

ECONOMIC DEVELOPMENT COMMITTEE

MINUTES

July 12, 1999

Present

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

Also Present

W. Warner, Director PCD
R. Kearney, EDS

- A. Call to order:** Daley called the meeting to order at 7:10 PM in Room 208 of the Municipal Building.
- B. Public Session:**
1. Catherine Johnson asked the Committee to consider that when plans for reuse of the old Police Headquarters are devised to also consider developing an alley ways to provide access to properties along Broad Street. Santangelo discussed this in regards to Church and Williams. Johnson will submit a drawing to show how this would help clean up this area of mixed uses.
- C. Minutes:** The Committee approved the minutes of the May 10, 1999 meeting. Later in the meeting Gionfriddo noticed an error in the minutes meeting date. Kearney will correct and submit at next meeting.
- D. Communications:** none
- F. New Business**
2. **Proposal from Habitat for Humanity for Ferry & Green Streets:** Bob Feely, Habitat for Humanity presented the organization's proposal for building a street and new homes off Ferry Street. He said that Habitat is able to disassemble structures and save money on demolition costs. He presented pictures and plans of developments the organization has worked on. Described the process that potential owners follow, required participation in the building the homes, and the follow-up in budgeting for 1 year. Shapiro asked if Habitat would be working with other non-profits. Feely said that is their intention. Gionfriddo question how the properties would be priced and the potential for flipping. Feely described the pricing is adjusted to fit the applicants' income and that a second mortgage to subsidize the pricing is forgiven over a 20 yr. period. Habitat finds an increase in community involvement with their program. Warner recommended that Miller & Bridge Redevelopment area residents be considered for this program. Feely responded that they must meet the requirements of the program. Daley questioned where the prospective applicants spent the 400 hours of work time on the project. Feely stated that they did some non site and site work. Daley asked what Habitat wants from the Economic Development Committee. Feely would like the City of Middletown to give the property to Habitat. Warner stated that the City would advertise via RFP. Shapiro asked that the project be part of a total plan for the area. Santangelo stated that other organizations were working on plans for this area. Daley requested that the Department of Planning Conservation & Development draw up RFPs for this property
- E. Old Business**
- 2 **Industrial Park and vicinity: update:**
 - e. Mr. Thomas McCarthy described the function of his Trade Show and Convention Business company and his plans to purchase property at Twin Vane . Daley asked how many clients McCarthy has. McCarthy stated 22. Warner described the operation from a recent trip to the current location of the company. McCarthy manufactures, repairs, packages, ships and stores display materials and fits the definition of manufacturer. Currently location is 5,000 SQ FT with 6 employees, business is limited by size and needs space to grow. Daley asked who designs the displays. McCarthy stated the buyer is the usual designer. Shapiro asked the percentages of space for production versus

warehousing. McCarthy stated 40% for production, 60% for warehousing. McCarthy needs more space to make several display products at the same time. Products are produced and set up within the space. Shapiro asked if the products are sold. McCarthy answered yes. Warner stated that employment projection double by increasing from the current 5K SF to 11K SF. Ideally McCarthy would like to expand to 30K SF. Daley asked how competitive this market is. McCarthy stated they have a small piece of the market share. Daley asked what skills are employed. McCarthy stated that they have administrative, computer, web, shop, forklift and 2-3 highly skilled cabinetmakers, and warehouse workers. Daley asked what kind of machinery is involved. McCarthy stated that machinery is carpentry shop saws, etc.. Materials are plywood and laminate, they make their own custom crates for each display. Construction requires skilled handwork. Warner described the on going sales contract process. Shapiro questioned the strongest best use of the land and feels that McCarthy's use is a warehouse with a Butler building with minimal tax revenue from the inventory of displays owned by the buyer of the displays yielding no tax revenue. Gionfriddo and Vinci felt that the use is acceptable. Shapiro stated that machinery is taxable. McCarthy stated that \$100,000 in materials is owned by the company and they are entering the rental field expecting to double their income. Daley asked what for current payroll figures. McCarthy responded that payroll is \$500,000 expected to grow to \$1,000,000. Daley said he respects Shapiro's input regarding more jobs and more tax base, and the fact that McCarthy is a small shop in a growing industry. Daley commented on the Remington contract process and diligence to sell other lots.

