

City of Middletown, CT

Economic Development Committee

Minutes from the Economic Development Committee Meeting of June 9, 2009

<u>Present</u>		<u>Also Present</u>
G. Daley		W. Warner
R. Santangelo		R. Kearney
H. Kasper		G. Russo
J. Bibisi		
D. Bauer		
Public: R. Friedman, D. Giordano, N. Panuzio, Attorney Corey		

Minutes

- A **Call to Order:** Daley called the meeting to order at 6:34 PM.
- B **Public Session:** none
- C **Minutes:**
 - 1) **May 11, 2009 meeting minutes:** Bauer made a motion seconded by Santangelo to approve the minutes of the 5/11/09 meeting of the committee. The committee voted unanimously to approve the motion.
- D **Communications:** none
- E **Old Business**
 - 1) **Harbor Park Restaurant lease:** no discussion
 - 2) **Midfield Corp: Property at the corner of College and Broad Streets: EXECUTIVE SESSION** CGS Chapter 14, Sec. 1-200, 6(B) strategy and negotiations with respect to pending claims or pending litigation to which the public agency or a member thereof, because of the member's conduct as a member of such agency, is a party until such litigation or claim has been finally adjudicated or otherwise settled.

Kasper made a motion seconded by Santangelo to enter Executive Session. The committee voted unanimously to enter Executive Session and entered Executive Session at 7:04 PM.

Bauer made a motion seconded by Kasper to exit Executive Session. The committee voted unanimously to exit Executive Session and entered Executive Session at 7:24 PM.

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Kasper made a motion seconded by Santangelo to authorize Attorney Corey to prepare a budget for pre-litigation and litigation and proceed with the City Attorney and the Professional Services Committee to retain Corey's services. The committee voted unanimously to approve the motion.

- 3) **Lady Katharine Cruises (LKC) lease:** Russo discussed the need for pilings to be installed. This was a requirement of the previous agreement. Bibisi questioned if there is damage to the cleats. Russo affirmed there was some damage. Bibisi stated placing docking fees and making the situation more difficult would drive the company out of the city. Anchoring or mooring is not a option to securing the ship. Bibisi agreed piling need to be installed and the city needs to work cooperatively with LKC. Russo stated 40% of the LKC schedule is based in Middletown. Santangelo noted a recent incident where the police were called in to deal with rowdy behavior which reflects on people's impression of the city when they come to the harbor. Russo stated the need for an engineered solution to protect city property from damage and for a marine engineer to address the issues of the boat during high water and flooding. Bauer stated the contract be non assignable. Daley questioned for asking for fees when the LKC is spending money to improve city property. Russo stated LKC needs to get a qualified marine engineer to report on the float off velocity and the pilings. Water & Sewer Dept. would review the report. Discussion of stipulating in the contract a piling construction period of 1 or 2 years. Russo stated a study indicates the need for preventative maintenance on the sheeting. Daley recommended that Russo and Planning Dept. meet with LKC to come to an agreement on a course of action for the piling construction and float off study. There is a need to limit the city's vulnerability to potential liability on these issues.

Bauer made a motion seconded by Santangelo to include in the contact a timetable for the construction of pilings. The committee voted unanimously to approve the motion.

4) **Cucia Park**

a) **Appraisal**

- b) **EXECUTIVE SESSION:** CGS Chapter 14, Sec. 1-200, 6 (D) discussion of the selection of a site or the lease, sale or purchase of real estate by a political subdivision of the state when publicity regarding such site, lease, sale, purchase or construction would cause a likelihood of increased price until such time as all of the property has been acquired or all proceedings or transactions concerning same have been terminated or abandoned.

Kasper made a motion seconded by Bauer to enter Executive Session. The committee voted unanimously to enter Executive Session and entered Executive Session at 8:03 PM.

Santangelo made a motion seconded by Bibisi to exit Executive Session. The committee voted unanimously to exit Executive Session and entered Executive Session at 8:13 PM.

Kasper made a motion seconded by Bibisi to recommend the Mayor sign the option to sell Cucia Park for \$2.0 million. The committee voted to approve the motion with Bauer voting nay.

