

City of Middletown, CT

Economic Development Committee

Minutes from the meeting of December 11, 2006

<u>Present</u>	<u>Also Present</u>
G. Daley, Chair	W. Warner
J. Bibisi	M. Wackers
D. Bauer	R. Kearney
R. Santangelo	
P. Szewczyk	
<b>Public: Glenn Russo, Tom Hibbard; George Frick, J. S. Pinch, M. Mills, J. Pugliese, C. Berl, S. Brown, M. Katz, E. McKeen, C. Johnson</b>	

- A Call to Order:** Santangelo called the meeting to order at 5:36 PM.
- B Public Session:** McKeen questioned the reasons for an Executive Session with Landmark Development. He further stated the site is no longer a private since the perimeter of the area was disclosed to the public. He further stated the retail tenant has been identified as Target. He further stated that an executive session is not a blanket reason to cover over the meetings and that this may be in violation of freedom of information laws. FOI is to protect the town not the developer. Further stating that fair market price is covered under the laws of eminent domain. Further stated that the corporation council ruled against the use of executive sessions. Further stated that if the committee enters into this executive session, he will file a FOI grievance with the FOI commission/agency.
- C Minutes:** Szewczyk submitted changes to the 11/13/06 minutes and Bauer noted a change in dates. Szewczyk motioned to approve the revised minutes and Bibisi seconded. The committee voted to approve the revised minutes.
- D Communications:** A letter from Middlesex Mutual regarding refinancing the 213 Court Street property was reviewed in general discussion. The committee agreed that this would not infringe upon the city's interest.
- E Old Business**
- 1) **CBB Parking**
    - a) **\$18 million Federal Funding**

(1) **VHB-Scope of Services:** Warner stated that CT DOT was reviewing the scope of services with VHB. The funding for the contract should be approved to begin the study in January 2007.

b) **Parking at the corner of Main & Liberty Street s:** Warner stated that he was waiting for the appropriation to take effect.

2) **Landmark Development Group, LLC 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.**

a) Russo stated he would be prepared to discuss the project at a public Common Council workshop on 12/19/06. Daley state a couple of members could not make that date and suggested meeting after the holidays when all members could be present. Daley stated Marie Norwood was conducting a meeting date poll. Russo said he is prepared to meet and has 4 month in the schedule for the plan acceptance. Szweczyk questioned whether the delay would harm the project development planning. Russo stated a delay would cause slippage. Szweczyk stated whether any property negotiations or tenant issues or deadlines were affected by a delay of 30 days. Daley stated the meeting date would be decided on tomorrow. Russo questioned whether under parliamentary procedure the project would have to return to the Economic Development Committee after the Common Council workshop for a resolution to go onto the Common Council Agenda. Szweczyk stated the resolution last month took care of this issue. Warner questioned whether a specific resolution be made. Daley stated that if the Common Council made changes, the Economic Development Committee could convene a special meeting and vote on a resolution prior to the Common Council meeting. Szweczyk questioned whether there would be a public session after the workshop and prior to the special meeting of the Economic Development Committee. Warner stated that a lot of news articles an meeting have the community wondering what the plan. Russo stated the city may be at a disadvantage in revealing the project to the public may cost city more when he negotiates for the city to get fair market value as called for in the contract. Szweczyk questioned whether other projects have been revealed to the public prior to acquisition. Warner stated the South Cove project has been revealed but is so conceptual as to not be considered an influence on property values. Ferry Street project involved only a few properties. Russo stated the revelation would affect property values. The Preferred Developer Agreement requires an openness of the process and the public and the Common Council will have the opportunity to comment on the required Municipal Development Plan prior to spending city funds for property acquisition. Daley stated once the concept plan is revealed the public will be able to comment and support the plan. Russo stated in his experience the properties are secured up front but the Common Council voted for a public presentation. Warner stated to wait for the Common Council before the public-the Main Street public needs to know the plan. Russo stated gaining support would move the project forward in favor of the public process. Russo stated his fiduciary responsibility to the city on costs of property. Warned questioned if the meeting poll was taken. Daley stated the need for a meeting of the Common Council. Szweczyk stated there is a lot to absorb in one meeting and there might be a need for a second meeting for public comment. Bauer stated the need for latitude for comment and letters could be submitted to the Common Council.

3) **Remington Rand**

- a) **Water & Sewer Project:** Warner stated that the city received only 1 bid from DeRita construction, which was substantially over last years bid. Other contractors stated that they were too busy finishing this years projects to participate in the bid. The city will go out to bid in January 2007.
- b) **Electric Transformers Project:** Warner stated that the electrician is looking at the need for new switching gear.

