

REDEVELOPMENT AGENCY

MINUTES

July 28, 1986

PRESENT

H. Novicki, Chairman
S. Leinwand
B. Adams
V. Loffredo
N. Campbell
E. Dzialo
G. Roccapriore
S. Gionfriddo
A. Steele

ABSENT

~~D. Shapiro~~
J. Mackrogianis ✓
~~P. Nelson~~
T. Raczka
J. Fine
R. Townes

ALSO PRESENT

W. Coon
Mrs. Coon
D. Jepsen
MMA
Rep. of Gilbane Co.
G. Brown
M. Stronz
A. Street
L. McHugh
A. Loffredo
D. McDermott
S. Beinhorn, Press
D. Duffy, Courant
Rep. of Police Dept.
W. Kuehn

The meeting was called to order by H. Novicki, Chairman, at 7:05 p.m in Room 208 of the Municipal Building.

Upon a motion by S. Leinwand, seconded by S. Gionfriddo, the minutes of July 14, 1986 were unanimously approved.

G. Brown, speaking in behalf of owners of property on the corner of deKoven Drive and Court Street, advised the Agency that they had talked to three builders and had engaged one of them. They are now looking to engage an architect. The owners are updating the marketing survey to determine the best use of the property and are working toward the August 25, 1986 Redevelopment Agency meeting and the deadlines imposed by the Agency. G. Brown stated his presence at the meeting represents the willingness of the partners to work with the City.

S. Leinwand asked what assumptions were given the builder in developing the property. G. Brown responded by indicating that they are looking at an eight story building with parking on the first level. H. Novicki said that the Agency appreciated the concerted effort on the part of the property owners.

W. Coon of Middlesex Mutual Assurance Company, with the aid of a scale model of the project, described the development program of Middlesex Mutual. He said that timing is of the essence in order for the Company to meet its space requirements. He is looking for a construction start of April 1, 1987 on the new office building. He said that the lead time is necessary to bring in a building of this magnitude on schedule. The Company hopes, in the Summer of 1989, to occupy Phase I, which will consist of a building of 195,000 gross square feet of floor area with about 150,000 usable square feet. He said that the Company anticipates a doubling of employment within five years. Upon the completion of Phase I, the Company will have 600 to 700 employees. The Phase

I structure should suffice until the mid-1990's. Also, associated with Phase I will be the provision of 450 to 470 off street parking spaces in a multi-level garage. He said that the land area for Phase II could hold approximately 200 surface parking spaces during the interim phases.

MMA's ultimate need for parking was numbered at approximately 750 cars. It was noted that it would be more cost effective to build all the parking (City and MMA) simultaneously.

In response to a question by S. Leinwand, W. Coon and D. Jepsen said that retail areas would be offered on the lower level of each end of the parking garage and would total about 10,000 square feet.

Even with a projected employment of about 1,000 persons, MMA would cap its own use of the parking garage at 750 spaces. H. Novicki questioned the possibility of providing underground levels of parking. W. Coon responded by saying that it gets more expensive to do it that way.

W. Coon also pointed to the SNET parking area across College Street and suggested that might be a potential location for a continuation of the Plaza Middlesex Project.

D. Jepsen, in response to a question concerning traffic, said that the developers assume that Court Street would remain one way and that the project showed a straightening of County Lane. Also, College Street is projected to remain two way. Thus, the traffic will be concentrated on College and Court Streets. The former will most likely serve public related traffic while the latter, primarily Middlesex Mutual employees. S. Leinwand asked if the developers had considered College Street as a one way thoroughfare to which W. Coon said that it is an open issue to MMA.

V. Loffredo asked about the financial aspects of the project. W. Coon said that 25% of the Middlesex Mutual cost will be cash equity and that the remaining 75% will be borrowed, probably on a 20 year term. He made reference to the letter from United Bank in the proposal.

He noted that there are two essential items in the proposal which must be considered. The first is the cost of providing parking estimated at \$10,000 to \$11,000 per car versus the cost of building surface parking at a country location. He said that MMA is concerned about the looks of the garage and wants to use the Fleet Financial garage in Providence, RI as a model for the type of image MMA wishes to create in the downtown. The estimated gap in providing country parking versus architecturally pleasing structure is estimated at \$11,500,000. He said that the Company is seeking no assistance for the office building. The second issue is the cost of using parking in the downtown which is estimated at \$75 to \$100 a month per space. This, he feels, is the real figure for providing and using new structured parking spaces. W. Coon mentioned that MMA wishes to employ full security measures in the garage.

V. Loffredo asked about the involvement of any other local businesses to the project. W. Coon responded that Mazzotta's Restaurant is interested in coming into the new building and the intent is to create a Middletown "Franks" image.

The Committee members discussed the need to negotiate with Middlesex Mutual various financial mechanisms to close the gap due to the provision of structured parking. It was agreed that negotiations must be held through the Mayor's office.

V. Loffredo moved, seconded by E. Dzialo, that the Redevelopment Agency recommend to the Common Council that: 1) the Middlesex Mutual be designated as developer for the project area; 2) the Redevelopment Agency be designated as a "Development Agency" for this Chapter 132 project; and, 3) that \$80,000 be appropriated from the Economic Development Fund for project planning and engineering services, for legal fees and archaeological studies.

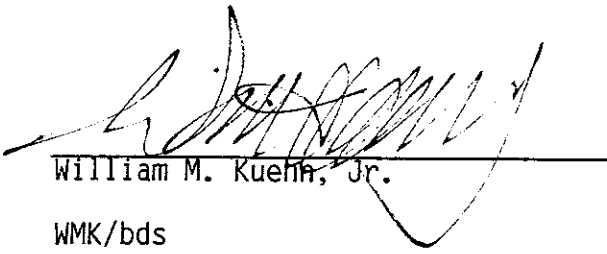
In discussing the project financing, W. Coon suggested that a way of looking at the project cost is to begin with a \$45.0 Million Dollar figure and deduct the public subsidy which is estimated at \$11,500,000, leaving a net cost of \$33.0 Million Dollars to be borne by Middlesex Mutual. Of that 25% would be cash, while the remaining 75% would be borrowed.

W. Coon said that the project must be on a fast track and that the Company needs clear title to begin its construction. He said that the former HELCO building must be demolished by Christmas of 1986. S. Gionfriddo asked if it is necessary to close or to narrow the financial gap. W. Coon said that MMA is negotiable.

S. Leinwand asked about the architectural assumptions by Jeter, Cook & Jepsen. D. Jepsen stated that the floor plates must be 40,000 square feet. He said that they considered a four story box on the property; however, they didn't feel that was the proper solution to a structure for Middlesex Mutual. MMA wants a distinctive looking landmark in the downtown. He said that the building will be brick construction with some details still to be refined on the exterior treatment. The Company is also interested in creating some internal spaces and views for the work force. Regarding the parking garage, he said that it is on a north/south access on the inside of the block and in so doing, it is easier to deal with the ends of the parking structure rather than the long sides. He also described the transition space through the development of several corner plazas.

There being no further discussion, the Agency members unanimously voted to approve the motion recommending certain items for Common Council consideration.

There being no further business to come before the Agency, the meeting was adjourned at 8:14 p.m.



William M. Kuehn, Jr.

WMK/bds