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- 5) **Revised Sexually Oriented Business Ordinance:** Warner updated the committee that the issue will be before the Ordinance Study Committee.
- 6) **Extension of Federal Transportation Funds:** Warner stated no one can get a straight answer on the status of and use of the funds. Warner, Cheeseman and the FTA will meet to discuss the funds.
 - a) **RFP for Riverview Arcade Garage:** Warner stated there were 14 submissions which were reviewed and a short list of 5 will be interviewed on 6/25/09 by the Professional Services Committee.

F New Business

- 1) **Inn at Middletown: Loan repayment:** Friedman discussed his request to revise the repayment plan. Daley questioned whether the request would go to the Common Council. Warner affirmed stating the funds are a repayment to the Economic Development Fund. Bauer noted the business is a work in process and suggested the interest rate be increased by ¼ of a percent. Daley questioned the impact on the company when the repayment jumps in 2 years. Bauer noted the need to look at ways to bring in new customers and questioned how long the economy would be in this climate. Daley stated pushing out the repayment plan would increase costs to the Inn. Friedman stated the taxes and fees are the highest of any property he has ever had and suggested the city look hard at its real estate tax structure. Friedman stated the Inn hires and spends locally. Friedman stated the taxes and fees are a high percentage of revenues and accounted for over a million dollars in 6 years. Daley noted these calculations include connection fees for water and sewer. The committee noted once the loan was repaid the Inn would have lower expenses. Friedman stated he is a big fan of the city and wants the city to do well and be competitive.

Kasper made a motion seconded by Bibisi to modify the loan repayment schedule as requested. The committee voted unanimously to approve the motion.

- 2) **Panuzio and Giordano:** Warner stated the lobbyists had assisted in working with Rosa DeLauro in obtaining \$190,000 for the construction of the community center. The funds would have been combined with Federal Stimulus funds which were not allocated. The city will need to work with DeLauro to repurpose the use of the funds. General discussion of Federal Stimulus Funds ensued. Giordano stated that applying for competitive grant funds was discussed with the Mayor and Warner. Giordano is working on transportation funding for the Main Street streetcar. Daley questioned the source of funds for the lobbyist. Warner stated the Economic Development Fund and federal & state representation costs \$3,000/month. Daley stated the city has a good working relationship with the elected state representatives and pays dues to CCM. Warner stated federal funding is a daunting task and the transit earmarks are for bus transit and cannot be used for a streetcar study. Warner noted the funding acquired for \$200,000 for windows at Remington Rand and the \$300,000 from the EPA. Daley recommended a list of funded projects be produced to show the results of the lobbyist efforts. Warner stated the Federal Transportation Funds are being used to hire engineers to design the parking garage. Bauer stated no Federal Stimulus Funds were received for the Melilli Parking Lot construction project. Warner stated Federal Stimulus Funds were received for the Palmer Field parking lot.

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Santangelo made a motion seconded by Kasper to recommend the retention of the lobbyists for the Federal Government at a rate of \$2,000/month for 1 year beginning July 1, 2009. The committee voted unanimously to approve the motion.

Bauer stated uncertainty on the issue at the State level and suggested continuing the State representation for 6 months. Daley noted the State government budget is paralyzed. Bauer stated the State grabbed the Federal Stimulus Funds in a bait and switch manner to fund state programs. Daley stated the need to revisit State representation in December prior to the beginning of the January 2010 legislative session. Bauer agreed.

- 3) **Recreational Uses of Former State Land in accordance with deed restrictions:** Warner stated the Buckeye pipeline project would clear much of the area and the city could advertise an RFP to see what interest there is in developing active and passive recreation uses per the deed restrictions. Bauer stated the need to have pictures made available to the public for public comment. Daley stated there was substantial public input about the property. Warner stated the RFP results could be available for the August 10, 2009 meeting. Daley requested the draft RFP be emailed to the committee prior to advertising. Santangelo made a motion seconded by Kasper to advertise an RFP for the site. Bauer questioned a legal notice on the aquifer. Warner stated the Siteing Council had approved the pipeline route through the aquifer but Buckeye pipeline would be built around the aquifer.

G Status Reports

- 1) **Economic Development Fund, monthly report**
- 2) **Future Economic Development Projects, monthly report**
- 3) **Economic Development Specialist Report**
- 4) **REINVEST Loan Program, monthly summary report**
- 5) **JOBS Loan Program, monthly summary report**

H Other

- I Adjournment:** The committee adjourned at 8:17 PM.