

## ECONOMIC DEVELOPMENT COMMITTEE

Minutes: September 12, 1994

### PRESENT

G. Daley, Chair  
J. Milardo  
R. Santangelo

### ABSENT

S. Shapiro  
N. Conaway-Raczka

### ALSO PRESENT

W. Kuehn  
L. Ozga  
C. Wilcox  
P. Michalowski  
J. Thompson  
24 members of the public & press  
(sign up sheet attached)

Chairman Daley called the meeting to order at 7:04 p.m. in the Council Chamber of the Municipal Building; and addressed an item of unfinished business from the last meeting. For the purposes of completing the application to DED for the North End Industrial Area, the EDC is required to adopt by-laws. Upon a motion by J. Milardo, seconded by R. Santangelo, the EDC voted unanimously to adopt the by-laws as published in the packet. W. Kuehn noted that they were effective immediately.

G. Daley then opened the Public Hearing on the plan for the North End Industrial Area Chapter 132 Municipal Development Project as advertised on August 22nd and September 3, 1994. He said that the consultants would give an overview of the project then the Committee would entertain questions and comments from the public.

W. Kuehn read the legal notice of the meeting.

P. Michalowski of HMA pointed out that the document was a Municipal Development Plan which is written to follow guidelines from Department of Economic Development. The purpose of the plan is to recycle an obsolete industrial area with a minimum of public contribution in order to preserve jobs and the economic base. He noted that the Public Works/Water & Sewer CSO projects are a major contribution to the area. This project recognized this investment and encourages private sector investment as well. As for the buildings, the majority are in industrial and commercial use; however, there are a few residential areas such as the Miller and Bridge Street area and lower Johnson & Spring Streets. There are no proposals in the plan for the residential areas.

P. Michalowski focused on the specific project activities and costs in the plan. Outside the boundaries of the area, the plan proposes three items:

- Linking the traffic signalization with the new Main Street system;
- Identification of the area through signage near the Arrigoni Bridge approach;  
and
- As a traffic safety measure, relocation of St. John's School playground

Within the area, there are several more projects planned:

- Street trees - especially along North Main Street;
- Elevation of Railroad tracks to address 100 year storm and to prevent run-off;
- Creation of a new storm water pump station;
- Creation of an outdoor storage area on 2 acres +/- at the landfill;
- Acquisition of the Meech & Stoddard, Red Wing Oil and Package Store parcels to create a right-of-way to the railroad in the rear. The railroad wants to create a trans-loading station and needs access to North Main Street.
- City to act as broker to put together attractive acquisition parcels using some land currently owned by DOT but not needed for the Railroad.

General project expenses will include a marketing program and administrative support including legal services. P. Michalowski indicated the overall estimate was \$1.2 million which under current circumstances, would be shared 50/50 with the State. If an Enterprise Zone is approved, the ratio would be 90/10. He commented that the Enterprise Zone application is on a concurrent track. He further indicated that changes had been made to the document to reflect the State Chapter 132 statutory requirements regarding permitted and prohibited uses in the area. There is a restrictive covenant, which is more restrictive than current zoning; and commercial uses must become industrial eventually.

W. Kuehn reported that both Midstate RPA and Middletown Planning & Zoning Commission had given their assurances that this plan was not in conflict with any of their plans.

G. Daley opened the meeting to the public. (A synopsis of their remarks is included in these minutes; a tape recording is available in the Municipal Development Office for complete testimony.)

Frank LoSacco said that he was a licensed professional engineer for 30 years and thought the plan was a waste of taxpayer's money, and that there was nothing to it.

Terry Cahill of St. John's Parish Council asked about the policy and procedure for notification of owners and interested parties; and complained that he had no notice, and no time to read the plan to judge its validity. G. Daley explained the notification process and W. Kuehn gave the history of the plan since the inception in 1988-89, first as an urban renewal plan then as a Municipal Development Plan. He described the land use, traffic, and marketing studies done by HMA and Milone & MacBroom last year; as well as the result which bore out the need for redevelopment and recycling of older properties. There is a market for small development parcels; and the goal of the City is to not let portions of it die off, but to use those areas to regenerate new jobs.

