

ECONOMIC DEVELOPMENT COMMITTEE
Minutes: May 10, 1993

PRESENT

S. Shapiro, Chair
E. Pattavina
W. Corvo

ABSENT

N. Conaway-Raczka
(vacancy)

ALSO PRESENT

W. Kuehn, Staff
L. Ozga, Staff
C. Wilcox, Staff
Officer Clayton, Police
Mayor S. Gionfriddo

ALSO PRESENT

P. Michalowski, Consultant
V. McDermott, Consultant
L. Kenney, Consultant
J. Thompson, Consultant
M. Daley, Courant
C. Poitras, Courant
C. Stannard, Press
J. Belair, Consultant
S. Libby
P. Simmons
G. Souto
E. Roberts
A. Ottaviano, Carvel
C. Soulis

Chairman S. Shapiro called the meeting to order at 7:04 p.m. in Room B-20 of the Municipal Building.

REINVEST

Upon a motion by W. Corvo, seconded by E. Pattavina, it was voted unanimously to go into executive session at 7:05 p.m. to discuss an application for a REINVEST loan for Carvel Store #870, as authorized by Connecticut General Statutes Sections 1-19(b) and 1-18(e)(5).

Mr. Libby refused to leave the room until 7:08 p.m. when apprised of his options by Officer Clayton.

The EDC came out of executive session at 7:30 p.m. Upon a motion by W. Corvo, seconded by E. Pattavina, the Committee voted unanimously to recommend to the Council, approval of a REINVEST loan of \$18,800± which represents half of the balance of the total cost of improvements after deducting a grant from CL&P. (Staff calculates this to be \$18,822.50).

Minutes

Upon a motion by E. Pattavina, seconded by W. Corvo, minutes of the April 12th meeting and executive session were approved unanimously.

Public Session

E. Roberts had a question about the JOBS program as amended at the Common Council, and wished to know if it was changed to conform to Federal requirements and if the program was in place. Chairman Shapiro replied affirmatively to both questions. Mr. Roberts also referred to item 6 on the agenda; and asked when and if the public was going to have something in writing. This request was referred to staff and consultant who will put together a synopsis of the Business Retention Phase II activities which will not compromise the confidentiality of the businesses involved.

S. Libby, Court Street delivered an abusive tirade about executive sessions and City government.

Mayor S. Gionfriddo requested that Mr. Libby's comments be transcribed from the tape. (Transcript is available in the Municipal Development Office.)

At 7:40 p.m., Consultants from Harrall-Michalowski Associates and Milone & MacBroom presented their final results of the North End Industrial Area study. They handed out copies of a Revenue Generation Analysis, Pro Forma for Remington Rand Building, sources and uses of funds and a First Year Action Plan for the area. Vince McDermott of Milone & MacBroom addressed some of the environmental issues and tasks. He said the wetland boundaries were essentially the same as had been previously mapped. There were some flora and fauna, mainly at the confluence of the Coginchaug, Mattabassett and Connecticut Rivers, which were of high interest to DEP. This Boggy meadows area is a major significant wetland; however, others in the project area were not, and would not affect the proposed development. Notably, these were a sliver of wetlands behind the Remington Rand building and others which were wetlands in name only.

P. Michalowski spoke to the Committee about the Cost Benefits and Financing. He presented an illustrative site plan, went through the handout page by page, and commented that their estimates were very conservative. P.1 showed a 3-year buildout of four new buildings at 15,000 square foot each and one 10,000 square foot expansion. This would create approximately 264 new full time jobs; 106 part-time jobs; and would spin off 119 new jobs in the community. Page 2 of their report showed the spin-off economic benefits from the incomes of new employees; and page 3 showed income to the City through municipal fees over a 5-year period. The revenue generation model further estimated tax revenues; however, these figures might change if an Enterprise Zone were approved. Finally, page 5 of the model shows the State to be a big winner through enhancement of both personal income tax and sales tax.

Mr. Michalowski went on to discuss the Remington Rand building specifically, indicating its reuse would recycle a property which is now at the end of its economic life. Its ownership will be changing and transfer cost of the property will be negligible because of the need for a Phase II environmental survey. He suggested creation of a small business incubator of 46,500 square feet with an investment of \$1,000,000. The operating pro-forma conservatively shows 80% occupancy within 3 years. He then presented a total project budget and noted that of the \$4,470,500 needed, \$3,000,000 was already committed in the CS0 projects. For the remainder, State participation would be 50%; however, with an Enterprise Zone it could be up to 90%.

Regarding the traffic improvements at St. John's Square, the consultants recommended that the City do the design, then the \$448,500 construction costs can be funded entirely by ISTE. They also felt that reservation of a fund for contaminated soils would be a good idea in order to have \$\$ on hand should a clean-up be necessary.

