

City of Middletown, CT

Economic Development Committee

Minutes from the Economic Development Committee Meeting of December 10, 2007

<u>Present</u>		<u>Also Present</u>
G. Daley, Chair		E. Roberts
R. Santangelo		W. Warner
J. Bibisi		R. Kearney
H. Kasper		
D. Bauer		
Public: A. Kozman, M. Cummings, T. Davis, M. Stone, C. Johnson, N. Puorro, W. Mackie, , J. Hall, J. Pugliese, members of the Fellowship Hall		

- A Call to Order:** Santangelo called the meeting to order at 5:35 PM.
- B Public Session:** Roberts stated he supports item F2. Roberts stated Kleen Energy noise levels were addressed by the local Fire Marshall. Roberts received calls on environmental issues which could be serious. Santangelo stated the Public Session is only for items on the agenda. Roberts asked whether discussion would be allowed for items on previous agendas. Roberts discussed item F3 noting the minutes from the October 9, 2007 meeting noting sentiment in the discussion of Remington Rand in relation to the use in the Enterprise Zone, tax dollars for the cleanup and incubator issues. Roberts stated light engineering and manufacturing uses as a caveat for the use of the building. Minutes strong initiatives should move faster and question how long and what are we gaining and what is the point of view? Roberts note EIS was a similar situation and a lot of hard work. Roberts stated the minutes infer a complacency and comfort and questioned whether the Economic Development Committee has a deadline on completion of the project to return the building to the tax rolls. Daley stated projects take time. Roberts stated people ask when the project will happen and requested the new commission understand what the general public was told about the project. Roberts questioned the financials asking what the expense side for the Chamber of Commerce was for. Daley stated that for a number of years there has been an arrangement with the Chamber in funding INFORM out of the Remington Rand budget. Roberts asked if INFORM still existed. Daley affirmed. Warner noted Jeff Pugliese from the Chamber attends all the Economic Development Committee meetings and does a wonderful job. Santangelo stated item H Other allows for speaking on items not on the agenda and that B Public Session is for items on the Agenda. Daley stated Roberts could speak but to keep it brief. Roberts reverted to discussing Kleen Energy stating the city is intervener and the Fire Marshall deals with issues of hazardous waste bringing in the Zoning Enforcement Officer. Barrels were found on the site and questioned whether the City Planner and Tim Lynch, Deputy City Attorney aware and acting as a liaison to the Economic Development Committee? Warner stated the city is a party and did not file as an intervener. 6-8 drums were found on the site remediation of petroleum products were sent out for testing. The barrels were brought up to the Bow Lane part of the project where the office is located and some neighbors saw this which is a normal process with DEP and TRC environmentalist understand. Daley stated this did not jeopardize their status. Roberts noted there were many

ECONOMIC DEVELOPMENT COMMITTEE

DECEMBER 10, 2007 DRAFT MINUTES

complaints about Feldspar. Warner noted the site had a environmental assessments for phases 1, 2 & 3.

C Minutes: Bauer made a motion seconded by Santangelo to approve the minutes of the October 9, 2007 meeting of the Economic Development Committee. The committee voted unanimously to approve the motion. Kasper abstained.

D Communications

E Old Business

1) **CBD Parking:** Warner stated the CBB members of the committee acted as a panel at the 12/6/07 meeting of the CBB to update the CBB membership on the draft report. The CBB panel does not want a large garage. Warner noted a motion was made by the CBB to support scattered site decks. Daley asked how many CBB members are on the Parking Advisory Committee and noted they should speak up at the study meetings. Warner noted general support for a new Parking Authority, no discussion of transit issues. Warner is looking for the Superior Courthouse garage agreement. The next Parking Study meetings will be in January.

2) **DCF Properties: 131 & 155 Wadsworth Street:** Warner stated he is putting \$180,000 into next year's budget for the acquisition. Bibisi noted it is a nice piece of land surrounded by other city owned parcels.