**4) Portland Chemical**

**F New Business**

- 1) **South Cove Update-Middletown Development Associates:** Hayes stated he has been following up with Platosh, URS & ConnDot. URS is trying to get ConnDot to sign off on the proposal to get environmental assessment and a preliminary design of the interchange and a scope of work. Hays needs to get ConnDot se he can proceed with a phased plan and begin working on the SW corner of the interchange. Hayes could proceed with construction and allow access to the future road and get the development project started in 2 years. Daley stated that Hayes needs assurance that ConnDot agrees with the plan. Warner stated ConnDot held a meeting in early summer and had proposed a fall workshop showing both projects on the same map. Guy Russo, Water & Sewer, has recently met with the state to discuss the project. Daley questioned who at ConnDot could be called to keep the project moving. Bauer questioned whether Hayes sees the potential for another extension of due diligence period. Hayes stated he has until the end of August 2007 and that a lot depends on ConnDot. Daley stated ConnDot needs to provide more answers. Hayes said he would speak with Hurley.
- 2) **Middlesex Mutual Assurance notice of refinance:** (see section D Communications)
- 3) **Friends of the River:** Hibbard stated that Friends of the River (FOTR) had met with EPA and made a site tour of the Remington property and had a subsequent meeting with the Mayor, EPA and city staff. He further stated that FOTR seeks the highest and best use for the facility and the site can be transferred to FOTR in accordance with the transfer act. Warner stated the city couldn't transfer the site since DEP has Unisys under order to clean up the site and DECD has a mortgage on the property. Hibbard stated that EPA was initially very positive and would agree to a transfer to a good project for the highest and best use. Daley stated the next step is to have Unisys do the cleanup. Warner agreed stating once the cleanup and water & sewer project was complete the city could put the property up for sale with an RFP. Bauer questioned who could see the remedial action plan (RAP). Warner stated the RAP would be reviewed by DEP and the sent to the city and become public information. Warner stated the property would be cleaned up to industrial standards and questioned who would fund the gap to remediate to residential standards. Hibbard questioned if the remediation could be piggybacked. Hibbard stated the property is more suited to office, residential and entertainment standards noting that all of the projects shown EPA's book are mixed use and none are industrial. FOTR seeks to bring the property to a higher standard for future generations. Hibbard stated that the additional cost of \$2 million spread over the 180,000 square feet would not prohibit the project. Warner stated the city took the property to stabilize it and is waiting for the state to finish the project. The city cannot afford to invest large funds into the project without going to referendum. Warner stated the EPA agreed to look at the RAP to determine the cost to bring the property up to residential standards. Hibbard stated the oils used may have out flowed into the river resulting in lower remediation costs. Daley stated that the DEP has the ball. Hibbard asked who is pushing Unisys to complete the project. Warner stated DEP is responsible for getting the order done. Hibbard stated 5 years have elapsed. Warner stated the DEP continues to find reasons to study new areas. Frick questioned whether the remediation

work could go around Unisys but FOTR needs preferred developer status. Daley stated that the DECD grant needs to be spent before the state will release the lien. Warner stated the need to go out to bid again in January for the water & sewer project since the only bid was too high. Hibbard questioned whether one bid was a legal bid. Daley stated one bid makes it a legal bid. Frick stated it was a shame to let Unisys hold up development. Warner stated that DEP has ordered Unisys the responsible party, which should not be let off the hook. Hibbard stated he has bid on project done in different ways with splitting the difference between two parties, which would be a definite benefit. Hibbard said FOTR had spoken with DEP, EPA and DECD. Warner questioned if DEP would bring Unisys and FOTR together. Hibbard said the state might be willing to agree to a transfer before the remediation was complete. Warner stated VHB said that state would not allow this. Daley stated the city couldn't just hand the property over since there may be other proposals. Frick stated this is a public property and a full time project of \$20-30 million. Hibbard estimated the value at \$18 million and has challenges. Daley questioned whether FOTR was interested and prepared to buy the property. Hibbard stated yes. Frick said FOTR is also interested in the recycling and landfill areas. Daley stated the city must wait to convey the property until the project is finished. Frick stated DECD says the property can be conveyed prior to the completion. Hibbard stated that Ron Howard (not present) had spoken with DEP, DECD and EPA. Frick stated EPA has a new initiative and has offered FOTR money. Daley questioned why FOTR had not produced a letter stating the funding offer. Frick stated FOTR could get a letter and financial plans but was concerned about divulging proprietary information. Daley stated the city would solicit interest after the water & sewer project was completed. Frick stated FOTR would get a letter. Szewczyk requested FOTR produce a letter that would allow the city to convey the property and show the ability to fund the project.

- 4) **Panuzio & Giordano Public Affairs contract:** Warner reviewed the accomplishments of the lobbyist. Szewczyk questioned if the \$2,000/month would come from the Economic Development Fund. Daley stated the company performed well. Bauer stated that the new Congress may have a negative view of earmarks and the city may need the company's influence to garner the support from Middletown's congressional delegation. Warner stated that Lieberman and Delauro have a good relationship with Panuzio and the Mayor. A motion was made by Bibisi and seconded by Szewczyk to continue the contract for 1 year. The committee voted to approve the motion.

## **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**

- I Adjournment:** The committee adjourned at 6:38 PM.