

ECONOMIC DEVELOPMENT COMMITTEE
Minutes: August 9, 1993

PRESENT

S. Shapiro
W. Corvo
G. Souto
N. Conaway-Raczka
E. Pattavina

ALSO PRESENT

S. Libby
T. Stein, Press
M. Daley, Courant
T. Markoski
G. Rustek

STAFF

W. Kuehn
L. Ozga
C. Wilcox

Chairman S. Shapiro called the meeting to order at 7:00 p.m. in Room B-20 of the Municipal Building and opened the public forum.

S. Libby said he wanted to talk about the Belair report that never seems to show up. He asked what incentive there was for him to produce it since he was already paid. Chairman Shapiro reminded Mr. Libby that the contract did not call for a final report; but that staff and the Mayor had been in touch with him to ask for one anyway.

G. Rustek thought that J. Belair did not do anything on her REINVEST Loan for over a year. S. Shapiro noted for the public that Mr. Belair was not involved with REINVEST but was working with several businesses of substance with many employees; and that the City had their written positive testimony as proof. S. Libby asked again if the Committee thought he was going to produce a final report and called Mr. Belair a "big crook, fraudulent on REINVEST". Chairman Shapiro, again, pointed out that he was not involved with REINVEST. W. Corvo suggested hearing comments from the public rather than arguments. T. Markoski asked if a report could be submitted by W. Kuehn to compare with J. Belair's report. Mr. Kuehn asked why? There being no further comment, the public forum was closed.

Minutes

Upon a motion by E. Pattavina, seconded by W. Corvo, the Minutes of May 25th were accepted by all except N. Conaway-Raczka who abstained.

Upon a motion by E. Pattavina, seconded by G. Souto, the Minutes of June 12th were accepted by all except W. Corvo who abstained.

REINVEST Waiver of Guidelines for Santa Maria Bakery

L. Ozga commented on the request and recent endeavors on behalf of Santa Maria Bakery. She noted there had been two energy audits (both Yankee Gas and Northeast Utilities had waived their fees). Ms. Ozga was asking for a waiver of the guidelines to allow for purchase of a pizza oven which would realize \$2500 annual saving in gas plus a rebate from Northeast Utilities which would save \$18,000. The combination of energy saving and better working conditions would allow for some better working capital through reduction of utility costs. Liens would be placed on the new equipment and Ms. Rustek will take a five-year lease. E. Pattavina asked if Northeast Utilities put their offer in writing; L. Ozga showed him their letter of July 16th. She further noted the collateral would be against all of the items in the restaurant including the \$9,000 new oven, \$15,000 of other new improvements and the older items.

Chairman Shapiro asked if the Bank had looked at the application yet... L. Ozga said she would refer it to them for an answer back in two weeks, at EDC's next meeting. If approved, it could go to the Council in September. N. Conaway-Raczka asked if Northeast Utilities required any repayment; L. Ozga said no. G. Souto asked what items, beside the Pizza Oven, were included in the waiver; L. Ozga replied, none - only the oven.

Discussion ensued on the North End, its positive signs of turnaround, efforts of Police, Municipal Development Office, etc. Chairman Shapiro reminded the Committee that the agenda item was a request for waiver of the guidelines. L. Ozga asked at least for a sense of direction, and if there was any consensus.

W. Corvo indicated he would like information from the bank and a strong commitment from Ms. Rustek. The Committee needs very strong reasons to waive the guidelines as a buffer against other requests for waivers. Discussion ensued regarding the bank fee and need for guidance from the Committee. E. Pattavina felt Santa Maria was a great plus to the North End and made a motion to waive the portion of the REINVEST Guidelines regarding fixed improvements to include the purchase of a pizza oven, pending additional information such as an updated application and report from Liberty Bank. The motion was seconded by N. Conaway-Raczka, who noted that REINVEST had not loaned on equipment before, but the difference here was the substantial energy savings. (It was understood through the discussion that no other part of the REINVEST Guidelines were being waived.) E. Pattavina moved the question and the motion passed unanimously. E. Pattavina was excused at 7:28 p.m.

Chairman S. Shapiro asked if there was anything to report on Co-op advertising. L. Ozga replied that there was none.

There being no further business, the meeting adjourned at 7:30 p.m.