

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

PRESENT

Members: Chairman Robert Kapusta, Vice Chairman Kenneth Brannin,
John DePalma, Robert Gregory, Cyrus Settineri, Peter Spalthoff,
Robert Stanton

Also

Present: Tom Cariglio – United Illuminating, Economic Development Specialist

Guests: Phil Craft and Robert Smith

Press: Brian McCready - NH Register, Frank Julianano – CT Post

I. Call to Order

Chairman Kapusta called the meeting to order at 12:00 p.m.

II. Approval of Minutes of Previous Meeting

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

PASSED UNANIMOUSLY

III. Standing Reports

A. Milford Chamber of Commerce – No Report

B. Milford Progress, Inc. – Mr. DePalma said that Ray Macaluso is going off the board and his expertise will be missed. It was reported that MPI has ten more lamps to put up on High Street.

Chairman Kapusta continued by saying that the Mayor is enthusiastic about Phase II, which is the phase regarding the wayfinding signs. Toward that end, the Mayor was involved in a meeting with the Planning & Zoning Board with Mr. Sulkis last week. The first phase of the project, which is the proposed regulation amendments, has been filed. Mr. Sulkis has received the final first phase report from Wilbur Smith and the necessary procedures are going forward. The Mayor has indicated that he wants to follow MPI so Kathy Alagno has been designated as a first contact for the Mayor in continuing the overseeing of that particular project.

C. Downtown Milford Business Association – No Report

D. Real Estate Trends & Developments – Mr. Kapusta commented that there were several articles in the paper in the past few days including today about the foreclosure situation in Connecticut as well as in the Southwest region. Raveis is being quoted as saying that values are off by 8% in Milford.

Mr. Spalthoff said that if Milford is 8% off and the property along the shore has increased by 200% and 300% then 8% is not much of a loss at all. Mr. Spalthoff continued by saying that he is comparing Milford to Trumbull because of their proximity to us and to the size of the City. If you look at Trumbull's year-to-date sales are down about 1% while their average house sales price went from \$455,000 to \$450,000. Stratford took a big hit; they went from 474 units down to 446, which is about a minus 6% and their average sales price dropped from \$290,000 to \$280,000. On the positive side, you take Milford and it tells a tale that we're still doing something great and this is a "hot" city. Milford is up over 3% on home sales from last year to this year and the average price is the same as it was last year at \$335,000. A discussion continued regarding housing and financing.

E. Building Permit Task Force – Mr. Settineri stated that he was in a meeting with the Mayor. There were a number of recommendations made to the Building Department in the last few months. Some of them have been implemented but the overall condition of the Building Department seems to be substantially unchanged and it is still a rather dire issue in the City. The Mayor has asked Chris Laux, who is the Chief Building Inspector for the State of Connecticut, to come down and to do an evaluation of our Building Department which will be happening in early December. There is an opinion among builders and contractors that are involved in the Building Department for the last few months that it is substantially unchanged with the problems they were experiencing months ago. Mr. Settineri stated that they would be developing some future plans and objectives in the next few months.

Mr. Cariglio added that he was at a business in West Haven at Mina Foods, who is moving to Milford at 100 Research Drive, and they are having trouble getting a building permit. Mr. Settineri continued by saying that it is a real disaster and he personally estimates that the Building Department is costing the City millions of dollars. It has come to the point where some contractors say that they will not build in Milford because it is such a nightmare. The Mayor is very concerned about this and is taking steps to correct the situation. Mr. Spalthoff added that this situation absolutely has a dramatic effect on the economics in this City.

IV. Devon, Downtown & General Economic Activity – Mr. Gregory said, in spite of all the problems, we still continue to experience good growth in Milford on both the residential side and the commercial side. Milford is

being penalized by the ECS formula because we have such a great grand list.