3) **Remington Rand**

a) **Fellowship Hall Lease- sewer usage:** Santangelo stated he attended the Planning & Zoning Commission and the space has been vacant for 30 years. Fellowship Hall (FH) agreed to put in heat and water line for 2 bathrooms. There is no sewer line only septic now. FH needs to tie into the sewer line. Warner stated the sewer has a manhole at the end of the building 600 feet away. Santangelo questioned how lack of sewer affects future development of the building. Warner noted any high flow use like FH with 100 people could not be handled by septic. Santangelo noted the cost of running a 600 foot line costs \$70,000 and questioned whose responsibility is it? Warner stated the water & sewer project went out to bid 3 times and all bids were over budget. To get the project underway, the city put \$106,000 into the lowest bid and scaled back the sewer line. DECD demanded the grant funds be used to bring the water & sewer infrastructure to the project. The city would tie in sometime down the road. Bauer noted the original request was more complete and wished he had known the project was scaled back. Daley questioned asking a single tenant to pay for bringing the sewer line to the building. Warner noted DEP is aware of the situation and is not concerned since the city is moving forward with upgrading the systems and working on sprinklers next. Bauer stated the sewer not to the property does not enhance and questioned the slippage on the project and that FH is a catalyst for this issue. Warner noted this was discussed from the beginning. Bibisi asked if the sewer needs a pump station. Warner stated it was gravity. Santangelo stated when sewer is tied in it will be expensive at 15 foot depth. Warner stated the American Legion can't afford renovations and FH could afford interior renovations. FH would pay minimal rent. Santangelo questioned the effect on bringing in future tenants. FH stated existing tenants are dumping in the river and should be brought into compliance. Warner stated current volume is not a problem. FH questioned the contamination on site. Warner stated the contamination is industrial not human waste. FH stated the Water & Sewer

ECONOMIC DEVELOPMENT COMMITTEE

DECEMBER 10, 2007 DRAFT MINUTES

Dept. said there is sewage contamination. FH stated the need to move towards compliance. Warner stated new interior plumbing to hook up the building would cost \$200,000 and the city has a design when it went out to bid. Daley asked for a motion to ask WPCA to use the general sewer improvement fund for the project. Santangelo stated 15 feet is too deep. Warner noted they rent equipment and lots of city manholes are that deep. Bauer questioned the future marketability of the building and wants the WPCA contacted. Bauer noted the project scope slipped and the interior component could be a third of a million dollars. A 5 year lease would not be worth the \$70,000 sewer hook up cost. The city needs to look at the totality of the project. Daley questioned whether the Water Pollution Control Authority (WPCA) funds could pay for the work. Santangelo stated this was not a city project. Daley noted the tenant include to hook into the sewer. The sewer is not at the building. Warner stated tenants us and rents vary. Santangelo stated the need to look to the future. Daley noted anyone could tie in. Daley noted there are no dollars in the General Fund or WPCA or budget next year. Bauer noted if the WPCA would agree to apportion the cost per the number of users (lots) and asked if an estimate of potential tenants and share in the future income. Daley asked what is in the general sewer improvement fund. Warner noted there are no tenants in the space. Warner noted a forced main with grinder would be less expensive and could be placed at a shallow depth or use the other end of the building. FH asked if DEP had a deadline. Warner stated DECD has no deadline; DEP inspects and has UNISYS under order.

Bauer made a motion seconded by Kasper to ask the Water Pollution Control Authority for funding to bring the sewer line along the front of 180 Johnson Street. The committee voted unanimously to approve the motion.

- b) **Property Management:** Warner stated he talked with several people about managing the building. Evan Blum wanted the city to give him the building for free so he could manage it from NYC. Coughlin Management was interested. Moore was retained for 20 hours per week for \$26,000 per year saving \$32,000 in management fees. Planning Dept. is managing the administration of the finances. Moore wants to enforce rule and regulations and is really into the building. Bibisi questioned how maintenance would be provided. Bauer asked what the contract was. Warner stated the contract for professional services. Daley questioned if Water & Sewer could take care of the sewer construction and the building could pay back the costs over the coming years.

4) State of Connecticut: Long Lane Property

F New Business

- 1) **Jonah Center funding:** Hall requested release of the third quarter (\$6,250.00) of the \$25,000 grant for grant writing. He submitted a list of \$77,400 in grants received and \$15,000 in pending grants that he was confident would be received. Hall stated the Jonah Center had arranged for the city purchase of the Salafia property and other projects. Hall stated he had toured the site with Steven Solar and was working on a gas contract for electric generation which would yield \$6,000 in income for the city. Daley stated the request is for the release of the third quarter of the grant to leverage allocated funds.

ECONOMIC DEVELOPMENT COMMITTEE

DECEMBER 10, 2007 DRAFT MINUTES

Santangelo made a motion seconded by Kasper to approve the release of the third quarter (\$6,250.00) of the \$25,000 grant. The committee voted unanimously to approve the motion.

