

ECONOMIC DEVELOPMENT COMMITTEE

MINUTES

November 22, 1999

Present

G. Daley, Chair
S. Gionfriddo
S. Shapiro
J. Robinson

Absent

R. Santangelo

Also Present

W. Warner, Director PCD
R. Kearney, EDS

Public: Vincent Amato; Larry McHugh, Robert Hill Richard Lombardo, Dick Lombardo; Salvatore Logiudice, Peter Harding, Mark Christie

Call to order: Daley called the meeting to order at 7:07PM in the Russell Library Board Room

Public Session: McHugh requested that the Committee continue funding of INFORM stating the historic accomplishments and the development of the Industrial Park. The results include a 7% regional growth in manufacturing v/s the 4% decline at the State level. McHugh stated that INFORM offers companies confidentiality not available from government. McHugh stated the Chambers support of Riverview Center request for tax abatement. McHugh stated the Chambers support of Mia Mammias Restaurant REINVEST Loan application. McHugh stated that the Chamber is opposed to the Conservation Committee's plan to map vernal pools. The consequences of this mapping would be detrimental to future development of the 3,000 acre Maromas area. McHugh stated that this issue should be looked at on a project basis. Implementation of this program will affect future job growth.

Minutes: The Committee approved the minutes of the October 12, 1999 meeting. Daley, Shapiro approved, Robinson & Gionfriddo abstained

Communications: none

New Business:

- 1. REINVEST Loan application-Mia Mammias Restaurant:** Logiudice stated that this is a family business open 1 week and is asking the Committee to approve his application for a \$25,000 loan. He and his family have invested over \$90,000 in the fixturing of the business, which he is offering as collateral. He anticipates creating 15-20 jobs. Gionfriddo asked Logiudice if the 127 Highland Avenue property could be pledged as collateral and what the value of property is. Lombardo stated that the value is \$175,000 and the mortgage is \$112,000. He stated that a second mortgage would be okay, but would prefer not to. Shapiro made a motion to accept the equipment and a second on 127 Highland Ave. as collateral, Robinson seconded the motion. Daley agreed. Shapiro recommended skipping the equipment and withdrew his motion. Gionfriddo stated that real estate is stronger collateral and a better motivator for repayment. Gionfriddo made a motion to accept a second as collateral. Daley stated that real estate is acceptable, Shapiro agreed. Robinson stated that the City is friendly to local business expansion and asked if the real estate collateral would be undue pressure. Logiudice stated that he and his family would accept this. Motion passed unanimously and sent to the Common Council meeting of 12-06-99
- 2. Tax Abatement request-Riverview Center:** Harding stated that he met with City officials before closing on the property regarding this request. The building renovation is 50-60% complete. Gionfriddo asked who the tenants would be. Harding stated that Luna Pizza has withdrawn. He has interest from H & R Block, United Way, City Water & Sewer (temporary), Primerica, KGS Insurance (intown), Middletown Medical Association. The Youth Center is interested in

more space but he is holding off until he completes his planning. The publisher is outgrowing their space. He has improved the façade and roof. Daley stated that the Tax Abatement Incentive Committee met and approved the incentive.

Shapiro asked what the numbers were. Warner stated that 75%, 55%, and 45% for 3 years. Gionfriddo made a motion to allow request. Shapiro seconded the motion and the Committee approved the motion unanimously and requested it be sent to the 12-6-99 Common Council meeting.

3. **INFORM Contract renewal:** Amato stated that Vassillio and Hill intend to develop a revenue source to fund INFORM's operations. This may be a relationship with the Remington Rand building which was mentioned when the budget was drafted. Unfortunately the acquisition of Remington Rand took longer than expected. Gionfriddo made a motion to extend the contract for 6 months with a \$15,000 transfer of funds from the Economic Development Fund. Shapiro seconded the motion. Daley stated that if a revenue source be found sooner, then the funding would cease. Gionfriddo stated that the contract state no longer than 6 months. Amato stated that this is a good proposal and that INFORM would close in 6 months if a revenue source could not be secured. Daley agreed with McHugh's statement that INFORM's value to the City for many years. The City appreciates the privacy and marketing efforts to the industrial sector. Amato reviewed the history of INFORM and the free service the City has received for 25 years. The Committee unanimously approved the motion.
4. **Main Street BID ordinance:** The Committee referred the request to the City Attorney for ordinance study.
5. **Business Recruitment Marketing Brochure:** Kearney requested tabling this item to the next meeting when a mock up will be available.
6. **Wal-Mart Economic Development Program:** Kearney requested that the item be reviewed next meeting.