Finally, Mr. Michalowski noted that the final page was an action plan - the most important item of which was the project designation. The City will need to adopt a plan and strategies; then go after the funding and other means to implement them.

Chairman Shapiro entertained questions from members and staff. E. Pattavina asked how much residential acquisition and/or relocation would be involved with the traffic improvements... consultant's reply was none. Only one or two industrial or commercial properties will be affected by the road changes. J. Thompson reported on his meetings with DOT, DEP, City development team and Regional Planning. The consensus was that the City can get the ISTEA funds for the improvements provided they do the design up front.

W. Corvo asked how much of the original planning and dollars can be credited through the CSO. P. Michalowski replied he did not get a favorable response from DED on this. W. Corvo asked if the part that goes to referendum could be matched, since the City has "piggybacked" a full blown rebuild of all streets on the CSO. Mr. Michalowski will revisit this issue. W. Corvo referred to the assumption of 75% State reimbursement of abated taxes in an Enterprise Zone and asked if this was a PILOT. P. Michalowski pointed out this was a special dedication just for Enterprise Zones. Other questions and comments included:

- . A time frame of 3 years or less.
- . Concept that a private party buy the Remington Rand building with a non-profit leasing and managing the incubator.
- . Emphasis on the City aggressively pursuing funds for St. John's Square improvements since DOT will be doing nothing there for the foreseeable future.
- . Amending North Main Street CSO program to include improvements like landscaping.
- . Need for environmental clean-ups... L. Ozga asked about funding; V. McDermott replied DEP had no funds and EPA was interested only in the landfill.

Finally, Chairman Shapiro asked about the feasibility of this area becoming an Enterprise Zone. P. Michalowski replied that on the Federal level, it may get bipartisan support; and on the State level, there would be four "slots" for cities with populations under 80,000. Middletown would have to submit an application which should be easy.

The Committee commended the consultants on an excellent presentation and on their in-depth and timely study of the North End Industrial Area.

Miscellaneous

W. Kuehn gave oral reports on the following items:

- . North End DOH Grant - bid was awarded on playground/parking area, and bid waiver being sought on playground equipment.
- . Danforth Pewter Shop - verbiage of easements etc. were in hands of Ann Street (GMPT) and the City Attorney.
- . Co-op Advertising - L. Ozga reported 65 businesses had responded, the insert would be expanded to 32 pages, proof would be completed at the end of May and 50,000 copies would be distributed between the Courant on June 10th and Press on June 12th. W. Corvo requested that some of this advertising effort be done on Radio.
- . Downtown Manager - staff is working on a job description and will have it for the next meeting.
- . Abatements - staff is looking for an official policy on tax abatements and will have a draft by the next meeting.

Business Retention

Upon a motion by W. Corvo, seconded by E. Pattavina, the EDC voted unanimously to go into executive session at 8:30 p.m. to discuss Business Retention Phase II as authorized by the Connecticut General Statutes Section 1-18a(e)(5) and 1-19(b). Mr. Libby refused to leave the room until forewarned that he could be arrested for 1st degree criminal trespass by Officer Clayton.

The Committee came out of executive session at 8:50 p.m.; and

Upon a motion by E. Pattavina, seconded by W. Corvo, the EDC voted to adjourn immediately.


Cynthia G. Wilcox

CGW/lmk

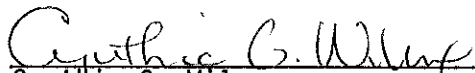
ECONOMIC DEVELOPMENT COMMITTEE
Executive Session #1
Minutes: May 10, 1993

Present: Members: S. Shapiro, Chairman; E. Pattavina, and W. Corvo
Staff: W. Kuehn, L. Ozga, and C. Wilcox
Applicants/Reps: A. Ottaviano, C. Soulis

Upon a motion by W. Corvo, seconded by E. Pattavina, it was voted unanimously to go into executive session at 7:05 p.m. to discuss an application for a REINVEST loan by Carvel Store #870 as authorized by Connecticut General Statutes Sections 1-19(b) and 1-18(e)(5).

The Committee voted unanimously to come out of executive session at 7:30 p.m.

No votes were taken during the executive session.


Cynthia G. Wilcox

CGW/lmk


ECONOMIC DEVELOPMENT COMMITTEE
Executive Session #2
Minutes: May 10, 1993

Present: Members: S. Shapiro, Chairman; E. Pattavina, and W. Corvo
Staff: W. Kuehn, L. Ozga, and C. Wilcox
Consultant: J. Belair
Police: Officer Clayton

Upon a motion by W. Corvo, seconded by E. Pattavina, EDC voted unanimously to go into executive session to discuss Phase II of the Business Retention Program as authorized by Connecticut General Statutes Sections 1-19(b) and 1-18(e)(5) at 8:30 p.m.

