

City of Middletown, CT

Economic Development Committee

Approved Minutes from the Economic Development Committee Meeting of August 9, 2010

<u>Present</u>	<u>Absent</u>	<u>Also Present</u>
G. Daley	D. Bauer	R. Kearney
R. Santangelo		
J. Bibisi		
V. Loffredo		
Public: M Kalita-Leary, J. Pugliese, J. Hall, R. Wilson, L. Liebenhaut, C. Johnson, S. Devoto, Middletown Press Reporter		

Minutes

A Call to Order: Daley called the meeting to order at 6:14 PM.

B Public Session: Hall stated he is a proponent of Agenda Item F1.

Pugliese stated the Middlesex County Chamber of Commerce supports the WIFI proposal.

C Minutes

- 1) May 10, 2010 Meeting Minutes &
- 2) July 8, 2010 Special Meeting Minutes

Loffredo made a motion seconded by Bibisi to approve the minutes of 5/10/10 & 7/8/10. The committee voted to approve the motion. Santangelo was not present.

D **Communications:** none

E Old Business

- 1) **Harbor Park Restaurant lease:** Kearney stated the new tenant is still trying to close. The committee requested Warner submit a memo regarding how the tenant is complying with the court resolution.
- 2) **Midfield Corp:** Kearney stated the item will be discussed at the September meeting.

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.

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- a) Contract with Attorney Corey
- 3) **Extension of Federal Transportation Funds:** no discussion
- 4) **RFP for Riverview Arcade Garage:** see discussion of Agenda Item F6
- 5) **Remington Rand:** Kearney stated the city is going out to bid on windows, tank cleanup. The parking lot has been repaired with millings.
- 6) **20 Portland Street-foreclosed property:** Kearney described the properties and current conditions and vandalism. Bibisi stated the need to board them up and asked if CDBG had blighted building funds to assist in the action. Daley stated he did not want to see boarded up buildings. Kearney stated the State of Connecticut is willing to sell to the City of Middletown 131 & 155 Wadsworth Street properties for \$1.00 as open space. Santangelo asked what restrictions the State of Connecticut would put on the open space. Kearney said he would investigate this. Kearney stated Warner estimated the demolition costs for Wadsworth Street and Portland Street properties at \$100,000. Daley requested staff to get code enforcement, Public Works, Heath or the responsible department to submit an appropriation for demolition and to get demolition cost estimates.

F New Business

- 1) **Cognichaug River Access Project: kayak launch, Jonah Center:** Hall stated the Jonah Center found only 2 areas that would support access to the river: the landfill site and the site in this proposal. Hall described the site stating boaters would walk their boats in and their might be carts to assist in moving the boats. Kearney described the map and location of the access path, launch area and parking areas. Hall stated the high water launch area was not noted on the map and that it would be closer to shore.

Daley asked what the \$50,000 grant funds would be used for. Hall described the improvements and enhancements. Kearney stated he would get and submit to the committee the details of the grant budget from Dodge. Kearney reviewed the project details. Phil Szewczyk would provide a graded wood chip path, a permanent easement to the launch and improvements to the pump station parking lot. Daley questioned what the costs would be to Szewczyk. Kearney stated the costs to Szewczyk include building the access to the launch, grading, wood chips and the cost of his time and labor improving pump station parking.

In exchange, the city would convey at no cost to Szewczyk 172 Johnson Street with the stipulation of a permanent easement for the City access to the water lines. Kearney stated the City acquired 172 Johnson Street in 2004 with \$20,000 in State of Connecticut DECD grant funds. DECD has no encumbrances on the property. The property was purchased to allow water pipe jacking under the railroad tracks. Kearney stated the Assessor has determined the lot value of \$30,000. Szewczyk has plans to build a 3,500 sf flex building on the site. Loffredo questioned the lot size. Kearney stated 80' x 136'. Kearney stated the property would generate \$3,000 in taxes once the building was built and there would be no tax abatement on the property or proposed new building.

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Daley questioned how the sale of public property would be conducted in reference to the Sale of Public Property ordinance. Kearney read section 232-13 which addresses the waiver of the ordinance when the sale is in the best interest of the City of Middletown.

Loffredo requested a list mapping out all departments and commissions that would need to approve the project.

Loffredo made a motion seconded by Bibisi to recommend to the Common Council the sale to Philip Szewczyk of 172 Johnson Street with a permanent easement to the City for water supply in exchange for a permanent easement for public access to the boat launch, improvements to the parking lot at the pump station and the creation of path to the boat launch. Additionally, the committee recommended the waiver of Article II Sale of Public Property Sections 232-4 to 232-14 citing the waiver is in the best interest of the City of Middletown section 232-13. The committee voted unanimously to approve the motion.

2) **Application for Tax & Business Incentive Program: Tall Properties Development Company.**

Kearney described the tax abatement spreadsheet calculations. Kearney noted the application requested waiver of building permit fees. Wilson stated not knowing what the amount of fees would be. Kearney stated he would research the amount of fees.

Loffredo made a motion seconded by Bibisi to recommend to the Common Council the application under the Tax & Business Incentive Program 272-9 by Tall Properties for the construction of two 12,000 square foot LEED Certified office buildings as described in the application submitted June 29, 2010.

