

ECONOMIC DEVELOPMENT COMMITTEE

MINUTES

April 11, 1994

PRESENT

G. Daley
N. Conaway-Raczka
J. Milardo
R. Santangelo
S. Shapiro

ABSENT

None

ALSO PRESENT

S. Libby
C. Stannard
S. Allison
W. Kuehn, Staff
L. Ozga, Staff
C. Wilcox
G. Souto 7:14
S. Gionfriddo 7:28
E. Roberts

Chairman Daley called the meeting to order at 7:30 p.m. in Room 208 of the Municipal Building and opened the public session.

S. Libby spoke in favor of the NEAR proposal, and asked the Committee to support S. Allison in what he is doing. He then made comments about obtaining insurance and REINVEST loans; about the memo from the City Attorney re: stifling gadflies; he claimed selective prosecution and ended with libelous remarks about the government.

Minutes: Upon a motion by S. Shapiro, seconded by R. Santangelo, minutes of March 14, 1994 were accepted unanimously.

N.E.A.R.: S. Allison, Executive Director of North End Arts Rising, was on hand to answer questions from the Committee. He had requested a grant from the Economic Development Fund for \$12,500. After discussion of what good work the Buttonwood Tree (NEAR) has been doing in the North End; and how they need City support with regards to their intervening in gang activities, the Committee had questions about NEAR's budget. J. Milardo questioned why they were coming back to the Economic Development Committee after last year's grant which was supposed to bridge the operating budget until they got their 501(c)(3) IRS designation. S. Shapiro noted that out of a \$90,000 budget, over \$60,000 came from the City and that other arts organizations do not ask for more than 50% of their budgets from the City. They pointed out the City has an Arts Commission which gives grants to assist artists and groups and they were not happy to have the Economic Development Committee by-pass their process. J. Milardo said he would rather have the Economic Development Fund "shorted" by the same amount and have the Arts Commission make the decisions on grants from their budget. S. Allison replied he would not hesitate to go to the Arts & Culture, but said they do not have enough funds in their budget. He went on to say they were in their third year; were considered well by the press; were confident of getting a grant from the Connecticut Commission on the Arts and were considered a valuable asset to the City. G. Daley also complimented NEAR on their value to the community but questioned why such a relatively small portion of the budget was covered by memberships and ticket sales. He also felt approval of a grant should have the recommendation

of the Arts Commission, or the request should be a joint one. N. Conaway-Raczka also indicated her support for the NEAR, and knowledge that there is an economic development component to the arts; and said there may be some merit in providing a joint program with the Arts Commission. S. Allison commented on their philosophy that "art is for everyone" meaning that their ticket prices were low or even optional and no one was turned away for lack of funds. After more discussion of their programs, numbers of neighborhood children attending, and appropriateness of public funding when last year's grant was given as seed money, a motion was made by N. Conaway-Raczka, seconded by S. Shapiro, and passed unanimously to table the request for thirty (30) days and for staff to meet with Corinne Gill to come up with a solution.

Tax and Business Incentive Program: W. Kuehn reported that the Economic Development Team had been meeting at the request of the Mayor to create business incentives, and that they fell basically into two types of areas: streamlining the approval process and monetary incentives. W. Warner had drafted the ordinance to streamline the approval process, and W. Kuehn and J. Ziomek worked on the tax portion. S. Shapiro asked where the guidelines came from; W. Kuehn named several towns all over the State. S. Shapiro thought the guidelines were too stringent; that the threshold of 50 jobs was too high, and that Middletown should be encouraging incubators and other small businesses. W. Kuehn replied there were statutory limits for abatements but there were other incentives for businesses below those limits. J. Milardo wanted the process streamlined but fair for all applicants. After discussion of liability in case of denied applications, he suggested that the City must adopt and approve a process, but not be advocates for the applicants. G. Daley asked about the Economic Development Team and knew of a potential employer who was welcomed in other towns but ignored here. He wants to see the system more proactive and customer oriented. N. Conaway-Raczka asked if there was a secondary scenario to provide incentives for smaller companies and, if not, for staff to create layers of incentives depending on numbers of jobs. J. Milardo also mentioned quality of jobs and questioned funding restaurant jobs versus high technology jobs. S. Shapiro said the program was not geared to retail or restaurants; and W. Kuehn reiterated the bias is to manufacturing. All agreed the thresholds should be lowered and noted that many good businesses started with just a few employees and now had 50, 80 or more.

Discussion ensued about the abatement tables and the Common Council's role in the process. G. Daley summarized that these should be reviewed by the City Attorney; that nothing should cause disparate treatment among applicants; and that the guidelines be more inviting to small businesses. A motion was made by N. Conaway-Raczka, seconded by S. Shapiro, and voted unanimously to table action, and to have staff redraft the guidelines considering the comments made at the meeting. The Committee suggested distributing the draft around the community to get as much comment as possible.

REINVEST: A motion was made by S. Shapiro, seconded by N. Conaway-Raczka, and voted unanimously to table the two REINVEST grant applications on the agenda.

Kuhn Center: A motion was made by N. Conaway-Raczka, seconded by S. Shapiro and approved unanimously to amend the contract, dated June 8, 1993 to the Kuhn Center, extending the time for all services to be completed from June 30, 1994 to September 30, 1994.

North End Industrial Area: W. Kuehn reported he was meeting with the Department of Economic Development and consultants to prepare a line item budget, and he may call a special meeting in two weeks for Economic Development Committee approval. G. Daley wanted to address this item and the REINVEST loans at the May Council meeting. W. Kuehn said he wanted to have Department of Economic Development comments as well. J. Milardo asked about the Department of Transportation and the community concerns for access to the area. W. Kuehn acknowledged it was a critical element; and that "Alternate E" was no longer a possibility.

The Committee decided to meet again on April 25th at 7:00 p.m. to discuss the North End Industrial Area.

Economic Development Fund:

- a) Upon a motion by S. Shapiro, seconded by J. Milardo, the Committee voted unanimously to recommend to the Common Council that the Long Hill Estate Committee be given \$500 from the Economic Development Fund.
- b) Upon a motion by S. Shapiro, seconded by N. Conaway Raczka, the Committee voted unanimously to roll over the line items in the Economic Development Fund as requested by staff.

Other:

1. The Committee asked that the mailing be sent out earlier, as they did not have enough time to prepare for the meeting.
2. J. Milardo announced that a historic property next to St. Sebastian's Church was available for free. It is a Greek revival house on the corner of Broad Street and it needs to be moved.
3. G. Daley asked that the personal financial information not be mailed out in the packets. S. Shapiro felt it was important; however, N. Conaway-Raczka noted that there is a bank review and J. Milardo said that the loans are collateralized anyway. The consensus was to **NOT** include this information in the mailings.

There being no further business, the meeting adjourned at 8:47 p.m.