santangelo made a motion seconded by Bibisi to recommend the ordinance language to Ordinance Study. The committee voted unanimously to approve the motion.

- 5) Proposal Proposed purchase of property and easements on 304 Bartholomew Road for Water & Sewer Dept pump station: Warner presented the recommendation to acquire the property and easements.

**Motion:** Santangelo made a motion seconded by Bibisi to recommend the action. The committee voted unanimously to approve the motion.

- 6) Middletown United Fathers: Community Garden: Owens, President of Middletown United Fathers, stated the request to use 10 of the 40 acre parcel on Pine Street for the proposed community garden. Owens noted the group is applying for 501 C3 status. Owens stated the garden would provide food, bring the area together and stated plans to work with Middletown High School. The group will tour the Madison community garden. The group will start small and apply for grants and CDBG funds. A backer has offered \$2,000 in seed funds which must be repaid. The group will get revenue from fees and sale of produce at a farm stand. There is interest from 20+ people. A garden committee will manage the program. Owens asked for a 10 year lease at \$1.00 per year lease rate. Owens noted the need for a water source and interest in working with UCONN. Attorney Mark Loman is assisting with legal issues and noted the \$1.0 million insurance.

Daley questioned how the Sale & disposition of city property ordinance effects this proposal. Warner stated the committee has the power to waive the ordinance. Bibisi noted the water issue. Warner stated the property was a community garden in the 1970's and that the RFP process would take 3 months and hinders the planting season. Loffredo asked for a plot plan. Bauer spoke in favor noting some wetlands and clippings dumping and that no big investment would have to be made and favored a short lease term. Daley stated the need for some kind of agreement and stated there is a problem with a city supported venture competing against other local produce companies. Loffredo questioned the status of the 501 C3 application. Owens stated there are 2 more questions that require amending the articles. Loffredo noted Wesleyan University garden nearby. Owen said the group has approached Wesleyan. Loffredo questioned the cost of the water pipe. Warner estimated \$3-4,000. Sipperly stated Water & Sewer might waive the connection cost and it would be metered. Bauer noted the committee's right to waive the RFP process. Bauer suggested a 3 year lease with option to renew based on how the project evolves. Bauer, member of the WPCA, noted the recent wet weather patterns. Discussion of neighborhood benefiting, community food sharing and that there is no farm stand in the area.

**Motion:** Loffredo made a motion seconded by Bibisi to ask staff to work out the details with the group including the source of water. The committee voted unanimously to approve the motion.

Owen requested a walk through the land with the city to determine where to set up the project noting the interest in working with Post 75. Sipperly recommended testing the fertility of the soil. Warner asked if the committee would agree to a special meeting prior to the April 5, 2010 Common Council meeting. Loffredo asked for a punch list of the project.

## G Status Reports

- 1) Economic Development Fund, 2/28/10

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- 2) Middletown Statistics Report, 2/10
- 3) Future Economic Development Projects report
- 4) Economic Development Specialist Report
- 5) REINVEST Loan Program, monthly summary report
- 6) JOBS Loan Program, monthly summary report

H Other

I Adjournment: Santangelo made a motion seconded by Bauer to adjourn. The committee voted unanimously to adjourn at 8:10 PM.