

City of Middletown, CT

Economic Development Committee

Minutes from the meeting of March 13, 2007

<u>Present</u>	<u>Absent</u>	<u>Also Present</u>
G. Daley, Chair	D. Bauer	W. Warner
J. Bibisi		M. Wackers
R. Santangelo		R. Kearney
P. Szewczyk		E. Roberts
Public: Glenn Russo, Tom Hibbard; George Frick, M. Mills, J. Pugliese, Carl Rodenheiser, Tom Ford, Mr. Brown, Marie Kalita-Leary, Ron Howard, Kathy Paterson		

A Call to Order: Santangelo called the meeting to order at 6:02 PM.

B Public Session:

- 1) Earl Roberts questioned whether the Remington Rand funds had an annual audit and questioned the status of the Harbor Park Restaurant lease. Warner stated the Harbor Park tenant had been given notice by the city and the city expects that the tenant will vacate the property at the expiration of the lease in October 2007. As long as the tenant moves out the city has no issue with the tenancy. Warner stated the Finance department has the annual audit for Remington Rand.
- 2) Cathy Paterson presented information on the ChampBoat's Racing Series and asked the city to consider the event.
- 3) Mr. Brown questioned why the EDC minutes were not readily available on the website and how to make the Remington Rand documents more accessible to the public. Warner stated the minutes are available in draft form and will be marked draft until the committee approves them at their next meeting. Warner suggested Mr. Brown consider signing up for the PCD weekly newsletter. Roberts suggested putting "draft" on the unapproved minutes.
- 4) Glenn Russo distributed a Hartford Courant article dated 11/15/06 page B3 that stated the EDC had approved the plan. Russo stated the reporter spoke to the commission and wrote the article the day after the meeting. Szewczyk stated that anyone quoted by the writer could be misquoted and that the reporter has a reputation of being wrong. Santangelo stated the reporter was not at the meeting but spoke to the commission about the meeting. Russo stated the article gives the impression that the plan was approved and no one sought to have the article retracted. Russo stated the MOU section 2.3 the Common Council votes after the plan is approved.. Daley stated that the November 13, 2006 minutes state the EDC was sending the plan to the Common Council for approval. Daley stated there has been correspondence from the City Attorney and Russo's attorney. Russo stated it was not his to confuse the city commission and was not being unreasonable in what he believed that the EDC had approved the plan although the city's position

ECONOMIC DEVELOPMENT COMMITTEE

MARCH 13, 2007 MEETING AGENDA

is that the plan was not approved. Daley questioned whether Russo wished to proceed with the understanding that the plan was approved by EDC to the Common Council or whether he wanted to modify the plan and return to the EDC. Daley restated the Mayor's position that the plan is either in 2.2 or 2.3. Russo stated the correspondence from Tim Lynch, Deputy City Attorney, stated the city did not approve the plan so the Common Council can't vote on the plan although Russo's opinion is that the city approved the plan. If EDC approved the plan and one plan is too restrictive. Russo stated he would like to present a plan to EDC with modifications. If the city's position is the plan is at the Common Council the MOU does not say that no modifications can be made only that the Common Council only votes on an approved plan. Russo stated to present a modified plan which has the potential of millions of dollars in investment and the creation of many new jobs in the downtown. Daley stated the EDC would seek guidance from the City Attorney on the matter. Warner stated there have been letters between the two attorneys. Szewczyk stated the item is not on the agenda. Santangelo questioned the role of the EDC approved to move forward if there is not a plan. Daley stated the EDC would seek guidance from the City Attorney. Russo stated he did not expect a response. Russo has worked for two years on the plan to bring economic development for the city and to keep in mind whether approved or not a good plan would help the city economic growth and get back on track with the best plan for downtown by having everyone on the same page to send up a good plan to the Common Council.

C Minutes: Bibisi made a motion seconded by Szewczyk to approve the minutes of February 12, 2007 and December 11, 2006. The committee voted to approve the motion. Szewczyk abstained from voting on the February 12, 2007 minutes. Daley was not present for the vote.

D Communications: none

E Old Business

1) **CBB Parking:** Warner stated the VHB contract is in place and the CT Dot will see the 80% reimbursement and the city will pay 20%. Usually the federal funds go directly to ConnDot and then are allocated to projects but in this case the funds are specifically earmarked for the city. ConnDot's fee for managing the project is \$50,000 with \$40,000 (80%) coming from the federal funds and \$10,000 (20%) coming from the city in the form of a demand deposit. Warner questioned whether the city would pay with an appropriation or from the Economic Development Fund. Daley stated the funds would come from the Economic Development Fund.

a) Szewczyk made a motion seconded by Santangelo to pay \$10,000 from the Economic Development Fund to pay for the city's portion of the ConnDot administration fee for the Federal Transportation Funds. The committee voted to approve the motion.

2) **Main & Liberty Streets:** Warner stated the project is moving forward. Harding is working on development plans for the site.

