

City of Middletown, CT

Economic Development Committee

Minutes from the Meeting of August 13, 2007

<u>Present</u>	<u>Absent</u>	<u>Also Present</u>
G. Daley, Chair		W. Warner
R. Santangelo		R. Klatenburg
P. Szewczyk		
J. Bibisi		
D. Bauer		R. Kearney
Public: J. Pugliese, G. Sherman, G. Berka, L. McHugh, T. Davis, E. Schroeder, M. Cummings, A. Kozman-Cummings, C. Dubey, L. Hansen, B. Hickcox, E. Hickcox, E. Hickox, S. Brown, L. Starr, M. Singer, J. Dion, A. Perugeni, K. Hichoes, J. Isidro, J. Sullivan, J. Kovner, M. Ennis, S. Stoane, J. Harris, C. Colley, C. Johnson, A. D’Arena and members of the public		

- A **Call to Order:** Santangelo called the meeting to order at 5:30 PM
- B **Public Session:** McHugh addressed the committee. See New Business F1. Hall addressed the committee. See New Business F5.
- C **Minutes:** Bibisi made a motion seconded by Bauer to approve the 7/9/07 minutes. The committee voted to approve the motion with Santangelo abstaining. Szewczyk was not present. Szewczyk made a motion seconded by Santangelo to approve the minutes of the 7/31/07 Special Meeting. The committee voted to the minutes with Bibisi abstaining. Szewczyk was not present.
- D **Communications:** none
- E **Old Business**
 - 1) **CBD Parking**
 - 2) **Becky Thatcher Riverboat:** Sherman discussed buying the ship from owner Jeff Lynch and has received advice from Marino Crane on two companies that could move the ship down the Mississippi River. The move would be very costly and she may apply for a federal grant to transport a historic ship. She is preparing a business plan and corporation papers, food and liquor license applications and a SBA Bank loan application. Szewczyk asked about the dock securing, water & sewer and public works issues were progressing. Sherman stated Tom Chace, Harbor Improvement Commission, had sent a letter of support and an engineer finds the ship will fit and there may be a need for temporary space while the ship is worked on since it has been closed since 2006. Sherman is looking at the costs of these items. Bauer stated since the last meeting that she does not own or have a financial interest in the ship and she doesn’t have financial standing and

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recommended getting an assessment from other city departments. Bibisi noted the submitted Harbor Improvement Commission letter. Sherman stated the owner will not sign and get locked into a contract until she can guarantee that a tow company is under contract. Szewczyk stated to tow the ship she must have a place to dock it. Daley thanked Sherman for the update.

- 3) **DCF Properties: 131 & 155 Wadsworth Street:** Johnson made a presentation on a concept to how the properties might be reconfigured.
- 4) **37 Green Street:** Warner stated the city had paid \$78,000 towards the taking and the owner asked for 142,000. The judge ruled on \$132,000 plus \$1,500 for costs. Warner stated \$55,000 was allocated in the CDBG revolving fund for Nehemiah. Szewczyk made a motion seconded by Bibisi to comply with the ruling
- 5) **Tax & Business Incentive Program - Inn at Middletown:** Kearney described the tax abatement worksheet which reverts to the original abatement plan and requires the Inn to pay back the \$100,000 grant over 4 years beginning in 2008. Daley reviewed the loss of MLN business and other issues that were discussed in Executive Session at the 7/31/07 meeting. Bauer noted the Inn is an incubator and got financial support from Wesleyan. The Inn makes a difference in the city. He stated the city may be considered any easy mark for companies looking for incentives. Daley stated the Inn is unique and the city has an investment in it. Daley recommended the grant payback be treated like a business loan and serviced by the bank.

Szewczyk made a motion seconded by Bauer to recommend to the Common Council to revert to the original tax abatement and allow a 5 year repayment of the \$50,000 Jobs Loan Grant and the \$50,000 Economic Development Fund Grant as a loan repayment to be serviced by the bank. Loan repayment terms are: 3% interest rate, first payment of \$10,000 in 2008 followed by 4 payments of \$22,500 from 2009-2012 with the payments to be divided equally between the Jobs Loan Program and the Economic Development Fund. The committee voted to approve the motion.

