

**City Middletown, CT**

**Economic Development Committee**

**Minutes from the Economic Development Committee Meeting of March 14, 2011**

Present: G. Daley, R. Santangelo, J. Bibisi, D. Bauer, D. Drew, M. Wackers, R. Kearney, G. Russo, D. Braasch
--

Public: J. Pugliese, T. Davis, B. Emory, D. Cronin, M. Millane, A. Pioppi, M. DiScala, A. Weber, Longo, S. Steele, Alise, B. Shakun
---

**Minutes**

- A Call to Order: Daley called the meeting to order at 6:02 PM.
  
- B Public Session: Millane questioned how long the golf course approval process would be and stated his company would continue to grow plants and would like to help Pioppi in the process with soil testing and surveying and perhaps supply trees to the future golf course. Russo presented and discussed a memo from the Urban Forestry Commission. Millane stated the 2 year time frame option to extend was a mistake and his company would get off the property to accommodate the golf course. Daley stated the termination option was for the City of Middletown. . Daley stated the termination clause would be implemented when the golf course obtains financing. Pioppi noted the need to have clear language to assure investors. Millane agreed to a one year termination term. Pioppi stated a nine month to one year permit processing time after financing is obtained. Daley questioned increasing the lease rate to \$150/acre and a two year renewal of term. A motion was made by Bibisi and seconded by Bauer to extend the lease for 5 years at \$125/acre with the right for the city to terminate the lease with a 365 days notice. The committee voted unanimously to approve the motion

Roberts commented on item F2 questioning when the Common Council would decide on public access to these lands and noted it is critical to allowing the city to purchase more land for public use.

Pugliese stated for the Middlesex County Chamber of Commerce support for the M. F. DiScala project. Pugliese also noted Paul Hughes was attending to address issues regarding the collapse of 505 Main Street.

Pierre, a local artist, presented plans and letters of endorsement for an Art Commission grant project to paint trash cans.

- C Minutes: Santangelo made a motion seconded by Bibisi to approve the minutes for the January 10, 2011 and February 7, 2011 minutes. The committee voted unanimously to approve the motion.
  - 1) January 10, 2011 Meeting Minutes
  - 2) February 7, 2011 Special Meeting Minutes
  
- D Communications
  
- E Old Business

- 1) **Mattabeset Canoe Club: fire alarm system:** Cronin stated the estimates range from \$14,000-20,000 to install the system. Daley suggested Cronin meet with Warner & Kearney to craft a proposal for a reduced rent payment plan for a period of time. Bauer questioned how long the system was not up to standards and is this new requirement. Daley stated it is not new since the 1970's. Bauer stated he questions the process. Cronin stated the system is not adequate and a contractor bidding on the project stated this is the third time he bid on the project that was never implemented. Bauer questioned why the previous tenant was not required to upgrade the system and whether the city has any other tenants not in compliance. Bauer noted people still comment on how O'Rourke's was handled and questioned who is overseeing these issues. Bibisi responded the fire marshal. Daley stated the city has worked with the Inn, Wharfside Commons and others to assist in the surprises encountered in development. Bauer stated he empathizes with the situation and only questions the process. Cronin stated an April reopening is planned.
- 2) **20 Portland Street:** Wackers stated the demolition contract is in the Purchasing Department. Bibisi requested the matter be expedited. Bauer asked for a final cost of the project.
- 3) **EXECUTIVE SESSION- discussion of documents, specifically commercial or financial information given in confidence, not required by statute submitted by businesses affected by the collapse of 505 Main Street as authorized by Sections 1-210 (b) (5) (B) & 10 of the Connecticut General Statutes, which Sections allow for the discussion in executive session of documents which would result in the disclosure of public records i.e. commercial or financial information given in confidence, not required by Statute and (10) records, tax returns, reports and statements exempted by federal law or state statutes or communications privileged by the attorney-client relationship. Emergency Small Business Assistance Program :** At 7:27 PM, Bauer made a motion seconded by Santangelo to enter Executive Session. The committee voted unanimously to enter Executive Session. At 7:58 PM, Bibisi made a motion seconded by Santangelo to exit Executive Session. The committee voted unanimously to exit Executive Session. Daley recommended that Wackers and Hughes get additional information on the impact on other businesses and follow up with the city attorney on whether a claim on behalf of local businesses affected by the collapse could be made on city insurance or on the insurance for 505 Main Street. If so, a special meeting could be held to discuss a course of action. Steele and Longo stated access to their business was curtailed by the danger of roof collapsing in other nearby buildings.

