

City Middletown, CT

Economic Development Committee

Minutes from the Economic Development Committee Meeting of April 11, 2011

Present: G. Daley, R. Santangelo, J. Bibisi, D. Bauer, D. Drew, W. Warner, R. Kearney

Public: J. Pugliese, C. Johnson, M. Stone, Sokolowski, DiPiro, E. McKeon
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Minutes

- A Call to Order: Santangelo called the meeting to order at 6:06 PM.
- B Public Session: Pugliese stated the Middlesex County Chamber of Commerce supports Guilmartin, DiPiro & Sokolowski project.
- C Minutes
 - 1) March 14, 2011 Meeting Minutes: Drew made a motion seconded by Bibisi to approve the March 14, 2011 meeting minutes. The committee voted unanimously to approve the minutes. Daley was not present.
- D Communications: none
- E Old Business
 - 1) Mattabeset Canoe Club: fire alarm system: Warner stated Al Santostefano reviewed the situation and that the City Fire Department requires the system. The city prefers that the city owned building be connected to the city alarm system. Warner presented the staff recommendations and stated the Canoe Club is in agreement with the following terms. The city would provide the box valued at \$3,500 and the Canoe Club would install the box. The Canoe Club would pay the \$250 annual monitoring fee and the city would agree to reduce the monthly rent from \$2,070 to \$1070 for the next 7 months to pay for the \$7,000 system. Bauer questioned where the city funds would come from. Daley stated the Economic Development Fund. Daley concurred stating the Canoe Club would be writing a monthly rent check rather than receiving a credit towards the project. Warner noted the list of building improvements being made by the tenant. Daley noted that one of the Canoe Club partners had died. Bauer questioned what the overall estimate of improvements was. Warner stated the improvements are not required. Bauer asked what the business plan stated for total costs of improvements. Drew stated the request was modest relative to the scope of the project. Santangelo made a motion seconded by Bibisi to recommend the installation of the alarm system at the Canoe Club and that the rent be reduced by \$1,000 for 7 months (totaling \$7,000) to pay for half of the system and that the company would pay the other half and \$250 for the annual monitoring service contract. The committee voted unanimously to approve the motion.
 - 2) 20 Portland Street: Warner stated the city had applied on 4/8/11 for a Notice to Proceed. The city met with the neighbors and discussed the conditions of the demolition process. The lead and asbestos removal is the most time consuming requiring testing during the removal process. The

neighbor in the back will cooperate in allowing the demolition to take place from the back of the property. Bibisi asked how long the demolition would take. Warner stated 2-3 weeks. Santangelo asked if the site would become an open lot. Warner stated the neighbor is interested and the best thing for the city would be to sell the property. Drew stated a neighbor questioned about a property with the roof sliding off. Warner stated that was another nearby property. Bibisi stated it was blighted and vacant. Bauer questioned if the city would advertise the sale per the ordinance on sale of public property. Warner stated the property small and a sale could yield a 1-2 family building. Bauer stated the need for transparency and to let the public bid on the site. Warner stated both might bid and zoning is non-conforming with the right for 4 units and the need to sell to make into a one family. Drew questioned the site contamination. Warner stated older properties have lead in the soil. Drew asked when the building would be demolished. Warner stated 3 weeks.

- 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**
- 4) Tax & Business Incentive Application: Kenneth Dooley Holdings, LLC. Warner stated the plans for 2 small buildings yielding \$8-9,000 in taxes. Modspace may expand the maintenance building for manufacturing purposes. The inventory valued at \$30 million has yielded \$100,000 in personal property taxes in other towns. Warner recommended granting a tax abatement on the buildings. Daley noted the Assessor stated at the March 14, 2011 meeting the potential for a tax abatement on the improvements to the land and asked Warner to discuss this further with the Assessor. Warner stated DiScala has committed to the project with engineering and legal fees. Warner stated he would look into the site improvement abatement issue. Warner stated the bigger issues are Planning and Zoning Commission approval and that any tax abatement would have to benefit the tenant. Santangelo made a motion seconded by Bibisi to recommend to the Common Council a partial tax abatement on the buildings. The committee voted unanimously to approve the motion.
- 5) Parking Garage Construction: Warner stated the scope of services was completed and the DOT states that the fee would be for only 30% of the design and then the city would go to referendum. DOT is requiring the scope of services be rewritten to reflect the 30% of the design costs. The city has in place \$86,000 in LOCIP funds for this phase. Bauer questioned why design is so costly considering concrete boxes (garages) have been built everywhere. Warner stated the engineering is required to prove the garage would not fall down. Bibisi stated the need to act on the project or loose the monies. Warner stated the transit funds a different and DOT is trying to transfer the funds from highway to facilities. Bauer noted the opportunity to discuss use of transit funds at the upcoming budget hearings. Daley noted the transit budget and questioned how to spend the transit funds and the ideas that had been suggested. Warner stated federal transit funds could only be used by the transit district. Suggestions had been discussed on connecting transit to the Meriden Metro North project and expanding the transit station.

F New Business

1) **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. Guilmartin, DiPiro & Skolowski**: Bauer made a motion seconded by Santangelo to enter executive session. The committee voted unanimously to enter executive session at 6:31 PM. Santangelo made a motion seconded by Bauer to exit executive session. The committee voted unanimously to exit executive session at 7:04 PM. Drew made a motion seconded by Bibisi to recommend to the Common Council the application for the Tax & Business Incentive for a 4 year tax fixing agreement on the land only and waiving the taxes on the building based on the construction of a 3 story office building with retail on the front half of the first floor and the waiving of the building permit. The Assessor will be consulted to review the proposal. The committee voted to approve the motion with Bauer voting nay.

G Status Reports

- 1) Economic Development Fund, 3/31/11
- 2) Middletown Statistics Report
- 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 Bibisi to adjourn at 7:26 PM. The committee voted unanimously to approve the motion.