F New Business

- 1) **Chamber Workfare/Employment Training Program:** McHugh stated the City of Middletown asked the Chamber to take over the workfare development in the early 1990's when the city welfare office closed. In 1992 the City of Middletown funded the workfare program with \$27,000 but now only \$10,000 is allocated to the program. McHugh stated the program works with substance abuse, people from Mortgage Lenders Network and other people looking to reenter the workforce. The Chamber also works on a New Haven sponsored youth program. McHugh stated a line item was established in the City of Middletown budget for funding the program. The workfare program is funded by \$10,000 in CDBG funds along with a \$7,500 appropriation from the General Fund. The Chamber would like to see the program funded by the general fund so they would not compete with organizations requesting CDBG funds. Last year the program served 61 people. For the first half of this year, the program has served 70 people. Jim Lesser, Brian O'Connor and Jeff Pugliese work on the program for the Chamber. Daley questioned how many of the people are Middletown residents. McHugh noted all are Middletown residents. Daley stated that \$7,500 general fund appropriation plus the \$10,000 CDBG funds for program administration are for the current year. Daley questioned if a \$5,000 general fund appropriation was needed. Warner stated after the current year the need would be for \$15,000 plus the \$7,500. Daley questioned what the need for this year was. McHugh stated next year the Chamber would

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request \$25,000 in general fund appropriation for the program. Szewczyk questioned the need for CDBG funds. Daley noted the program is short \$7,500 this year. Szewczyk questioned whether there were funds available in the Economic Development Fund rather than requesting an appropriation since the new budget just started in August. Bauer questioned whether CDBG was in jeopardy. Daley and Bibisi stated they do not have any information on this. McHugh stated no changes would be made until after the next presidential election. Daley stated the Common Council could add funds this year with future funding taken up by the new Common Council. Bauer questioned where during the current budget was the funding needs discussed? McHugh stated the Chamber had applied for \$36,000 in CBDB funding and understands that other groups are competing for funds. The City of Middletown asked the Chamber to run this program in the 1990's. Bauer noted the Common Council meeting last moment had to turn down the Easter Seal's job program. McHugh noted that program did not serve only Middletown residents.

Szewczyk made a motion seconded by Santangelo to transfer \$7,500 from the EDF to assist in the funding of the Middlesex County Chamber of Commerce Workfare Program. The committee asked staff to determine which EDF balance to use. The committee voted to approve the motion with Bauer voting nay.

- 2) **Mt. Higby Wind Energy Project Proposal:** Berka presented his request to place old wind turbines on the land and sell the power to UI & CL&P. Warner noted the city mapping showing the site owned by the Nature Conservancy and that it is public policy not to build on ridgelines. Berka questioned why towers were allowed on West Peak. Warner stated the FCC grants exemptions. Bauer noted his extreme bias on wind energy and questioned using used turbines, having a sound business plan. Berka stated sites are on a case-by-case basis and would like to track wind to see the data. Bauer stated stiff opposition to old turbines, which kill birds. This is a protected bird area. Berka stated the old turbines run at 60 rpm with a slow rotor. Daley stated the city doesn't own the site and cannot encourage the endeavor. Berka asked about the Black Pond area in Meriden. Daley suggested Berka meet with the City of Middletown Clean Energy Task Force. Szewczyk mentioned Ron Klattenberg. Daley noted the idea is interesting but not supportable without a specific site. Warner stated the Black Pond area access might be through Powder Ridge in Middlefield
- 3) **Remington Rand**
 - a) **Fellowship Hall, LLC (Narcotics Anonymous) Lease:** D'Arena said Narcotics Anonymous (NA) was using church meeting space and these were outgrown and overflowing. They had heard about 180 Johnson Street and were interested in leasing 2,000 sf for 10 years and would do all the work including doors, walls, bathrooms and a separate entrance. Meeting hours are 6-9 PM with 15 meetings a week. NA would create a LLC and lease the space. Warner stated the city would get improvements to the space. Daley questioned whether 10 years would interfere with a potential sale. Warner stated the lease would be a commercial lease and convey to the next owner not interfering with a sale. Szewczyk questioned security and parking issues. Warner stated other groups, Cheerleading and fencing, were on site in the evening and there is less demand for parking during the evening hours. Szewczyk noted there is plenty of parking. Bauer asked where the space was located in the building. Warner stated the space is in the center of the building opposite where the Baldwin showroom was located. Szewczyk asked if NA would sublet space to groups. D'Arena stated groups as large as 200-250 people could be accommodated. Santangelo stated this would free up spaces around town for other meetings. Bauer stated this use does not fit with the building's mission as an

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industrial incubator. Santangelo stated NA would be forming an LLC, creating a business and a new concept while improving the space. Bauer stated this is not a business that hires employees. Szewczyk stated 200 people are potential future employees. Daley stated the building is in transition and a 10-year lease term the city can get out of when the building goes on the market. Bauer noted this could alleviate need for space at the future community center. Bauer stated this is a non-conforming use. Warner stated it is not a non-conforming use but a legal use.

