

ECONOMIC DEVELOPMENT COMMITTEE

MINUTES

April 12, 1999

Present

G. Daley, Chair
R. Santangelo
S. Shapiro
S. Gionfriddo
J. Vinci

Also Present

W. Warner Staff
R. Kearney, EDS

G. Daley called the meeting to order at 7:00 p.m. in Room 208 of the Municipal Building.

The Committee postponed approval of the minutes of the March 8, 1999 meeting until the May 10, 1999 meeting.

Public Session

Mr. Sid Libey stated that he felt that the EDC is wasting time and money buying property in the NEIA.

Sal Fazino questioned the \$20,000 difference in the appraised versus the assessed value of his Rapallo Ave. property. Santangelo stated that the difference in dollars was not a major amount. Vinci suggested splitting the difference. Daley recommended finding a middle ground and questioned the source of funds to pay for the acquisition. Warner stated the CDBG reprogrammed funds could be a source. Daley recommended that an agreement be made with the Mayor, that a source of funds be found and that the new assessment be verified.

Rosa Browne and Catherine Johnson presented a request to increase the REINVEST loan by \$5,000 to supplement the façade grant for renovation of 574 Main ST. Gionfriddo stated that spending funds on renovation would be self-defeating compared to investing monies in the operation of the new business. He recommended skipping the façade renovation and making funding the business the first priority. Johnson stated that the grant funds would not be held in abeyance. Gionfriddo asked if Liberty Bank was approached for the additional funds. Browne stated that the loan was from SBA. Gionfriddo asked if there was additional equity available in the house to cover the need for funds. Warner discussed the equity relative to new assessment values. Daley recommended that Calvin Price of Liberty Bank make a presentation of the financials in this matter. He stated the EDC had signed on to the Agury business plan and that the REINVEST funds are intended business development and not for housing development. The issue of 1:1 matching needs to be clarified by Price. He recommended getting the business up and running to get cash flow. Browne stated that Agury is on the Web but due to lack of a permanent business address, she is not able to make financial transactions on the Web.

Armory Tom Ford stated that he has a letter of intent from Joe McCord for the first floor SE space. McCord is getting construction estimates. City inspectors toured the property 4/9/99 to review McCord's plans and make recommendations on code, fire and health issues. Ford will show the property 4/11/99 to an antiques mall company.

Ford indicated that the lack of parking and the downtown location of the building are problems in soliciting national developers. He submitted a contacts list and described current marketing strategy of concentrating on local v/s national organizations. Gionfriddo stated that the site with proximity to Destinta Theaters gives the property excellent potential. Santangelo mentioned the success of Hudson, NY as an antiques center with minimal parking facilities. Warner stated that once the national chains see foot traffic they will locate here.

Ford discussed the fact that the mechanical systems are minimal in the building. Ford asked Kearney to investigate what State assistance would be available to improving the building for development. Ford and Whitezman are tailoring leases on a step up basis to ease the initial costs of fitting up the space. Gionfriddo stated that the foot traffic would increase with the opening of Destinta and that the first step is to have the first tenant open in the building. Daley addressed parking issue with the idea that arrangements could be made with parking garages to enhance the access. Ford questioned the Middletown Press building has parking and could be important to development of the block. Gionfriddo asked the status on air rights over the Riverview parking lot.

Shapiro stated that the EDC should think long term in tenant selection be selective in choosing the best tenants for the building and not take just any company that comes along. Daley requested that Ford submit all deals to EDC for consideration. Warner suggested day care or parking as a use of the drill hall basement or cutting off a portion of the hall to improve parking, access and view. Shapiro discussed fit up costs, Vinci questioned cost of HVAC. Ford brought up willingness to split costs and that he is still in contact with Luna Pizza.

Ford stated that the Police Station lease was delivered to First & Last Tavern 4/1/99. They have an architect and are reviewing financing with banks.

Daley asked if Costa del Sol was still interested in Middletown. Kearney indicated that he and the Mayor are planning recruitment lunches at Costa. Whitezman expressed interest in attending.

OLD BUSINESS

Remington Rand. Discussion of eminent domain versus strict foreclosure. Warner stated that the insurance company was now involved in contamination claims by the owners. There is a meeting scheduled with the attorneys and the Mayor on 4/15/99.

Warner stated that Liebman has given Jandreau environmental studies on his property.

Package Store. Warner stated that the lease was a month to month term. Kearney stated that the business appears to be closed. Daley recommended that the City Attorney notify McCormack that the lease is terminated.

Twin Vane. Warner stated that the bids for sewer extension are over budget. There is the need to move quickly with Somerset Plastics preparing to break ground. Gionfriddo suggested rejecting all bids. Warner recommended a direct grant to Somerset to expedite the process.

Sumner Brook. RFPs are due by 4/15/99.

NEW BUSINESS

INFORM Reception. Kearney reported that 66 people had reserved seats for the event. Daley mentioned that the event had seen a dip in attendance depending on the year.

Inform Invoice. Warner requested approval of 4/6/99 Memo to adjust a purchase order to cover an account that was closed. Committee approved the request.

Daley asked if the Parking Authority would be charging for daytime use of the parking arcade or if a validation program could be set up to avoid movie patrons being charged fees and remain competitive with suburban movie complexes offer free parking.

Shapiro questioned the progress of the golf course. Warner stated that they are on the P&Z April meeting agenda.

STATUS REPORTS

Economic Development Specialist Report. Kearney reported on active prospects. Kearney discussed new retail store at Union and deKoven. Personal auto care must vacate by 7/1/99. Also discussed retention efforts with Merriam Mfg. and Little Tibet.

REINVEST monthly summary report. Kearney stated that City Attorney is pursuing Touch of Class, Champs is now current.

There being no further business, the meeting adjourned at 8:30 p.m.

Respectfully submitted,

Richard Kearney, Economic Development Specialist

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