

ECONOMIC DEVELOPMENT COMMISSION
Minutes of the Meeting of
February 28, 2007

PRESENT

Members: Chairman Robert Kapusta, Robert Gregory, Kathy Alagno, John DePalma, and Cyrus Settineri

Press: Frank Juliano, CT Post and Chris Radigan, New Haven Register

Guest: Steve Bravar, Director Corporate Communications, United Illuminating

I. Call to Order

Chairman Kapusta called the meeting to order at 12:07 p.m.

II. Approval of Minutes of Previous Meeting

A motion was made and seconded to accept the minutes of January 24, 2007 as distributed.

PASSED UNANIMOUSLY

III. Standing Reports

- A. Milford Chamber of Commerce – Ms. Alagno stated that The Chamber of Commerce is giving out \$30,000 worth of scholarships this year and she has an application for anyone interested or you can find the application on the website. There are approximately 25 Corporations in Milford who have joined in with this program which is funded in part by the Bic Corporation and also is funded by individual scholarships.

At the last Board of Director's meeting at the Chamber the Guest Speaker was Steve Paganelli from the Greater New Haven Convention and Visitor's Bureau who spoke about the importance of tourism in the New Haven region. The problem that the CVB is facing at this moment over the last 4 or 5 years is that their budget has decreased by 50%. Businesses in this area are not recognizing and not paying enough attention to what goes on with tourism and economic development.

The Chamber has Don Downs, Commissioner of the Department of Public Utility Control, at the Chamber in the morning (March 1) to talk about energy issues and rates in Connecticut.

Concerts are all set for the summer. The Chamber supported the dredging of the harbor. They had a request for support of Exit 33 entrance and exit ramps by the Stratford Chamber of Commerce. They did not approve or deny because they do not have enough information and there is not enough support to take any action on that.

- B. Milford Progress, Inc. – Mr. DePalma stated that the main topic at their meeting was the signage study for the City of Milford. Wilber Smith Associates is still gathering information and trying to get a grasp of the character and the political climate in the City before making recommendations.

Ms. Alagno stated that they are looking at Branford, Westport, Windsor and Wethersfield's sign regulations. Several members met with the Downtown Merchants Business Association and explained the process to them at their last meeting. MPI is going to have a focus group with the Downtown Merchants soon at the Chamber. A public meeting with a focus group for the general public will be held. Mr. Kapusta stated that the most important is the language that they offer to amend the regulations.

- C. Downtown Milford Business Association – Ms. Alagno reported that the DMBA is planning events for the spring and the summer. In the spring, they are going to do a project called the Open Door Downtown Milford. They are going out to secure sponsors and they are purchasing wooden doors that artists will then take and decorate and they will be displayed out on front lawns or in front of businesses. Then they will take these doors and auction them off as a fundraiser. They have the second annual Captain Kidd's Treasure Hunt coming up. DMBA is putting together the Dog Day's of summer sales event. They are talking about potentially putting together a Farmer's Market in the summer.
- D. Real Estate Trends & Developments – Mr. DePalma reported that he heard on the Business Report that sales of resale homes are up.
- E. Building Permit Task Force – Mr. Settineri handed out some information regarding Building Inspection Department City to City Comparison, a memo from the Mayor, Inspection Information and a Blank Customer Survey that was acquired through Mr. Raucci. Mr. Settineri continued by saying that he met with Mr. Raucci from the Building Department and he reassured Mr. Raucci that his interest in this matter was all fiduciary and that his goal was to improve the system or to improve the perception. There is a lot of investigation that needs to be done. Mr. Settineri said the Building Department just hired 2 additional employees. He has gotten complaints that when people went to the Department that nobody was there. The Building Department has provided Mr. Settineri with the last 100 permits that have been issued and he will be asking for the 10 contractors that take out the most building permits.

Mr. Settineri said he was very impressed with the Building Department and that everyone was very helpful and not at all a beauracratc environment. He said the main problem he believes is getting to the processing, not the processing itself.

Mr. Gregory has stated a number of times that Milford has been among the top 5 in the number of residential housing permits over the last 5 or 6 years in the State.

IV. Devon, Downtown & General Economic Activity

Mr. Gregory stated that the activity has been pretty quiet but there are still some things happening. Fairfield County Handyman Services has leased 800 square feet of industrial condo at 120 Research Drive. Perimeter Security has acquired a number of companies. It marks the ninth acquisition by Perimeter in the past three years.

V. Items & Matters of Continuing Interest

- A. Devon Revitalization Program – Mr. Gregory said that Phase II is complete. Milone and MacBroom has been selected to carry on Phase III that will be a continuation of the streetscape from the bridge to Naugatuck Avenue. The Committee decided at the last meeting that they would not seek to bury the utility wires on US 1. The Washington Bridge is almost complete. There will no longer be any other scheduled closings of the Bridge. The closings have significantly disrupted businesses. Mr. Gregory said that they are hopeful to get Phase III done this year. The design is going to be the same as Naugatuck Avenue.
- B. Walnut Beach Redevelopment – Mr. Kapusta and Mr. Gregory discussed the plans for the Silver Sands boardwalk that will go from Walnut Beach to Wildemere Beach for \$2M. The State is paying for the boardwalk and they have hired a design team to design it and the City will only be paying for the portion that comes into Milford on Walnut Beach. The State is handling the design work and the bidding.
- C. Correspondence – Mr. Gregory pointed out the letters that were sent to Wendy Weir and Paul Austin and the letter to Thomas Beirne, Jr. supporting the dredging of the harbor.
- D. Downtown Historical District – Has been unanimously approved by the Board of Aldermen. The next step is to appoint 5 committee members who must also be approved by the Board of Aldermen.
- E. Proposed Courthouse Expansion/Milford Post Office/Downtown Parking Structure – Mr. Gregory stated that a consultant has been hired by the State to assess the needs of the court and there have been some interviews held with court personnel. They have looked at their existing facilities.