Old Business

1. North End Industrial Area

- a. **Remington Rand:** Warner reported on activities. Warner presented budget results from the property manager search with a conservative budget projection. Gionfriddo questioned legal costs. Warner responded that legal would involve evictions to reimburse the City Attorney. Shapiro recommended that Warner negotiate the maintenance fee. Warner stated that maintenance includes repair, supplies. Discussion of comparative bids. Daley questioned INFORM's potential with working with Midfield. Warner stated that a marketing arrangement might be made between the two. Gionfriddo recommended that it be made as a condition of the agreement. Warner noted the \$19,000 in taxes and that HUD & DECD would understand. Shapiro asked how viable the tenants are. Warner stated that they range from Demers and Baldwin (total 30K SF) to illegal auto repair. At a recent meeting with DEP & DECD, environmental cleanup costs were discussed, and the rail spur right of way area be encapsulated and paved. Daley asked what the term of the management contract. Warner stated annual. Daley suggested that an "out" be included if the building is sold. Gionfriddo recommended that a multiple year contract might reduce expenses. Daley suggested a 30 day notice upon sale clause be included. Daley stated that INFORM work out details with Midfield. Warner stated that INFORM might be paid commission on leases. Shapiro stated that the Chamber back to work program be involved. Daley suggested that Vassillio flesh out the details.
 - b. **Leibman/LCI Property:** No discussion
 - c. **Package Store:** No discussion
2. **Industrial Park and vicinity:** No discussion
 3. **Brownfields RFP Applications for Riverfront Properties:** No discussion

4. **Armory:** Kearney stated that the executor considering options. Shapiro state there are 5 executors and that the question is not cash flow because insurance paid off the debt. The desire is to perpetuate the family name as a civic place.
5. **Brickyard Industrial Park:** Warner stated that the DECD is recommending a 50/50 split. DECD balked at counting the donated land as the City's share of the budget. Warner suggested that the City's State Representatives request the CTDOT improve RT3/Wildermans Way intersection with a traffic signal. Requesting the Tuttle Road improvements was easy. Gionfriddo asked if Midstate Planning would help. Warner will talk with Midstate.
6. **Sumner Brook Realty:** Warner stated that Fonda is doing environmental analysis. A hearing has been filed regarding the Attorney General's \$40,000 lien which the DEP can wave.
7. **JOBS Loan Advisory Committee Program Guidelines:** No discussion.
8. **Reuse of Old Police Station:** No discussion
9. **241 Court Street:** No discussion
10. **Town Wide Vernal Pools:** Shapiro stated that we don't want this mapping done. Daley questioned to whether the Inland Wetland Commission has the authority to regulate or perform this survey on their own. Shapiro moved that the Economic Development Committee believes that this project is not in the best interest and may impede City development. Daley expressed grave concern and that this issue requires full consultation. Warner stated that this would slow down development. Gionfriddo questioned how this would affect NU and Pratt. Daley questioned who controls this process and stated he would go to the Commission meeting.
11. **REINVEST Loan: Touch of Class, Bankruptcy discharge:** The Committee asked that the City Attorney respond as to what additional steps can be taken.

Status Reports

1. Economic Development Specialist's Report: Discussion of current activities, inquiries and properties.
2. REINVEST monthly summary report
- 3 **Economic Development Fund Status Report:** no discussion
- 4 **INFORM monthly report to Mayor and Economic Development Committee:**

ADJOURNMENT: There being no further discussion, the Committee adjourned at 8:21 PM.

There being no further business, the meeting adjourned at approximately 8:15PM.