Further discussion ensued between Messrs. Cahill, Daley and Kuehn; the former stating that St. John's situation had not been taken into consideration; that he was opposed to increasing traffic on North Main Street and that they should find another way.

Sydney Libby said he was observing a "boondoggle"; and that the study was worthless. He commented that access was non-existent; trucks cannot negotiate corners; pollution is extant; EIS is a toxic dump and so is the Remington Rand building. W. Kuehn pointed out there would be a second phase to the project which would include environmental assessments; and G. Daley commented that environmental problems are the responsibility of the property owners, and that EIS is not a part of the project. Contentious commentary from Mr. Libby continued with members of the Committee regarding EIS, old agreements, organizations and arguments. R. Santangelo went to the project map to show Mr. Libby that EIS was not part of the Phase I proposal; and asked him to point out the sharp curve that trucks could not negotiate. Mr. Libby said he knew it was there, that there was a surfeit of industrial area in the State, and with recession and population loss, he questioned who would want to move into polluted buildings.

Father Joseph Ashe, Pastor of St. John's, commented that he had had no notice or consultation with the consultants about their property. He was concerned about the curve from Hartford Avenue to North Main Street, and felt they should be able to work out something together with the planners.

Earle Roberts commented on the source of funding; and although in favor of creating more manufacturing jobs in a depressed economy, he questioned the \$1.2 million expense, and where the City's 50% would come from. He noted the Enterprise Zone is a long term hope to change the formula to 10%, and asked if the City would also be abating taxes. He asked for a cost breakdown and what the return would be to the taxpayers. Mr. Roberts asked if the outdoor storage area was for the proposed transfer station. P. Michalowski replied that because of its rail access, outdoor storage of bulk items such as lumber or masonry could be stored there in the short term before their ultimate use. It is a parcel under City control, is essentially surplus, and could be an enhancement to the area. Mr. Roberts asked if EDC would vote on this, and cautioned that government does not need to pay for things that owners and residents would do on their own. He encouraged entrepreneurial endeavor.

John Barton questioned whether investors would invest in an area with pollution problems, no real hope for solution to access problems and no definite tenants lined up. G. Daley pointed out the need for reinvestment in order to regain the tax base, which is currently losing value. Mr. Barton suggested banking the funds for now, and waiting for the private sector to revive - especially in the 400 acre Maromas area.

Russell St. John of the CT Central Railroad noted that his railroad had come into a "Rust Belt" area. He felt there would be more problems if the City did not do something now to redevelop this area. The CT Central Railroad endorses the project; and with a very modest start, Mr. St. John felt the project could go on to more positive things.

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(8:20 L. Ozga leaves)

Chairman Daley thanked the speakers, and apologized if the notice was not widespread enough, although he felt they had made an adequate effort at notification. He reported there will be a special meeting on September 19th; however, at that meeting, EDC would not be taking public testimony. More members of the public wished to speak or add to their earlier comments:

Ted Miazga, of Middletown Builders Supply, said he had seen the area decline with many closings; and was glad to see a plan for revitalization. He noted that even though access might be difficult for tractor trailers, the access to rail was very beneficial. One rail car equals three or four tractor-trailers; and access for smaller trucks is no problem.

T. Cahill asked for 2 weeks to react to the plan.

S. Libby said that designation of the area as an alternate site for the transfer station would compound the problems.

V. Amato said that after hearing all the "negative stuff", he needed to add positive commentary. He lived on Pease Avenue in the 1940's when 2500 people went to work at Remington Rand. There were two factories on Pease, Rome and Stack Streets and probably 4,000 people went to work there. Access was possible. Mr. Amato said the idea of reviving this area is not new. Wesleyan hired ULI to study it in the 1950's; and unlike Maromas, it is an area where all the utilities are available. Conrail was going to abandon the area; but this made it possible for the CT Central Railroad to start-up and grow. He urged the City to move forward with the project; and commented that our grandchildren will pay for doing nothing.

