

City of Middletown, CT

Economic Development Committee

Minutes from the meeting of July 9, 2007

<u>Present</u>	<u>Absent</u>	<u>Also Present</u>
G. Daley, Chair	R. Santangelo	W. Warner
J. Bibisi	P. Szewczyk	M. Wackers
D. Bauer		R. Kearney
Public: J. McMillan, B. O'Rourke, T. Davis, J. Kovner, J. Pugliese, C. Johnson members of the public		

MINUTES

- A **Call to Order:** Daley called the meeting to order at 5:52 PM.
- B **Public Session:** none
- C **Minutes:** Bibisi made a motion seconded by Bauer to approve the EDC 6/11/07 minutes. The committee voted unanimously to approve the motion.
- D **Communications**
- E **Old Business**
  - 1) **CBB Parking:** Warner stated VHB and DOT are working on the five recommendations and Public Workshop #3 will be held once the review work is completed probably in August 2007. Midfield has indicated interest in having a deck built over the Plaza Middlesex parking lot.
  - 2) **Becky Thatcher Riverboat:** Warner noted the boat is for sale on EBAY. Daley suggested a letter be sent to Georgene Sherman requesting financial information and an option on the boat before the city enters into any potential expense in renovating the dock area. Bibisi made a motion seconded by Bauer to request financial and option information from Sherman prior to the City expending funds on dock improvements. Warner noted Guy Russo had an engineering firm give the City construction estimates, which are expected to be expensive. Bibisi noted the need for ADA compliance and ramping for access. Warner stated the cost would need to be approved by referendum.
  - 3) **DCF Properties: 131 & 155 Wadsworth Street:** Warner noted the \$180,000 in costs which would require an appropriation. Bauer stated he was not able to attend the Finance & Government meeting and questioned if the City purchases the properties with no specific purpose would a bond rating review view the properties as liquid assets or as a reduction of the General Fund. Warner stated that Diana Doyle says all City properties are assets. Bibisi noted the property could be a site for the Community Center. Bauer reiterated concern on whether City owned bond reviewers

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would consider property a liquid asset. Warner stated he would have Trina Solecki, City Attorney give an opinion on the matter for further review under FOI.

- 4) **1102 River Road-Phyllis Stanchfield:** Warner described the map of the property noting the driveway crosses both City and White Rock Holding. The property was originally part of the Feldspar Mine Co. Bauer noted the supervisor of Feldspar used the house. Warner reviewed the surveyor's notes and the potential use of the area by Kleen Energy power plant. Warner noted the Stanchfield might claim adverse possession of the property. Bauer noted the conditions of the land and whether a land swap could be considered. Daley questioned what Kleen Energy might do with the property and if the property was zoned industrial I-2. Bauer questioned where an access road would be for the power plant. Warner noted the property is zoned industrial and access would be made from a different point on River Road.

**F New Business**

- 1) **REINVEST Application: O'Rourke's Diner:** McMillan presented details of the project to reconstruct the diner and requested from the City a grant of \$25,000 from the REINVEST Loan Program. The architect is working to reduce the cost of the project to \$350-360,000 by seeking a reduction in contractor prices and supplementing the project with volunteers. The façade work will include the neon sign is a noteworthy trademark, new windows, expansion of the glass block area and a wider door along with design work to make the property ADA and code compliant. McMillan noted the lien by Meadow Meat was not known and would be addressed. The delinquent January tax bill was an oversight and was paid today. Funding for the project will come from a Webster Bank \$200,000 loan and \$160,000 in contributions. Bauer stated he has heard many positive comments about the diner from the public and noted concern over the property no being up to code, the fire and no fire insurance. Warner stated the façade grant program was a \$3/1 match and that the program funds are exhausted. McMillan stated the diner committee has worked to create a good business plan and the property will have fire suppression sprinklers, fire insurance. She stated O'Rourke is a great cook but a poor businessman. Daley noted the history of the diner as part of the fabric of the people of the city and noted personal anecdotes. Bauer concurred on his personal anecdotes Daley noted the need for the company to be run as a business. Bauer noted this operation in a revitalized downtown and to consider a grant with a lien on the profit of a future sale of the property. Daley noted the City's efforts to preserve historic properties. The committee discussed a loan with provision for repayment beginning in a later year to give the diner time to become profitable. Bauer made a motion seconded by Bibisi to recommend a \$25,000 façade grant be made to O'Rourke's Diner with a provision that if a profit be made on the sale to someone outside of the family then the profit of up to \$25,000 would be returned to the City for the REINVEST Loan Program. The committee voted unanimously to approve the motion. Kearney questioned the profit reversion language. Daley suggested McMillan draft language for review by the Common Council.

