

ECONOMIC DEVELOPMENT COMMITTEE  
Minutes: September 14, 1992

PRESENT

S. Shapiro, Chair  
S. Gionfriddo  
W. Corvo  
E. Pattavina  
N. Conaway-Raczka

ALSO PRESENT

Mayor Garafalo  
S. Saczynski, DED  
J. Belair  
H. Curley, Chamber  
S. Beinhorn, Press  
G. Weitzman  
W. Kuehn, staff

L. Ozga, staff  
C. Wilcox, staff  
G. Souto (7:10)  
Courant (7:20)

ABSENT

none

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

Upon a motion by S. Gionfriddo, seconded by W. Corvo, the minutes of July 13, 1992 were accepted unanimously.

The Committee agreed to move up item #4 to the head of the agenda. Hugh Curley from the Chamber of Commerce reminded the Committee that they had contributed \$7,500 from the Economic Development Fund for a worker preparation program last year and he was asking for the same this year. He noted the program has been a good success... there are twelve in the program now... seventeen now have jobs and are off welfare... and Main Street looks a lot better. Channel 30 news focused on the program for two nights in June. He said other contributors this year were CDBG at \$19,000 and Aetna. The budget is \$32,637 and the amount requested of EDC was \$7,500 again. W. Kuehn indicated there was around \$157,000 in the fund balance, not including monies set aside for REINVEST or the North End Industrial Area. Upon a motion by S. Gionfriddo, seconded by E. Pattavina, it was voted unanimously to recommend to the Common Council that \$7,500 from the Economic Development Fund be allocated to the Chamber for the Worker Preparation Program.

Business Retention Survey

J. Belair handed out several documents relevant to the survey including a summary, an action sheet, and a compilation of data from the 1st 75 surveys. He then briefly spoke to the highlights of the summary. Items of note from the interviews were:

- . ½ of businesses surveyed had reduced staff in the last two years owing, in part, to the credit crunch and defense cutbacks.
- . 48% are rather "young" businesses, and thereby more susceptible to economic dislocation.

- . over 1/2 are independent
- . about 1/3 of owners and employees live in Middletown.
- . 89% are non-unionized.
- . most businesses are not asking for credit; but rather are working on a cash basis. They feel the credit crunch as it affects their customers.
- . most felt Middletown was a good location and those indicating they would not relocate here were not personally against Middletown.
- . there were two views of municipal services - mostly satisfactorily.
- . most businesses did not deal with the State.

Regarding the data sheets, Mr. Belair indicated that the protocol called for handing over the survey documents to the City; but that he had produced a one-page narrated text of each interview from which he had extracted the various businesses' needs. These had been compiled into the action sheet. Mr. Belair commented further on this. The number of businesses with the need and ability to grow was impressive. They may be missing only one ingredient to make it happen. He felt the survey had proved three things:

- . it was a great introduction to the community - a positive outreach effort which evoked a positive response from business.
- . it identified a dozen or so business which could do very well with a modest amount of help.
- . it demonstrated that you can go forward on a municipal level with other Agencies such as the State or SBA.

W. Kuehn commented on the expansion statistics, noting growth plans in excess of 200,000 square feet. These are the companies the City wants to help. They may be "climbing out of the hole" of the last two years and be eligible for state or local assistance. J. Belair also noted that, for those that rent, there is a world of opportunity now in the Real Estate Market. The City could help them to remain in town. Usually, the manager wants to stay, but the owners will go with the lowest costs.

Mr. Belair indicated the final report will be over 200 pages and should be ready in 10 days or so. N. Conaway-Raczka asked if Mr. Belair identified himself as a consultant for the City to which he replied positively. Only two businesses indicated they did not want any help from the City. He commented that the narrative text was very candid indicating the respondents' willingness to discuss their businesses with him.

Rhetorically, Mr. Belair asked what should be done next, to keep the customers we already had. He presented a proposal for moving forward utilizing the information in the survey. Basically, there are three (3) objectives: 1) to service the needs; 2) to maximize the resources; and, 3) to continue the needs assessment process to cover many more businesses. His proposal would cover the 6 month period from now (Fall) until Spring; he would work out of the Municipal Development Office, and it would cost \$25,000 plus City in-kind services. He felt this process could be a self-sustaining business support system by 1993.

S. Shapiro asked about continuing the survey process and how to reach the businesses not included in the original 100. J. Belair indicated the program was a model; that the initial 350 names had been narrowed down to 100; and it would be a political decision to decide to go out again to interview more.

W. Corvo felt it would be appropriate to take time to digest the report and then go into specific dialogue with Mr. Belair and staff relative to the findings and what can be done. He wished an opportunity to read the whole document, then meet to go through it in detail to decide carefully how to meet the needs identified.

Mayor Garafalo spoke to the Committee indicating that this process is really an old private enterprise concept commonly used in banking. It is an adaptation of the old "officer calling program"; however, bank officers are not out there visiting their customers anymore. He noted Shelly Saczynski was on loan to DED from SNET to help out on the State level. He encouraged the Committee to seriously consider the follow-up proposal and called it "the ounce of prevention" that the City has needed for a long time.

N. Conaway-Raczka clarified with Mr. Belair that he was proposing to use his own labor at \$50.00 per hour; up to \$10,000 in in-kind municipal development time/expenses and that he would not use any other support staff in order to keep the project focused. She felt there was a lot of material and suggested tabling this decision to another meeting. Discussion ensued regarding a special meeting/no decision made.