F New Business

1) **Silver Street parcel:** Warner discussed the submission from Guy Russo regarding land originally owned by the Rushford Center as part of the CRISP project be conveyed to the Housing Authority. The parcel will go to Planning & Zoning and then to the Common Council.

ECONOMIC DEVELOPMENT COMMITTEE

MARCH 13, 2007 MEETING AGENDA

- a) Szewczyk made a motion seconded by Bibisi to convey the parcel to the Housing Authority. The committee voted to approve the motion.
- 2) **Friends of the River (FOTR):** Hibbard stated that they had contacted the Connection to consider creating housing in the Remington Rand building. Rodenheiser stated the Connection has preliminary interest and wanted to know the city's position regarding housing at the site. Hibbard stated that FOTR seeks a commitment form the city to have status when talking with financial people. Szewczyk questioned the Connections financial backing. Hibbard stated financial backing would come from the state and others. Rodenheiser stated the Connection has an interest in housing and would need to find interest from financial institutions. Rodenheiser stated this is a preliminary discussion to see if the city would support this kind of project. Szewczyk stated the FOTR met with EDC in October 2006 with an ambitious plan and that the state would not release the property until the environmental cleanup is completed. Hibbard stated FOTR research into economic development of brownfield properties was successful with funds for residential quality remediation. Warner stated CT DEP has an order for Unisys to clean the property up to industrial standards. Szewczyk stated the state will not release the property until it is cleaned up. Howard stated they have not received any response from Unisys and are trying to make contacts at the state level. FOTR's is interested in the property due to proximity to the river. The goal of the FOTR is to have a MOU or Preferred developer status to enable them to talk with EDC and developers. Bibisi stated the city would only entertain offers through the RFP process. Daley stated the water & sewer project and the remediation must be complete before the state will release their lien and then the city can solicit RFPs. Warner stated the water & sewer project will be under contract in 2 weeks and completed in 90 days. Daley stated the project could be finished by the end of this summer. Warner stated the DECD and CT CEP must be satisfied that the project meets the manufacturing assistance criteria. DECD has invested \$1.0 million and another \$550,000 and will look very closely at all RFPs. Daley stated that FOTR needs to work with DEP and Unisys if they want the property cleaned up to residential standards. Warner stated the VHB estimates a \$2.0 million industrial standards cleanup v/s a \$6.0 million cleanup to residential standards. Warner stated that CT DEP is very cautious in the process of remediation.
- 3) **Request for refund of ZBA fee: 591 Main Street:** Warner stated the owner withdrew his appeal and no money was spent for ads.
- a) Szewczyk made a motion seconded by Santangelo to refund the fee. The committee approved the motion.
- 4) **Remington Rand**
- a) **Baldwin Lease:** Ford distributed a projected income statement without the Baldwin tenancy which ends 7/1/07. Ford stated he has 2 prospective tenants for the 26,000 sf Baldwin space. Warner stated the electricity costs have risen from \$7,000 to \$9,000 per month and that Baldwin is the major user of electricity. Szewczyk questioned if Baldwin would move out before 7/1/07 Ford affirmed.
- (1) Szewczyk made a motion seconded by Santangelo to release Baldwin from his lease. The committee approved the motion.
- b) Warner stated that Baldwin had qualified for the DECD Urban Jobs Tax Abatement Program due to the 440 Middlefield Street due to idleness of the facility. Baldwin had met with the

ECONOMIC DEVELOPMENT COMMITTEE

MARCH 13, 2007 MEETING AGENDA

mayor regarding breaking his lease and acquiring 440 Middlefield Street. The mayor agreed that since Baldwin was remaining in town the city would benefit in the long run.

(1) Szewczyk made a motion seconded by Santangelo to recommend approval of Baldwin's DECD Urban Jobs Application. The committee approved the motion.

c) **Spivey Lease:** Warner discussed the lease stating Spivey would be leasing more space. Bibisi questioned what kind of business Spivey operated. Warner stated flooring and this would be an amendment to the lease.

(1) Szewczyk made a motion seconded by Santangelo to recommend the lease. The committee voted to approve the motion.

d) **Water & Sewer Project**

5) **DECD Urban Jobs Application: Baldwin Lawn Furniture**

6) **Lamentation Mountain Lot 19 Open Space acquisition:** Warner discussed the maps showing the open space acquired in the area and that this area is planned as open space in the Plan of Development. The Assessor calculated that \$80,000 per lot + \$240,000 for the three lots. The owner will sell the property for \$170,000. Szewczyk questioned if there were matching state funds for the purchase. Warner stated the state has no open space funding but there are funds in the open space bond for the purchase.

a) Szewczyk made a motion seconded by Bibisi to recommend the purchase of the property. The committee approved 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

I Adjournment: Santangelo made a motion seconded by Szewczyk to adjourn at 6:59 PM. The committee voted to approve the motion.