

ECONOMIC DEVELOPMENT COMMITTEE

MINUTES April 17, 2000

Present

G. Daley, Chair
 R. Santangelo
 S. Gionfriddo
 J. Robinson
 S. Shapiro
Public: Arun Ranganathan, Abul Islam

Absent

Also Present

W. Warner, Director PCD
 R. Kearney, PCD

- A. Call to order:** Daley called the meeting to order at 6:02 PM in the Middletown High School Auditorium.
- B. Public Session:** no comments
- C. Minutes:** March 13, 2000: The committee approved the minutes, members not present 3/23/00 abstained.
- D. Communications:** none received
- E. Business**
1. JOBS Loan: AI Engineers
 2. REINVEST Loan: AI Engineers: Islam described the construction project. Daley asked how many low to moderate income jobs will be created. Islam stated minimum of 5 jobs. Gionfriddo made a motion to approve the loan application and that Islam's home be collateral for the JOBS Loan and that the office building be collateral for the REINVEST Loan subject to final approval from the bank appraisal. Santangelo seconded the motion and the Committee voted unanimously to approve the motion.
 3. JOBS Loan: The Music Exchange: Gionfriddo asked Ranganathan to report on the rental space costs and plans. Ranganathan described the fixturing and floor plan drawing, stating that the space would be next to the DMV with the listening space in the hallway next to the elevator. CDs would be kept in a secure cabinet behind the counter which would make it easy to keep track of inventory and reduce theft. He described the inventory plan. Shapiro asked what the standard inventory turn is for the record business. Ranganathan stated that the inventory turn would vary depending on the month. Gionfriddo questioned what collateral in addition to CDs would be available. Shapiro asked what personal investment Ranganathan would make in the business. Ranganathan stated that a gift of \$10,000 from his mother is his planned investment of funds. Robinson asked how the smaller space to reduce rent expense would effect the business plan. Ranganathan stated that the location of the space next to the DMV and near the newsstand and coffee shop offered better visibility. Shapiro questioned the strength of the location relative to the fact that three companies have moved out or closed. Gionfriddo made a motion to approve the application, Santangelo seconded, the Committee voted to approve the motion. Votes Yeah: Daley, Santangelo, Gionfriddo, Robinson, Nay: Shapiro. Discussion: Gionfriddo recommended that the store maximize business hours around the mall's schedule and that the evening hours are more important than the early morning hours. Shapiro stated that the company is undercapitalized with only \$20,000 and the numbers do not work. Robinson stated that the Committee is relying on Ranganathan making it and would take quick action if the loan payments are not on time.
- H. Other**
- I. Adjournment:** There being no further business, the Committee adjourned at 6:33PM.