E. OLD BUSINESS continues

1. North End Industrial Area

a. Remington Rand: Warner stated that Attorney Fortuna is seeking to get Judge Daley to bring parties together.

b. Leibman/LCI Property: Warner stated that Jandreau and Leibman are negotiating.

c. Package Store: No discussion

2. Industrial Park and vicinity:

a. Twin Vane Sewer: Warner stated Derita is proceeding on this project.

3. Brownfields RFP Applications for Riverfront Properties: No discussion

4. Armory: Santangelo mentioned that the offer is stalled.

5. Brickyard Industrial Park: Kearney stated that the budget was submitted to DECD.

6. Sumner Brook Realty: Discussion of ongoing financial negotiations. Daley expressed concern if Fonda walked away. Shapiro mentioned that 2 tenants are interested in the project.

7. JOBS Loan Advisory Committee Program Guidelines: Discussion of revisions. Shapiro questioned changing the interest rate and Kearney suggested that this be open to consideration. Shapiro also questioned the interest rate of REINVEST. Gionfriddo recommended Kearney research Fall River, MA to see what their experience is since this program is modeled on Fall River. Kearney stated that the JOBS Loan Advisory Committee questioned why elected officials would be nominated to the Committee. Shapiro felt that this would add accountability to the lending decisions and make the applications understandable when they reach the Common Council.

F. NEW BUSINESS continues

1. Reuse of Old Police Station: Warner mentioned the proximity to the hospital and need for professional office space and need for apartment housing. Warner mentioned the interest from the Housing Authority and the Senior Citizens Centers need for classrooms. Potential of removing the garage (with possible lead contamination). Santangelo questioned the lead cleanup issue. Vinci suggested expanding the Senior Citizens Center building. Santangelo recommended putting the building on the market to test the market and get the building back on the tax rolls. Gionfriddo stated that if there is no interest, then look at use for City agencies. Shapiro questioned what physical limitations the building might have. Gionfriddo questioned the costs involved in

updating the building. Daley recommended testing the market with an RFP. Warner mentioned possible collaboration with a developer and agencies needing space. Vinci questioned the status on the Water Department relocation. Santangelo said Water would be a temporary move. Warner questioned whether the RFP should contain a minimum bid requirement. Daley stated that the responses to the RFP should be weighed relative to the interest in public use. Gionfriddo stated that the property should be returned to the tax rolls. The Committee agreed to have the Department of Planning Conservation & Development submit RFPs for the old Police Headquarters.

2. Proposal from Habitat for Humanity for Ferry & Green Streets: (see page 1)

3. JOBS Loan Program:

- a. Schneiders Pastry Shop: Kearney reviewed the package submitted to the Economic Development Committee and the approval by the JOBS Loan Advisory Committee.
- b. Carta/Food Imports: Request for modification. Gionfriddo recommended that Carta make a payment of \$1,200-1,500 since they have not made a payment in the past 7 months. Then submit the proposal to the Common Council.

G. STATUS REPORTS

1. **Economic Development Specialist's Report:** Discussion of current activities and inquiries.
2. **REINVEST monthly summary report**
 - a. Shapiro questioned what is being done about the Touch of Class loan. Kearney stated that a court date is being scheduled for August.
- 3 **Economic Development Fund Status Report:** no discussion
- 4 **INFORM monthly report to Mayor and Economic Development Committee:** no discussion

H. Other:

1. **241 Court St:** Discussion of the building. Warner stated that several builders and landlords expressed interest. Committee recommended that Department of Planning Conservation & Development draft an RFP on this property

I. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 8:40 PM.