

Economic Development Committee

Minutes from the meeting of October 12, 2004

<u>Present</u>	<u>Absent</u>	<u>Also Present</u>
G. Daley, Chair	R. Santangelo	Mayor Dominique S. Thornton
S. Gionfriddo		W. Warner, Director, PCD
J. Robinson		R. Kearney, EDS
J. Bibisi		
Public: T. McKinney, M. Italia, W. Corvo		

A **Call to Order:** Daley called the meeting to order at 5:40 PM.

B **Public Session**

C **Minutes:** Gionfriddo made a motion seconded by Bibisi to approve the September 13, 2004 minutes. The committee approved the minutes.

D **Communications**

E **Old Business**

- 1) **Middlesex YMCA Parking Lot:** Warner stated the Y had filed another suit enjoin the city from taking any action on the property. General discussion ensued. Thornton stated outside counsel would review the issues.
- 2) **350 Main Street:** Warner stated the city appraisal values the theater portion at \$20,000. The owner stated that he has environmental reports but if the city takes the property then the city will have to do its own environmental review. The committee agreed with the city proceeding with taking the property and going out to bid for the demolition.
- 3) **Jukonski-Butternut & Thomas STS Property:** Warner stated the item is on the 10/13/04 P&Z agenda.

F **New Business**

- 1) **Waterways, LLC Harbor Park Boat Rentals:** Italia stated the business works. Robinson and Thornton asked how many people rented boats. Italia stated 100. Thornton asked how long the period of operation. Italia stated less than 3 months due to the confusion over the DEP permit, the pylon that collapsed when he climbed on it. The plan is to make the operation better and Italia would like to have a snack shop and coffee urn. Gionfriddo questioned what was feasible. Warner stated the proposals to EDC were scaled back from art shows and other events and what would EDC approve. Italia stated those plans would be for years down the road. Daley

questioned whether P&Z had approval included a food concession. Warner stated he would check on the P&Z approval. Daley stated Italia could continue with the same operation and a basic snack shop but not operate on the 4th of July or the Regatta, when the Lions Club operates concessions at Harbor Park. Warner stated the ban on operation for these dates was in the lease that Italia signed. Gionfriddo stated that no boats were allowed on the day of the Regatta. Italia concurred and asked why the business could not operate during the Regatta. Warner stated because the Lions have the rights to concessions during the Regatta. Daley stated the Lions earnings are contributed to charities. Thornton stated the Lions have donated \$15,000 docks to the city both this year and last year. Daley stated the city supports the boat rental operation not ancillary uses. Italia stated he is renting the gazebo but does not need it for his operations. Warner stated the rental fee is nominal rent. Gionfriddo stated the project needs clear parameter and that every time Italia comes to the EDC he changes everything around. Thornton stated the Coast Guard closes the river during the Regatta. Italia asked whether the pylons could be fixed and whose responsibility it was to have them fixed. Warner stated Parks & Recreation (P&R) are responsible and if the pylons are rusted they would be cut up-replacing the pylons would be an expensive processes requiring the Army Corp permit for a drilling job. Italia stated the business intended to secure the docks to the pylons. Warner stated the docks were secured to the rocks. Thornton stated the pylons were originally constructed for a floating dock and for mooring. Italia asked if the pylons could be replaced. Warner stated replacement would be a major expense, more than the rental income. Italia asked if the pylons could be taken down. Daley asked staff to communicate to P&R these questions. Bibisi stated the Harbor Master should be consulted. Daley asked that a memo to P&R and the Harbor Master to address the pylon issue. Italia stated there was no need for a lifeguard to be on duty since the boaters are either down or up river and out of the control or assistance of the lifeguard. Warner stated the city insurance carrier required a lifeguard and chase boat. Italia asked if this requirement could be waived. Warner stated he would contact the insurance carrier. Bibisi inquired about the recovery boat. Thornton stated her concern on observing a boat with a mother and 2 young children wearing life vests. Italia stated life vests are required on all people on the premises and that a lifesaver was available for nearby rescue. Warner questioned how emergencies would be handled without having a chase boat without a lifeguard. Italia stated the boat rental business was working and the people seemed to like it. He plans to eliminate the power boats as rentals.

2) **CBB Parking**

3) **Potential lease of 180 Johnson Street**

EXECUTIVE SESSION- discussion of the selection of a site or the lease, sale or purchase of real estate by a political subdivision of the state when publicity regarding such site, lease, sale, purchase or construction would cause a likelihood of increased price until such time as all of the property has been acquired or all proceedings or transactions concerning same have been terminated or abandoned, exempt from disclosure under Section 1-200(6)(D) of the Connecticut General Statutes.

Gionfriddo made a motion seconded by Robinson to enter executive session

Gionfriddo made a motion seconded by Robinson and Bibisi to exit executive session.

4) **Graves Property-Purchasing of development rights:** Warner stated the cost of development rights according to the Conservation Commission is \$403,000. Marchese estimated the value at \$290,000 plus 15% = \$334,000. Gionfriddo asked where the funds would come from. Thornton

stated the city agreed to the \$403,000 but the \$200,000 in Federal funds was not granted. The agreement expired on 6/30/04. Thornton told Attorney Dowley the city could only offer the city's portion of the agreement, \$200,000. Dowley stated that would not be acceptable. Gionfriddo questioned the \$334,000 price. Warner stated there are many projects in need of funds. Daley questioned how the city could afford to purchase the development rights of this and other farm properties. Warner stated another open space bond could be considered. Gionfriddo stated a voter referendum be held in another year. Thornton stated grant awards were often made to larger parcels and that the city might try to assemble another application with a group of farms. Gionfriddo stated the city must have the funds to match the grant. Warner stated the applications that involve active working farms get the grants. Gionfriddo stated the city does not have the money and needs to figure out how to fund future open space. Thornton stated a letter to Attorney Dowley would be sent under the advisement of the EDC that the city could only afford \$200,000. Gionfriddo asked where the \$200,000 would come from.

- 5 **Marino Bakery Purchase:** Warner stated that the common wall and possible common utilities between the restaurant and bakery. The appraisal of \$243,000 does not include the value of the business which the appraiser is calculating. The Marinos offered the property first to the city and would accept \$300,000 in installments. The 4 apartments are vacant so there would be no tenant relocation costs. Warner stated \$100,000 in CDBG funding is available. Daley questioned whether the balance could come from CDBG. Gionfriddo asked whether the additional \$200,000 for project would be considered eligible for CDBG funding. Warner and Robinson concurred. Gionfriddo made a motion seconded by Robinson for the city to acquire the property for \$300,000

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**
 - a) **Carta, Food Imports of Middletown**

H Other

- 1) **172 Johnson Street:** Warner stated the city was actively negotiating the purchase of the property to be used as a jacking pit for the 180 Johnson Street water and sewer project. Marchese estimated an average of the appraisals would yield a \$20,000 sales price. Warner stated the funding would be through the State of Connecticut DECD grant for the Former Remington Rand Facility Project.
- 2) **Property corner of Broad and College:** Warner stated the deed allowed for the city to take back the property until 2020. Warner suggested a development of housing be considered for the site. Daley suggested the project costs and the sale of the land and the price to refund from the original purchase be evaluated.

- I **Adjournment:** The committee adjourned at 7:16 PM.