E. Pattavina asked when the report would be ready and expressed concern that it might get "shelved". He asked about use of City staff. Mr. Belair indicated he would only need staff for typing; and that the end product was not a report, but the creation of an in-house process within six months. He pointed out the allocation of resources was a political decision. If that process could service 10-15 of the identified needs and that resulted in a 50% increase of employment and help from the State, then the expense should be well justified. Mr. Pattavina asked if these services could be provided by current staff; to which Mr. Belair replied that staff was qualified but had heavy workloads. Business retention is easy to "put on the back burner".

S. Shapiro complimented Mr. Belair on a good job and indicated a meeting would be scheduled for the final report.

N. Conaway-Raczka commented that the proposal for on-going efforts is a separate issue from the survey.

L. Ozga asked Mr. Belair if there were any businesses who need help from herself or Mr. Kuehn right now. The Committee suggested she call Mr. Belair privately on this.

E. Pattavina wished the Municipal Development Office to offer interview services to anyone who wants it; so that any local business could call, and staff would go out.

W. Kuehn introduced Shelly Saczynski who is on loan from SNET to DED, as a resident and local worker, Ms. Saczynski quipped that Middletown did not have a "Resident Retention Program" then went on to describe her assignment. She had volunteered for the job and works with businesses, banks and planning agencies, the banks being Fleet, CNB and People's on working capital loans. She also works to tap private resources in the loan guarantee program. She discussed the CDA programs and their interest in leveraging \$\$; and the DED ad campaign.

Some of the programs and DED resources are:

- . CT Innovations, Inc. which works on a royalty basis;
- . Manufacturer's Assistance Program for gap financing;
- . Industrial Parks Program for planning;
- . Defense Diversification funding;
- . Government Contract Procurement;
- . Reference to SBA for business plans;
- . Utility programs for engery conservation;
- . Export services and financing;
- . Department of Labor for training programs;
- . Real Estate data base.

Ms. Saczynski indicated she is available for most businesses; and there will be no fee for services.

#### REINVEST

The Committee asked if any financial institutions had replied to the RFP to service the loans. W. Kuehn reported he had met with both Center Bank and Farmers & Mechanics Bank and expected proposals back next week. S. Gionfriddo suggested deferring consideration of the loan applications until there is a bank on board. Questions and discussion ensued with Mr. Weitzman; and E. Pattavina felt applicants should be notified and be present when their REINVEST loans were to be considered. Upon a motion by E. Pattavina, seconded by S. Gionfriddo, it was voted unanimously to table action on REINVEST loans until a special meeting at 6:00 p.m., October 13th, contingent upon having an agreement with a bank to service the loans.

#### DOWNTOWN PROMOTION

L. Ozga reminded the Committee that they had authorized spending \$161 for an ad in the Courant and was awaiting approval of the draft sent out to the members. E. Pattavina thought it looked like a political ad and N. Conaway-Raczka suggested calling Anagnostis Associates for something a little more creative. S. Shapiro suggested Ken Gronbach for this, then went on to report on the meeting of July 21st at his studio. In attendance were Mayor Garafalo, L. Ozga and himself. K. Gronbach had suggested to them that the City make a video and buy space on cable systems to change the perception of Middletown. He also suggested using Middlesex Community College for this; to go "on the road" with a sales presentation to entice businesses, and to use billboards. The Committee discussed various promotional options such as a follow-up meeting with Ken Gronbach; whether the Municipal Development Office should have a separate booth at the EXPO; use of quotes from businesses in advertising; need for a clear brochure of activities with synopsis pages and variety of programs; partnerships with private businesses for advertising. S. Shapiro asked L. Ozga to contact the MxCC regarding making a film.

#### NORTH END INDUSTRIAL PARK

W. Kuehn reported this project was moving ahead; and can proceed just as fast as contracts can be signed. S. Gionfriddo asked if he had been in touch with M. Stronz on this, to which W. Kuehn replied - yes.

#### ECONOMIC DEVELOPMENT ANALYSIS OF C. SAMUELS

Upon a motion by S. Gionfriddo, seconded by N. Conaway-Raczka, it was voted to table discussion of this item. All were in favor except E. Pattavina who opposed.

OTHER

- a. Marino Manor - W. Kuehn reported on "paralysis" at DOH on this, but indicated the players were now working together.
- b. YCC - the report from supervisors was in the packet.
- c. North End DOH/HCD Program - W. Kuehn reported that the base maps were done for the playground; specs were in process before going to bid. Of the moderate income rehab, four could not get bank financing but one 12-unit building is moving ahead. The loan program will be re-advertised.
- d. Armory - W. Kuehn reported that City officials had done a tour of the building to ascertain what measures would be needed for "mothballing". S. Gionfriddo inquired about what it would take to use it instead. Discussion ensued about heating problems and a problem boiler. S. Gionfriddo urged staff to make sure intentions for this building are coordinated. L. Ozga noted that \$54,000 in CDBG funding is coming up for re-programming and may be available for the Armory.
- e. Model - W. Kuehn reported a piece of the plexiglass cover had been broken and he had a quote from Middletown Plate Glass to replace it with something stronger for \$950. The Committee commented on the lack of use of the model as a planning tool.

There being no further business, upon a motion by W. Corvo, seconded by E. Pattavina, the meeting adjourned at 9:00 p.m.

  
Cynthia G. Wilcox

CGW/lmk