3) **Main Street WIFI:** Kalita-Leary described the proposal for the Downtown Business District (DBD) to spend \$7,695 to upgrade the WIFI in the district. Kalita-Leary stated the DBD pays \$135/month to operate the system. Kalita-Leary stated to expand WIFI outside the district northerly to O'Rourke's Diner and southerly to Union-South Green Park would cost \$14,050. Kearney stated there is a balance of \$12,233.37 in the Industrial Park Road Internet line item that could be used to fund the Main Street WIFI expansion and modernization. Daley questioned if the funds could be transferred out of the Industrial Park Road Internet line item and into a new line item for Main Street WIFI expansion outside of the DBD. Kalita-Leary stated the second phase of the upgrade could include a public address and music system. Johnson called the idea dreadful. Daley asked that the conversation be limited to just the current proposal. Loffredo asked how many businesses on Main Street have WIFI. Kalita-Leary stated Javapalooza, Brew Bakers and Klekolo. Loffredo asked if the WIFI could be used in Union South Park. Kalita-Leary affirmed. Daley asked what the difference was in the request for City of Middletown funds. Kearney stated \$1,716.63. Loffredo asked if this would come from the Economic Development Fund. Kearney affirmed.

Loffredo made a motion seconded by Bibisi to recommend to the Middletown Common Council the transfer of the Industrial Park Road Internet line item balance of \$12,233.37 to a newly created line item for Main Street WIFI. Additionally, to transfer \$1,716.63 from the Economic Development Fund General Fund Balance to the new Main Street WIFI line item. The committee voted unanimously to approve the motion.

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- 4) **131 & 155 Wadsworth Street** (see Minutes Item E 6)
- 5) **Parking Department: Garage development:** Hartley presented an analysis of the parking and developed square footage to demonstrate the need for more spaces by building a garage on the Melilli Plaza lot site. Hartley requested the committee allow him to submit the analysis and proposed resolution revising the parking garage development to the Melilli Plaza parking lot-north section. Hartley noted demolishing the Arcade Garage would leave a 360 space deficit and should remain in operation to augment the loss of spaces while a new Melilli Garage is being built. Hartley stated demolition and construction of the Arcade Garage would remove 360 spaces from the parking supply for several years. Daley questioned how long the Arcade Garage would stand. Hartley said the Purcell engineering study is two years old. Hartley asked Purcell for a back of the napkin estimate on what it would cost to repave the second level of the Arcade Garage. The estimate of \$5/psf is \$380,000. Loffredo asked what would happen after five years. Hartley stated if the garage were demolished the surface lot would provide 180 spaces. Hartley stated using Federal funds for construction would restrict future development and require the funding be returned to the Federal government. Daley asked staff to research whether the Arcade site was restricted or encumbered due to the use of Federal Redevelopment funds. Loffredo questioned the conditions of the Arcade Garage and maintenance.. Hartley stated a \$1.0 million cost to demolish the Arcade Garage whereas the annual income of \$500,000 per year over five years would be a wash-less maintenance which could be paid for from the future revenue stream. Loffredo asked if the statistics include the Court House garage. Hartley affirmed. Loffredo asked if LOCIP money is available for the design. Daley stated it is. Daley stated the question is whether to amend the resolution to shift the garage to Melilli Plaza. Daley stated if the Common Council agrees, the agency is responsible for what Purcell says it would cost to fix the Arcade Garage. Hartley presented a map of Melilli Plaza lot and suggested the garage would be in the northern half, 5 stories, with retail on the street level. Loffredo questioned why after two years since the resolution was passed, there is no progress. Daley suggested continuing to pursue the Arcade Garage project and begin planning the Melilli Garage.

Bibisi made a motion seconded by Santangelo to recommend to the Common Council the request to change the garage design site to the Melilli Plaza lot. The committee voted unanimously to approve the motion.

6) **Panuzio & Giordano Public Affairs, LLC**

Kearney stated that Water & Sewer has not received any funds from the lobbyist efforts. W&S is on the DeLauro list, but no guarantee of receiving funds.

Bibisi made a motion seconded by Loffredo to recommend to the Common Council the extension of the contract for representation to Panuzio & Giordano Public Affairs, LLC for the term of one year from July 1, 2010 to June 30, 2011 in the amount of \$2,000 per month (\$24,000 per year) to be funded from the Economic Development Fund General Fund Balance. The committee voted unanimously to approve the motion.

G. Status Reports

2) **Economic Development Fund, 7/31/10**

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- 3) **Middletown Statistics Report, 7/10**
- 4) **Future Economic Development Projects report**
- 5) **Economic Development Specialist Report**
- 6) **REINVEST Loan Program, monthly summary report**
- 7) **JOBS Loan Program, monthly summary report**

H Other

Kearney noted the DECD letter and stated that Peter Simmons, DECD, made a presentation to the Council of Chief Elected Officials meeting. To join a CEDS, cities & towns will need to seek a CEDS with a distressed community.

G Adjournment: The committee adjourned at 7:40 PM.