There is still a question as to whether the State is going to handle this or whether they will allow the City to handle it or whether there is a joint role.

Mr. Kapusta said the State has hired a company named SLAM to do the need's study for the court expansion. Mr. Kapusta stated that the next step is to wait for the results of the SLAM report and see what they say.

Mr. Settineri asked if the Post Office would be relocated. Mr. Gregory said there have been a number of different facilities that have been looked at.

- F. Eisenhower Park – Mr. Kapusta continued by saying that a public forum was held in preparation to make a final report to give to the Mayor. Development will be done in 3 phases. Phase one is the environmental study which will involve improving the pond and the landscape. The cost is \$1/2M but that money is being contributed by CL&P and UI and will cost the City nothing. Phase two is the actual repair and renovations of the existing facilities. Phase three is potential future improvements. The report is being prepared to be given to the Mayor.

VI. Old Business – The dredging of the harbor was approved by the Board of Aldermen.

VII. New Business - Guest – Mr. Steve Bravar – Director Corporate Communications, UI. Mr. Bravar started off by saying that he has been in this business for 25 years. He worked abroad as a foreign agent for Hydro Quebec. He has been in the nuclear business. He has worked inside the fence line and outside the fence line. For UI he has been handling their communications which is a wire and pole company so he outside the fence line again. The slideshow presentation is to introduce everyone to the current situation.

Mr. Bravar stated that he has a background in economic development and that he worked for Central and Southern Vermont and a major conglomerate called the Vanderbilt Group both in the United States and abroad. The issue of energy costs has been accumulating over the last 10 years. Jim Torgerson is the current President and CEO of UIL Holdings that is the parent company of UI. UIL Holdings has a very typical arrangement for utility over the last 15 years where they created an umbrella company so that they could go out and diversify. Over the last several years UIL has sold off everything except UI. They have gone back to a parent company with one sibling and that's UI.

UI's service territory is about 300,000 plus customers, 730,000 residents and about 20% of Connecticut's load. The system that UI is involved in is 3 components: generation, transmission and distribution. Generation is the companies that create the electricity instantaneously for the wires. Transmission is the big wires that get it to us. Distribution is companies like UI that take it to the customer. There are 320 generation sites in New England alone. There are 8,000 miles of high voltage line and thousands and thousands of miles of transformers, distribution panels, underground and poles.

Energy comes from many different resources like gas, nuclear, coal, oil/gas, and wood/refuse. One of the major problems for this region is the lack of transmission capabilities. It is the lack of UI's ability to reach into the New England power grid and bring the energy to where we want. That is called congestion. Mr. Bravar stated that it is very difficult to get lines sited in CT. It is difficult to get plants built. Mr. Bravar continued by saying that we face the reality of an increasing energy demand about 4-7% a year, a limited pathway to bring energy in. There is no more energy that can be put on those lines to bring it here. There are siting issues that we restrict the number of lines permitted.

Mr. Bravar said by 1998 Energy Deregulation was passed in Connecticut. What this meant was UI was given a choice to stay in the generation business deregulated or staying in the lines and poles business in distribution and transmission. Which meant UI could buy energy they could not generate it and they could bring it to your house like a delivery service. UI would make their income off the charges for the lines and poles and a charge for that amount of energy UI would deliver to everyone. UI was required to sell their generating facilities and they have to follow the new statutes to get power. UI is a wires and poles company.

A discussion continued on the facts of what is actually happening with the energy issue. UI wants a stable price for energy and they want a stable source of energy. After the election, eyes focused right back on what is happening with the electricity costs. The Governor was proposing that UI offset the increase. Which meant that UI should pay for it which is an extra \$40M a month and about \$180M a year. The Attorney General said UI was not paying attention to what they were doing. UI has been trying to explain for the last 6 years what's going to happen with the energy costs.

The customers are going to pay out \$440M for this year for the premium price which is more than the yearly operating budget for the City of New Haven. The money is not going to UI. Mr. Bravar said UI believes to fix the situation they need long-term contracts. They need the ability to purchase electricity in different ways. The problem is that UI cannot talk to a generator or an aggregator at any time unless they are out soliciting contracts.

If the situation continues the way it is the customer would have 3 choices. One choice is to use the energy and pay for it; two is to find another supplier that is better than the UI supplier or three don't use the energy. Everyone needs to control their energy. The political bill 7098 should fix the problem. A motion was made by Mr. Settineri to send a letter to Speaker Amann but was tabled by Ms. Alagno until the Committee can read this bill and review it.

PASSED UNANIMOUSLY

The meeting was adjourned at 1:28 p.m.