Mr. Gregory continued by pointing out that M-Bellish, which is a tearoom, opened in the former video store in Devon. They have a room in back on Friday nights that they have jazz piano entertainment. The former Gathering site was approved for CVS only. The Lowe's target date of November 25th was not met but they are close. Milford MarketPlace had a grand opening and they are doing very well. CBL is trying to accommodate Whole Foods' request for additional space.

Mr. Gregory stated that the Sikorsky Bridge is now an asset instead of a deterrent to economic development. The bridge is completed and not an obstacle any longer and just won an award from "Roads and Bridges" magazine. This fact alone will help the office park area because most of the companies come from either Fairfield county or New York City.

Mr. Kapusta commented on an article that Precision Manufacturing moved from Milford to Ansonia and the press commented that the company stated that they needed to go to a town that was business friendly. Mr. Kapusta commented that Milford is business friendly. Mr. Gregory stated that the Valley Council of Governments voted to extend \$130,000 to Precision. They were looking for public money to help their company. Mr. Gregory believed that this move was not anti-Milford. They just received certain incentives to move.

V. Items & Matters of Continuing Interest

- A. Devon Revitalization Program – Mr. Gregory stated that planning for Phase III for the streetscape along Bridgeport Avenue is ongoing and that it will go out to bid some time this winter with construction to start in the spring.
- B. Walnut Beach Redevelopment – Mr. Gregory commented that Susan Patrick bought the former Rapps Plumbing building and will have plans for the building in the future. The developer for the Beach Shore Village is talking to a number of merchants about the facade program that they are going to fund. Mr. Kapusta said he was told that there was a \$1M bond authorization in the budget but the government took it out and that was for the purpose of Arts District development.
- C. Correspondence – None
- D. Proposed Courthouse Expansion/Milford Post Office/Downtown Parking Structure – Chairman Kapusta continued and said that his understanding is that the budget was passed and approved for \$650,000 for a further courthouse study which is intended to develop the preliminary specification for the ultimate project which is the combination of the two buildings plus the parking structure.

E. Eisenhower Park – Mr. Stanton suggested that there has not been a lot of movement on the project but some of the progress has been reported in the local press. The study was put in the hands of the Mayor some time ago. It is now at the Parks Department for review and for their input and they will have the opportunity to amend or approve as written.

F. Welcome Letter to New Businesses – Chairman Kapusta stated that Mr. Spalthoff initially posed this idea. The Mayor endorses the idea. The idea is to have a letter to welcome new businesses as they come into Milford and mentioning what we have to offer them. Rather than have EDC do this letter, Kathy Alagno offered to take over this responsibility and to give EDC a report of new businesses. Mr. Stanton volunteered to put together a welcoming package for the Committee if he continues on with his term next year. Mr. Spalthoff sees this issue as a purely economic development issue and Chairman Kapusta agreed.

Mr. Spalthoff did not understand why this would not come from Mr. Gregory's office with someone on the Board to put together this package and letter so there is no undercurrent of it coming from an organization other than the Economic Development Department. The idea is to have a generic letter that will be signed by Chairman Kapusta and Mr. Gregory or even the Mayor. The packages should be put together way ahead of time and a minimal amount of letters will be sent out. Mr. Gregory stated that he would work with the Commission on this process and keep you updated through a report every month. Mr. Spalthoff also mentioned an exit interview would be helpful with the companies leaving the City to find out what was wrong. A discussion continued regarding this process. Mr. Gregory stated that he would prepare the letter and the package and work with the volunteers to identify those businesses that need to be visited.

G. Status of Signage Regulations – Wayfinding Signs – The Mayor has expressed an interest in this project because it is a joint project with the City, MPI and the Chamber. With that in mind the Mayor is going to oversee its progress and Ms. Alagno has been designated as the contact person.

H. Available Business Sites – Mr. Gregory stated that before CERC (the Connecticut Economic Resource Center) existed, he maintained a list of commercial property. CERC was created, which is a creation of the private sector and the public sector, UI is one of the contributors, and they developed something called Sitefinder. So whenever Mr. Gregory or anyone else wants to look for sites or properties available you can do this through Sitefinder. They have linked this to the Milford web page.