Szewczyk made a motion seconded by Bibisi to recommend the lease to the Common Council. The committee voted to approve the motion, Bauer voted nay.

- 4) **Request for Acquisition of City land on Round Hill Road:** Kozman-Cummings stated her strong support for open space and their application to purchase the cul de sac as a small contribution to the open space effort. She described the request to purchase the land at the cul de sac noting there a several lots for sale there. Warner noted Police and South Fire had no objections to the purchase and Public Works is still reviewing the request. Bibisi stated he had gone to the site. Kozman-Cummings described the site on a map to the committee. Warner noted the abutting property owners would have be notified if the City of Middletown decided to sell the land. Szewczyk questioned whether the Round Hill Road Extension could be connected with Arbutus Street. Warner stated it would be too steep. Daley noted the abutting strip as the site in question. Szewczyk asked if the city would abandon the right of way. Warner questioned whether the road is a formal road. Daley referred the question to Public Works. Bauer questioned the connection to Arbutus from Pheasant. Kozman-Cummings noted the area is not serviced by Water & Sewer. Szewczyk noted Coleman Road and Round Hill properties are all served by well water. Daley stated Public Works would need to comment and the city would get back to Kozman-Cummings with their findings.
- 5) **Open Space Bond Referendum:** Hall stated farmland and open space preservation are important. The main concern is too forgo bonding and debt and insure the long term health of the City of Middletown by using federal and state funds along with small amounts of bonding. Hall noted open space is a more urgent need versus repaving of roads. Hall noted many in the room support open space funding and he speaks for the Jonah Center noting over 70 people supported open space at the Common Council meeting. Stone, Chair of the Conservation Commission, stated the request for \$2.0 million in open space funding for the September Common Council Agenda to be put on the November ballot. Ennis stated open space is an important issue. He noted you could dine at a 4 star restaurant downtown and drive by cows and corn on the way home. The city has a unique blend of wilderness (Maromas) and city life. He noted flat farmland is most vulnerable to housing developments and older farm owners often do not have a family member to pass the farm onto. Our agricultural heritage is most at risk. Open Space is a quality of life infrastructure and there is a need to spend money in these fiscally challenging times. Warner noted 700 acres were acquired in the past 15 years. Ennis noted this is a savings of \$3.0 million in government services and noted that for every dollar collected in taxes on residential property there is a need for \$1.33 in government services. The \$2.0 million for open space would generate \$6.0 million in stated funding which is now at record levels giving the city a lot of bang for the buck. The voters need to have the right to vote on the issue, which needs to be acted upon by the Common Council to allow for a vote. Prior open space votes have attained a 2 to 1 margin of yes votes at referendum. Harris, a professional arborist, stated trees are dying due to excavation for the building of new homes. Lawns use 10 times the amount of fertilizer than a farm and the runoff goes directly to Long Island Sound adding to pollution. Loss of trees affects the next generation. Open space is a

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bargain. Sidro stated she received a small green card in the mail. The card said this is all the green space you will see in the future. South Farms and Maromas are important green spaces. She is in favor of the open space program. Davis, a commercial realtor, stated as a businessman and an environmentalist, there is a need for a balance of both so that future generations can grow food locally over the long term. Walker stated human health is affected by paving and roof topping over green space which results in runoff and water pollution since there is less natural space to clean and absorb pollution. O'Connell from Wesleyan stated there is an educational program called No Kid Left Inside which gets children outside to explore and learn. Shaw noted children would never know what they miss when it's gone. Colley said \$2.0 million in not sufficient funding to acquire the waiting list of interesting properties. Noting the Hartford Courant article on the 1,500 housing units proposed for a Farmington farm. Many farmers have waited for years to sell their properties. The \$2.0 million yielding \$6.0 million in state funding in good finance. Ennis noted the \$2.0 would save \$2.0 million in demands for city services. Vincent noted the field at the Elks Club is being developed and stated the field was a good place for pet training and winter sledding. Singer of Wesleyan noted the biodiversity of open space.

Daley noted the closing of the public session.