G. Daley closed the public hearing on the North End Industrial Area plan at 8:30, noting that the Committee was locked into the time frame. He indicated that there will be an opportunity for the public to speak at the Council meeting, and he was willing to keep the church informed.

The Committee took a break then reconvened their regular meeting at 8:48 p.m.

### Public Session

S. Libby commented on what he felt to be abuses in the REINVEST and JOBS Loan Programs. He said he had complained to Jeff Wallace at HUD, and was going to file a formal complaint against L. Ozga, which he read to the Committee. The complaint alleged violation of HUD guidelines, kickbacks instead of repayments and corruption in both loan programs. He also claimed that income from Harborpark and Regatta go to the Municipal

Development Office and disappear. G. Daley asked that Mr. Libby send a copy of this letter to himself, or to the Mayor, and that he be specific in his allegations which at this point are unsubstantiated. S. Libby said he wanted promises of an investigation, and he would not accept the Scully & Wolf audits as evidence. Mr. Daley closed the public session at 9:05 p.m.

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Minutes: Upon a motion by J. Milardo, seconded by R. Santangelo, the minutes of August 8, 1994 and August 22, 1994 were accepted unanimously.

Armory Project: Joshua Freeman addressed the Committee in conjunction with a request for \$10,000 from the EDF as part of a public-private partnership, in which Wesleyan and G. Weitzman had already invested. He introduced letters of commitments from John Beckert, Kendrick Bellows and Derry D'Oench as well. J. Milardo clarified that this was generally the same project and plan that had been delegated to G. Weitzman as the "designated developer" in a redevelopment area. He questioned whether there was any authority to advance funds to a developer in a redevelopment project. Discussion went on to identify who, or what entity would be the recipient of funds. Oddfellows was mentioned, as a pass-through, until a new non-profit was established. No action was taken. However, it was noted that current funding runs out at the end of October, and the Committee wished to respect that schedule. G. Weitzman agreed that his role has been to make sure everything was being done correctly, and that they would resolve the issues and return to EDC in the future.

City Property on Ridgewood Road: Mr. Kwolek wished to purchase 40-50 feet of City property next to his lot on Ridgewood Road in order to gain access to the rear of his property. His frontage is only 86' and he wants to build a small garage. J. Milardo asked if the City land was bought with any Federal Open Space funds. W. Kuehn indicated it was bought at auction with City funds. Upon a motion by J. Milardo, seconded by R. Santangelo, it was voted unanimously to get a fair market value of the parcel.

Enterprise Zone Resolution: A motion was made by G. Daley, seconded by R. Santangelo, and voted unanimously to waive the reading of the resolution (attached as part of these minutes). J. Milardo clarified that his office is not located in the proposed Enterprise Zone.

Upon a motion by G. Daley, seconded by R. Santangelo, the resolution passed unanimously.

REINVEST Guidelines: W. Kuehn pointed out the changes were on pp. 1, 2 and 8, and reflected the wishes of the Committee to encourage but not require the use of local contractors and vendors. Also, L. Ozga had ascertained that, of the \$50,000 loaned to Avante and Xerographics, \$32,000 was spent locally. It was the consensus of the Committee to recommend the changes to the Council.

Economic Development Fund Balance: W. Kuehn referred to the fund balance sheet handed out, and noted some of the interest goes into the REINVEST fund. There was no

comment from the Committee.

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W. Kuehn reported that the Downtown Manager's report was in the packet; J.L. was on vacation; YCC report was included for their information; and the EXPO booth needed volunteers to staff it.

The Committee decided to have a special meeting on Monday, September 19th at 6:00 p.m., the agenda to be limited to the North End Industrial Area Project, only.

There being no further business, the meeting adjourned at 9:37 p.m.

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Cynthia G. Wilcox

CGW/lmk

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