2) **Remington Rand**

- a) **John Moore DBA Fat City Cycle lease:** Warner noted the company builds motorcycles at Meech & Stoddard and has been in operation in the City for over 5 years and sells motorcycles on Newfield Street. Bauer questioned the lease rate. Warner stated the rate was over the going rate of \$3.00. Bauer noted the space would be part of the former Baldwin space and questioned the cost of electricity. Warner noted the electric bill had dropped \$2,000 since Baldwin left and the cost of sub metering would not be cost efficient. Bibisi

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noted the company would have more room at 180 Johnson Street. Warner noted the space is better with a clear span. Bauer noted the space is a business incubator space. Bauer made a motion seconded by Bibisi to recommend the leasing of the space. The committee voted unanimously to approve the motion.

- b) **Mark Jenkins lease:** Warner noted the company was located for a long time on Saybrook Road and the property is under contract by a real estate company that will move in after the environmental cleanup required under the transfer act. Bauer question the reason for cleanup. Warner stated the cleanup was historical in nature to comply with the act. Daley noted the use at 180 Johnson would be warehousing not manufacturing. Warner noted the company would be using space used by Baldwin leaving only the showroom space to be leased. Bibisi made a motion seconded by Bauer to recommend the leasing of the space to Jenkins. The committee voted unanimously to approve the motion.
- 3) **37 Green Street:** Warner noted the City took the property by Eminent Domain. The City's appraisal was \$78,000 and the owner's appraisal was \$142,000. The court will hear the case at the end of August. Typically, the court will take an average of the two appraisals. The owner offered to settle at \$135,000, which would save the City \$7,000 and \$5,000 in court costs. Warner stated the acquisition funds are CDBG and Nehemiah. Warner said the delay would not slow down the Broad Park project. Warner stated the City owns the property. Daley questioned how much the City owes for the property. Warner stated it would be the Mayor's decision on proceeding with the court case or settling with the offer. Bibisi made a motion seconded by Bauer to recommend to the Mayor to proceed with the court case. The committee voted to approve the motion, Bauer voted nay.
- 4) **Ordinance/Policy for disposition of city land:** Wackers presented the proposed ordinance stating an ordinance would offer clarity, an incentive to developers and not just a select few. Bauer stated fairness is the issue with maximum notification to the public. Bibisi noted the waiver provision is available to the Common Council by their vote. Bauer noted exceptions where the State is taking land for road improvements for the public good, the sensitivity to public to private transactions and recommended to not include sale of property to the State. Wackers stated abutting property owners would be notified and the process be as public as possible in section 9. Bibisi stated offers should be posted on the City website. Daley stated most times an RFP is used with the decision based on the City's best interest which might not be the highest offer. Kearney noted the example of the sale of Lot 21 at the corner of Middle Street and Timber Ridge Road to CES which was not the highest offer but was awarded based on the needs of CES, the abutting business. Bibisi questioned what the next step would be. Warner stated that developable property or surplus property be advertised in trade journals, notifying abutting property owners and publishing a formal RFP. Bauer stated establishing minimums on the website for surplus and developable property. Warner agreed to post on the City website. Warner noted item "E". Warner noted that land strips were offered to abutters. Johnson noted Providence, RI posts a sign and that trade journals did not bring the best offers. Johnson suggested 15-second commercials to create a transparency. Johnson stated the City website is not easy to use. Daley agreed with the idea of a sign and advertising on public access cable TV. Daley noted III E1 to add sign and any other means of advertising determined by EDC along with the waiver option. Warner noted that unique development opportunities have professional marketing (South Cove ad in Urban Land brought national response). Daley recommended the ordinance be forwarded to Ordinance Study. Bauer requested the proposed ordinance be put up on the City website. Bibisi made a motion seconded

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by Bauer to send the proposed ordinance to Ordinance Study. The committee voted unanimously to approve the motion.

**5) Chamber Workfare/Employment Training Program**

**G Status Reports**

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

**H Other**

**I Adjournment:** Bauer made a motion seconded by Bibisi to adjourn. The committee voted to adjourn at 6:38 PM.