Bauer stated he appreciates the concept and noted the problems with the Middletown Youth Soccer receiving open space funds for active recreation. He questioned why the exact language for the proposed referendum was not before him. Daley stated the bond council language would be a draft that would go back to the Common Council and the commission would work long hours on open space referendum with specific language concerning recreation. Bibisi questioned whether the waiting list could be given to the Common Council. Stone noted that it is important that EDC move on the issue tonight so the Common Council can act in September to ensure a place on the November ballot. Daley stated the waiting list would be helpful for times when money or circumstances are right and properties become available properties the properties would move up or down on the list. Warner stated the bond would be conditional upon matching state funds. Daley stated the Common Council reviews each purchase. Bauer questioned why he could not see the language. Daley stated the high cost to draft a bond ordinance and tonight the need was to act on the concept to allow the commission to draft language for the Common Council September meeting. Bauer questioned where the language was. Warner stated only property for open space or farmland would be included in the proposed bond ordinance. Warner noted the Hartford Courant article and Canton open space policies. He stated there are a number of farmers that are interested in the program and that this bonding would provide funds when the next housing development wave comes. He described the spreadsheet handout to the committee and that a small amount of bonding would be needed over a long period of time. Colley stated the state criteria of how easily developable the land is and how Middletown ranks high on it's applications. Warner stated the state likes the way Middletown works on its applications. Santangelo asked if a workshop would be held where questions could be asked while the commission worked on the proposed ordinance. Szewczyk noted generally the language is not available and the bond council sends the proposed language to the Common Council. Bauer stated concerns over passive and active recreation uses in the interpretation of using open space funds. Daley stated that the EDC must do what is asked of the committee so the bond council can prepare materials for the September Common Council meeting. Open space and farmland preservation keep land from being developed. Leaving the ordinance open for a portion specifically allowing active recreation is different than an open space referendum. Szewczyk question whether there was enough time for the Common Council 9/4/07 meeting to review the ordinance before

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midnight and place it on the November ballot and giving enough time for the submission by 9/6/07 to the Secretary of State even with appeal. Daley stated yes.

Szewczyk made a motion seconded by Santangelo to request the bond council prepare the ordinance to expend \$2.0 million for acquisition of open space land or development rights for farmland and open space land for passive recreation and requiring matching funds from the State of Connecticut.

Ennis stated a cap of \$2.0 million as the city share to apply to federal or state funds. Szewczyk requested that the bond council present at the beginning of the Common Council meeting to save on the cost of their hourly fees. Daley questioned the need for a workshop since the language and all purchases, grant preparation requests and authorization for the Mayor to act come before the Common Council for action. Ennis noted the City of Middletown is conducting a farm viability study, which would assist in open space acquisition and farmland preservation. Santangelo noted the state farm preservation program for working farms. Warner stated the State Department of Agriculture program only provides a 50% of the funding and is very competitive while the DEP program provides 60% funding.

The committee voted to approve the motion, Bauer voted nay.

6) South Cove

- a) **Sullivan & Hayes MOU-Due Diligence Period expires 8/31/07:** Hayes described numerous efforts to discuss the Route 9 interchange with ConnDot with no progress since last year. ConnDot says it needs to have a final public forum this fall before it can order the environmental assessment and design work. Hayes would prefer another extension to be kept short for control and help in urging ConnDot to move along. Warner noted the need for ConnDot to hire URS as the consulting firm. The concept plan does not need an extension. Hayes stated he cannot create a plan until ConnDot signs a preliminary design contract. Daley questioned how long the Advisory Committee had been meeting and recommended the City Attorney decide on whether the City and developer were in section 2.2 or 2.3. Daley noted the deadline for the contract is June 2008. Daley is not optimistic since the Fix it First mission unless Rt 9 could be considered a fix it first project. Bauer stated the ramp is at odds with the railroad right of way being an impediment. Hayes stated the railroad is an issue with at grade crossings in a pedestrian environment. Hayes noted the treatment plan as an issue. Daley stated it is important to get the project on the ConnDot front burner and the need to arrange a meeting with ConnDot decision makers. Hayes stated he is ready and willing to meet. Warner stated the railroad has 99 years. Johnson stated the exciting plans if built would discourage retail on Main Street and noted the last Advisory Committee meeting ended in wide negative reaction. She questioned why the results of the Charette were not in the plans. Daley stated after the Charette the RFP attracted 8 developers proposing mixed use from the Urban Land ad. Hayes stated that 18 months ago URS & ConnDot were working to get the plan approved to have a joint land-planning consensus with ConnDot and the citizens. Hayes says development plans are stuck until ConnDot plans the interchange. Bauer stated the PDA MOU as 2.2 is critically important.

Bauer made a motion seconded by Szewczyk to ask the Mayor, City Attorney as to what section the city is at on the PDA MOU. The committee voted to approve the motion.

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Daley stated the contract expires June 2008.

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 Szewczyk to adjourn. The committee voted to adjourn at 7:40 PM.