.Hall stated he met with Bill Russo and Geen Thazampallath and the Mayor who did not stay for the meeting. The Mayor stated reluctance on the federal grant and Hall did not understand what the Mayor's concerns are that the Mayor would not support the project. Daley questioned the \$50,000 trail and boat launch grant. Hall stated there is a lot of public support for the project. Daley asked what objections were to the project. Hall stated at the meeting the funds for engineering of the road are an obstacle and Russo wanted a fence around the landfill. VHB had worked pro bono and the Jonah Center received a reduce rate for other work. There were stated concerns about liability and safety at the landfill. The discussion and reasons for concern became vague. Daley asked Warner if he knew anything about this. Warner replied no. Bauer asked if the \$50,000 would cover the entire cost of the project. Hall said the federal grant would require a city match of 20%. The fence would cost \$38,000 and installation would bring the total to \$53,000. State Losep funds would be used rather than city funds. The city match would be made with in kind city staff and machinery. Daley asked for a memo to the Mayor on the project update to determine the level of commitment and if the Common Council is still interested. Discussion of trail on landfill and DEP would have to do the trail. Discussion of boat launch. Hall stated the boats would be car top. Warner stated the trail on the landfill has raised objections. Bibisi stated there are other ways of getting to the river without major problems including the Cognichaug and Cromwell. Hall stated Cromwell is muddy and Veterans Park is good only during the Spring.

Bauer made a motion seconded by Santangelo to ask the Mayor to articulate his position and concerns on the proposed boat launch at the landfill and recycling center site. The committee voted unanimously to approve the motion.

- 2) **Sale of City Land: Round Hill Road:** Kozman stated continued interest in purchasing the right of way. Discussion that the request had been to Public Works Commission, valued by the Assessor, and recommended to sell a 50 foot by 710 foot length of their property. Warner noted the Public Works memo with the drainage stipulation. Daley reviewed the Assessor's value of \$3-5,000 and asked for a motion with a sales price.

Bibisi made a motion seconded by Santangelo to recommend the sale of the city land measuring 50feet by 710 feet abutting 550 Round Hill Road Map 40, Block 47-1, Lot 37-1 to Alexis Kozman and Michael D. Cummings for \$4,000 and the funds be deposited into the Economic Development Fund. Furthermore, to include the City Engineer's comments including the stipulation that a 10 foot snow shelf area be kept by the city and the area where the level spreader is located and the right-to-drain onto the land that is now the extension of Round Hill Road. The committee voted unanimously to approve the motion.

Bauer asked if this was in compliance with the new city ordinance and if there was a need to advertise. Warner noted the imitative began prior to the new ordinance which would not apply. Abutters are not interested. Kasper asked about the city's right to drain onto the land. Daley stated this affects the right at the end of the cul de sac. Kozman noted the Public Works memo talks about drain in 15 feet of rip rap.

- 3) **Remington Rand Building**

ECONOMIC DEVELOPMENT COMMITTEE

DECEMBER 10, 2007 DRAFT MINUTES

a) Puorro/Mackie Gym Lease (aka The Refuge Powerlifting Gym):

Puorro/Mackie (PM) handed out a proposal description of The Refugee Powerlifting Gym. PM is seeing to establish a gym for the non commercial market for hard core power lifters not the novice. Warner showed them a 1,500 sf space. PM would like to hold competitions. PM has 20 interested members including the Middletown Spartans. Warner stated the use is permitted in the zone and PM is looking for a rough atmosphere. Santangelo questioned how many people would use the space. PM responded that 2-5 people would be there during a time period. Warner stated holding competitions is out. PM stated Fat City Cycle would share the use of their bathroom. Santangelo stated the hope for growth of the business which might contradict the issues faced by FH. Warner noted FH wants a 5 year lease with 200+ people attending meetings. Daley noted if the gym takes off they would have funds to move. Bauer questioned when the gym would operate. PM stated members would work out when they can. Daley questioned the supervision of the space. PM stated the use would be in waves of time. Bibisi asked how many keys would be in use. PM stated 4-5 keys. Warner noted the space was next to Fat City Cycle-the property manager.

Bibisi made a motion seconded by Kasper to recommend the leasing of 2,000 square feet to the Refuge Powerlifting Gym. The committee voted unanimously to approve the motion.

Bauer asked how much space would be used. Warner stated 2,000 sf @ \$3.00/sf for 1 year.