F New Business

- 1) **Tax & Business Incentive Application: Kenneth Dooley Drive:** DiScala described the success of renovating and fully occupying with new tenants at 699 Middle Street and the construction of 425 Timber Ridge Road. The Kenneth Dooley Drive project involves developing 20 of the 40 acres into useable land at a cost of \$1.5 million in site improvements. Weber described the site, noting infrastructure improvement costs are the same no matter what size of building or use. The hillside will require blasting. Comparing the project costs relative to the land lease income make for a project that requires assistance to make the deal happen. Shakun, NE District Manager for Modspace, (tenant) described the company and products. Daley noted the application request for tax abatements and hookup fees. Russo stated the hook up fees are special revenue items and have not been waived. Braasch stated the Distressed Municipality designation allows for abatements on manufacturing equipment according to DECD regulations. DiScala questioned if site improvements would be considered improvements subject to the tax abatement ordinance. Braasch noted the Bysicewicz land improvements as an example. DiScala noted the December 17,

2010 federal government rules on accelerated depreciation and stated the site would have \$2.0 million in physical improvements and \$1.5 million in site improvements. Braasch stated the federal rules do not apply at the municipal level. Braasch stated the inventory is taxed based on where it is located for three plus months. Shakun stated the company has 1,400 units of which 4-500 are on site and 8-900 are on lease. The project will create 15-20 jobs. The company has a license to build but is not currently manufacturing the units. DiScala noted Xpedx was granted a DECD Urban Jobs benefits and questioned whether Modspace would qualify for a similar benefit. Braasch calculated the taxes at \$400,000. General discussion of what the state would continue to reimburse the city on other projects. Daley asked Braasch and Warner to meet with DiScala to determine what assistance programs would qualify and the site improvements and how to calculate the taxes of the project. Braasch stated the cost to make the site viable could be considered. DiScala questioned what percent of the improvements could be used towards the abatement-noting the 8 inches of gravel as a special improvement.

- 2) **Millane's Nursery Lease Renewal (see item B Public Session)**
- 3) **Harbor Park Parking:** Russo presented a sketch showing increasing parking by 31 spaces at the north parking lot. Additional improvements could include 2-3 pads for seasonal food vendors. The proposed lot would be gravel and require a DEP permit. Discussions with Lady Katharine Cruises and Manafort Construction suggest the companies might fund the project but also might retain parking rights to the spaces. The improvements could enhance the transient boat docks. Bibisi questioned the exclusivity issue and suggested the spaces be metered and the restaurant lot be cordoned off. Russo suggested an overarching authority to handle the issues which currently go to multiple committees. Santangelo suggested moving the restroom building back and away from the water. Russo agreed and suggested the facility be turned to have the doors face the public for security purposes. Russo asked whose task the construction would be. Daley stated the use of city lands is the purview of the Economic Development Committee and the committee would coordinate the project. Bauer stated parking is muddled and the general public does not get to use the parking lots. Daley stated the Parking Department could handle the parking operation issues. Santangelo stated parking is often used by people who sit and drink. Wackers questioned if the lease to the restaurant contains a non-compete clause relative to having vendors on site.
- 4) **Parking Garage Construction:** Daley stated the city is moving forward with the arcade site with \$6.9 million in federal funding. The FTA money will lapse on September 30, 2011-these are bus funds that MAT has not found a use for.

G Status Reports

- 1) Economic Development Fund, 2/28/11
- 2) Middletown Statistics Report
- 3) Future Economic Development Projects report
- 4) Economic Development Specialist Report
- 5) REINVEST Loan Program, monthly summary report: Kearney stated the company is two months in arrears and not responding to phone or mail inquiries. Gecewicz has been seen around town and contacts from the city are trying to reach him. There is a real estate lien to secure the note.

Economic Development Committee

March 14, 2011 Minutes

6) JOBS Loan Program, monthly summary report

- H. Other: Drew asked if the city is working on attracting filming to the city. Kearney stated he is meeting with Steve Allison and others tomorrow to discuss setting up information on how to contact the city for filming. The group will be looking at New Haven and New Milford as examples. Drew asked to be included in future discussions. Pugliese stated he would be attending the meeting. Drew noted Wesleyan and Middlesex Community College as resources. Daley stated at some point a separate film commission could be established or a hybrid subgroup.
- I. Adjournment: Bauer made a motion seconded by Santangelo to adjourn. The committee voted unanimously to adjourn at 8:03 PM.