VI. Old Business - None

VII. New Business

Guest Speaker – Phil Craft and Robert Smith stated that they appreciate the support that they’ve gotten from the Commission and it has been very helpful especially with the Schooner Wharf project. One of the things that happened in Schooner Wharf was that the gallonage for commercial property in Milford is limited from the Sewer Commission to 1,500 gallons per acre. When they went to go develop that property they didn’t meet the criteria. Over time there have been a few districts that have been allowed more gallonage including downtown. There still remains six zoned areas that cannot be fully developed because of the 1,500-gallon criteria. There was much time and money spent by the City to create a plan of conservation and development. The zones were implemented but the sewer has never caught up and it does not match. Mr. Craft and Mr. Smith are looking for the support of the Commission to get the government to spend the funds or the time to get this completed.

The statement Mr. Smith took “Outback” as an example. “Outback” stated that they wanted to build in this area and at the time it was 1,500 gallon per acre. He looked at a bunch of sites and he probably would have taken a site in Milford except they needed 4 acres but the sewer capacity was not correct. Milford loses a lot of restaurants because of this fact. Mr. Kapusta asked what they wanted the Commission to do. Smith Craft replied that they are looking to have a letter of support to the Sewer Commission stating that the sewer capacity needs to be changed. They are also looking to add a couple of zones to increase gallonage.

Mr. Smith stated that the City needs to develop in accordance with the current zoning regulations. The sewer capacity as it is allotted today allows you to build 1/3 of what the zone says you can build. From a public policy standpoint you have a disconnect where you have a plan of development and zoning regulations design stating that says you can build a shopping center on your property. Then you go into zoning and it meets all regulations and is allowed by right to build this property. Then you go to sewer and they don’t give you enough sewer capacity to build on that property. Any parcel of property they look at they start the process backwards. They start with sewer first as opposed to what zoning allows.

When they first designed the sewer plan it was used as a way to control development in Milford. The unfortunate thing that has happened is that they have just redone the sewer plan for the City they ended up using the 1,500 gallons as the underwriting criteria again. The sewer plan is not correct. It should vary for zones. It just makes sense that a commercial zone has more sewer capacity that a residential zone. If you want to be a manufacturer and you want to use water and you have hundreds of people coming to work every day using the bathroom it just makes sense to have more sewer capacity allotted to your business than a house. When you

design your plan you go in and say this is how many gallons you need and the DEP approves the plans. The plan of development was just done and the City spent \$1M on the plan. The plan of development says we have zoning regulations that can't be fulfilled by the sewer regulations. The plan went through again and used the same calculation and made the same mistake and has basically reduced property values throughout the City.

Chairman Kapusta stated that he had a letter from MPI, which Mr. Craft asked for, to Paul Austin. Chairman of the Sewer Commission, which requests the flow study be expedited and that certain steps be taken before the whole sewer study is complete. Mr. Craft said that they are looking for the support to get the process moving because they have been told this for about 10 years that they were working on this problem. As they understand it there will be another flow study for certain areas to make sure the gallonage is correct. Mr. Smith stated that he believes it is a complicated issue for a Board member. It is really engineering and it's easy for us to complain because they want to build and do things but it is a hard issue for them to understand. The underlying point is why can't the City just give the sewer capacity out and just keep track of what they give out based on use. Other cities track what they are allotting and allocate out based on zoning. When they get near their capacity limits they go back and expand their plan. The City of Milford is rationing it out and not letting economic forces come in and say they need 10,000 gallons a day for my factory but they won't give it to me. This is an economic development issue. A discussion continued regarding support to fix this problem. It was decided to invite the Chairman of the Sewer Commission and the City Engineer to the next meeting. The Commission decided not to meet in December. The next meeting will be held on January 23.

The meeting was adjourned at 1:15 p.m.

Respectfully submitted,
Donna Holden