The Committee voted unanimously to come out of executive session at 8:50 p.m.

No votes were taken during the executive session.


Cynthia G. Wilcox

CGW/lmk

PARTIAL TRANSCRIPTION OF ECONOMIC DEVELOPMENT COMMITTEE
May 10, 1993

Steve Shapiro: Anybody else... Sid.

Sid: I have been informed that Jean Belair...

Steve Shapiro: Sid, close the doors. I want to keep you in.

Sid: Sid Libby, Court Street. I have been informed that Mr. Belair involved himself in a highly illegal criminal conduct.

Steve Shapiro: Sid...

Sid: wait a minute

Steve Shapiro: this is not the time to talk about any personalities or persons

Sid Libby: wait a minute, I can... I got freedom of speech, I can I can say

Steve Shapiro: but he is not an elected person

Sid Libby: So what, if he does criminal conduct....

Steve Shapiro: If you have allegations, you should bring them to the proper authorities, this is not the forum nor the place.

Sid Libby: please, please let me finish.

Emanuel Pattavina: Sid, make just one comment.

Sid Libby: No, never mind comment.

Emanuel Pattavina: You usually speak like this towards public officials where we can't do anything about it.

Sid Libby: What is the difference if he is a public official or not.

Emanuel Pattavina: This might be defamation of character....an individual who can sue you.

Sid Libby: Let 'em sue.

Emanuel Pattavina: Alright, just so you may be aware of that.

Sid Libby: Fine. He passed on, deliberately incriminating, he passed on this information concerning the Santa Maria Bakery and and it's just a whole long pattern of this criminal conduct and its whole long pattern of wher this entire REINVEST Program is terribly flawed.

Page 2. partial transcription of 5/10/93 EDC meeting

Steve Shapiro: He is not doing anything with the REINVEST Program and he happens to be working on the Retention Program. That's what he was hired as a contractor to do.

Sid Libby: Ok, the Retention Program.

Steve Shapiro: Alright.

Sid Libby: It highlights the extreme corruption of this entire body.

Steve Shapiro: Sid, as Chair, I am not going to let you continue making statements like that unless you have backing that you can bring in.

Sid Libby: I have backing.

Steve Shapiro: Alright. clearing pointed out, as Councilman Pattavina clearly pointed out, we as council people, have to take your guff as elected officials.

Sid Libby: Well, unfortunately...

Steve Shapiro: But he is a private citizen and he is a contractor to the City and I don't think he nor any other of the people here who are contractors to the City need to listen to this, unless you have proof.

Sid Libby: I have before you know, in case you haven't heard. And, it highlights the control of this body by the Sicilian elite cosanostra and the koshernostra or zog zion-occupational government, which you represent, and it shows the incredible corruption of this body and then when you go into executive session so soon after all this illegal and criminally executive session and bring along corrupt cops who threatened me with arrest saying I'm a potential person to flee, which is absolutely ridiculous I've met every court day - in fact I went to court this morning - whenever, I've been arrested.

Steve Shapiro: Sid, if you're going to talk here you have to talk about the items on the agendas. Alright? Please.

Sid Libby: I am. I'm talking about your secret session. And,

Bill Corvo: Point of order.

Sid Libby: Never mind points of order that denies me my rights.

Steve Shapiro: Points of order take precedent over anything else.

Sid Libby: One thing, you guys

Bill Corvo: Mr. Chairman, point of order.

Sid Libby: I'll terminate.

Emanuel Pattavina: Thank you.

Sid Libby: One thing you guys should keep in mind is that people are very fed up with all this. They're at the boiling point and I'm telling you guys right now, you risking eminent danger of

Bill Corvo: Are you threatening people? Are you threatening people?

Sid Libby: I'm just stating facts. You guys..

Bill Corvo: Are you threatening people?

Sid Libby: you guys are playing with fire.

Bill Corvo: Are you threatening people?

Sid Libby: I'm just stating facts.

Bill Corvo: Are you threatening people.

Sid Libby: I'm just.... Knock it off I got the floor. I'm just stating facts then, if you guys keep it up much longer, you are gonna have people coming in here again with AK47's and jamming them up your tushees. You just can't keep that up any longer. And if you all weren't on crack, and if you all weren't on crack, you would have sense enough sense enough to know it.

Emanuel Pattavina: Mr. Chairman...

Sid Libby: Thank you, Gentlemen.

Steve Shapiro: Mayor Gionfriddo.

Mayor Gionfriddo: I would request that a transcript of that portion of the tape be made please.

Steve Shapiro: I would like it too because I consider that a threat. A verbal threat.

Sid Libby: Fine

Steve Shapiro: Even as an elected official I don't think we have to sit here for verbal threats by anyone. Alright, anybody else from the public wishing to make any questions/comments? Close the public session and we'll move on to.....