- 4) Mile Lane Grant/Loan Request:** Warner stated the federal government extended the time to March for submission of the study. The \$70,000 requires a match which would be in kind services. Potential projects for the site include fire training and dispatch, public use pre K and K, playing fields for the high school. Santangelo stated the Cross Street facility is not city owned. Warner stated the grant requires a resolution. Santangelo asked when the federal government would turn over the site. Warner said the 2011 and the environmental is not terrible. Santangelo made a motion seconded by Bibisi to recommend the proposed Resolution to establish a loan of \$70,000 from the General Fund for the purposes of hiring a consultant to create the Reuse Plan for the Closure and Transfer of the Mile Lane Army Reserve Base with said loan to be repaid upon receipt of a grant for this sum from the U.S. Department of Defense's Office of Economic Adjustment. The committee voted unanimously to approve the motion.

Bauer questioned the \$70,000 v/s \$80,000 amounts. Warner said the city's match could be in kind services.

- 5) Property Acquisition: City Hall block: EXECUTIVE SESSION: Sec. 1-200 (6)(D)** 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. Santangelo made a motion seconded by Kasper for the committee to enter Executive Session. The committee voted unanimously to approve the motion. The committee entered Executive Session at 7:24 PM. Santangelo made a motion seconded by Kasper for the committee to exit Executive Session. The committee voted unanimously to approve the motion. The committee exited Executive Session at 7:50 PM. No actions were taken in Executive Session.

ECONOMIC DEVELOPMENT COMMITTEE

DECEMBER 10, 2007 DRAFT MINUTES

6) Liberty Square Update

- 7) Economic Development Fund Budget 2008-2009:** Bauer asked if the real estate commission amount was final. Warner stated the \$4,000 plus 5% of the lease. Bibisi noted the snow removal fee seemed high. Warner stated Lenz was a carryover and he was looking at public works private duty contractors. PMI cleans the bathrooms 3 times a week. Brodeur is pest management. Bibisi noted electricity costs did not change since Baldwin moved out. Warner stated they initially went down then DEP ordered sub slab ventilation which runs 24 hours a day. The city should not have to pay this but DEP said the city must pay this. Bauer questioned future usage noting the slippage on the sewer construction which should be completed with negotiations with the Water & Sewer department. Daley stated the sprinkler system is a higher priority and asked for a list of capital improvements needs by priority. Warner noted his memo to the council 2 months ago. Warner noted the sewer was extended 300 feet onto the property. Warner stated the DEP estimates the entire cleanup at \$5.0 million-not the \$3.4 that Unisys thinks it is responsible for up until 1972. Warner noted DECD wanted the grant funds for bringing the water line under the railroad. Bauer stated the need for better numbers, priorities and cross reference on small parts list. Warner stated next year would be better. Daley stated the need for FH to get WPCA to assist. The EDF has paid for many sewer jobs including Wharfside Commons and the Inn at Middletown. The Common council has authority over the fund. Santangelo said Water & Sewer said there was nothing they could do about this.

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:

- 1) Harbor Park Restaurant:** Daley noted the Economic Development Committee had a consensus not to renew the lease under the Thornton administration. Daley asked the City Attorney to review the issue. Warner stated Mayor Giuliano had sent a letter to Maratta stating the city did not intend to extend the lease. A meeting with Maratta had not achieved a middle ground. The declaratory judgment in a letter to the mayor the business is suffering and looking for compensation judgment. The notice to quit from the City Attorney was for noise and code violations. Daley noted the rent check was returned to Maratta. Warner stated Maratta has done a lot of ADA renovations to the first floor. Portland is now satisfied with the noise issues. There is a pre trial meeting with the judge on 1/17/08. The notice to quit gave Maratta 30 days-he did not comply. Right after the pretrial the city will file for eviction. Attorney Lynch and the Mayor are meeting today. The Mayor is the landlord, not the Common Council. The committee asked Attorney Lynch to come to the 1/14/08 Economic Development Committee meeting.
- 2) Meeting Schedule:** Daley asked the committee to consider moving the meeting time of the Economic Development Committee to allow the public a more convenient time to attend. General discussion ensued. The committee agreed to begin future meetings at 6:30 PM.

ECONOMIC DEVELOPMENT COMMITTEE

DECEMBER 10, 2007 DRAFT MINUTES

I Adjournment: The committee adjourned at 7:51 PM.