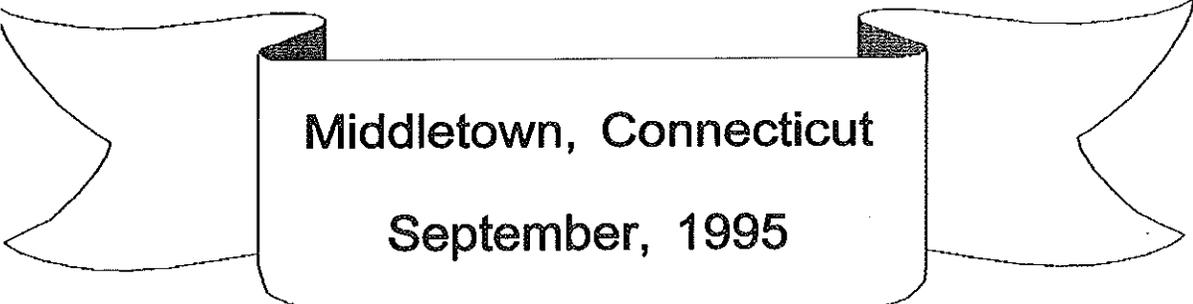


# **Final Report**

of the

# **SUPERMARKET TASK FORCE**



Middletown, Connecticut

September, 1995

## REPORT OF THE SUPERMARKET TASK FORCE

On February 6, 1995, the Common Council adopted a resolution, endorsed by the Economic Development Committee, establishing the Supermarket Task Force to investigate the potential of encouraging a supermarket to locate in the downtown (Attachment A).

An organizational meeting was held on March 15, 1995, at which time Henry Novicki was elected Chair, Susi Dellonna Vice Chair, and Robert Bourne Secretary. The full list of members is shown as Attachment B. At the same time, the Committee established a schedule of monthly meetings and organized several subcommittees.

The Task Force discussed the context of Middletown's problem with that of the Nation. As reported in the Community Development Digest on June 6, 1995, there is a so-called "grocery gap" particularly in low income neighborhoods Nation-wide. While supermarkets are moving to more spacious quarters --- the typical new store exceeds 50,000 square feet --- lower income residents of the downtown and other City neighborhoods must rely increasingly on small grocery and convenient stores which feature less selection and, typically, higher prices. Persons in these situations must move often than not utilize public transportation to access shopping at larger stores. Some larger cities have successfully attracted supermarkets back into their downtowns. Boston, Chicago, and Cleveland have been cited as successfully bucking the trend by attracting supermarkets to downtowns or lower income neighborhoods. In Connecticut, Bridgeport has been cited as one community which is still desperate for grocery stores in lower income areas.

The Task Force was provided with copies of a study prepared for the City of Hartford. That report recommended that City and private investors cooperate to attract a supermarket, specifically chains from outside the Greater Hartford marketplace with some inner city

experience. The report also noted that smaller chains can thrive if they are given effective help and incentives.

While the City of Middletown is not in the same category as larger communities which have large pockets or neighborhoods of extremely low income people, the Task Force noted community subgroups whose grocery needs must be addressed in a more effective way. Specifically, the Task Force identified: elderly residents of South Green Apartments and Sbona Towers; low income residents, principally, at Traverse Square; and, the Wesleyan student community. It should also be noted that census tract 5416 encompassing most of the Central Business District has been identified in the 1990 Census as having the lowest per capita income of any of the City census districts. It is for this reason that an Enterprise Zone has been approved in the downtown area and, further, that most of the Community Development Block Grant initiatives are targeted for the downtown. So while there is only one public housing project in the downtown, there is wide-spread residency of lower income families and individuals throughout the central business district.

When discussing the process of attracting developer interest for a market, identifying potential sites is important. Task Force discussions initially centered on those sites which could accommodate a 50,000 square foot facility. They are: the Metro Square block which until several years ago housed Waldbaum's 28,000 square foot retail facility; and, Riverview Center with its vacant Sears building. At the same time the Task Force remained cognizant of the service provided by smaller food stores in the downtown including Vinci's Market, Public Market, Aresco's, It's Only Natural, Middlesex Fruiterie, and the Neon Deli. These retailers provide specialized shopping service to the residents of the downtown and were encouraged to participate in the process of seeking a larger grocery store. J. L. Pizzaro citing his recent experience as the Downtown District Manager noted locational criteria supermarkets have established. They include high traffic volumes, one stop shopping effect, customer safety, lack of downtown congestion, abundant lighting and maintenance, a

minimum of 50,000 sq. ft. of floor area and five (5) parking spaces for each 1,000 square feet of floor area.

The Task Force on April 20, 1995 held a public hearing in the community room of the Senior Center at 150 William Street. This public hearing was preceded by newspaper notices and public notices placed throughout the downtown and in low income neighborhoods (Attachment C). The response was extremely enlightening particularly concerning the plight of senior citizens. Many seniors desire to shop at a full grocery store with competitive prices which can be conveniently reached during the daylight hours. Some seniors feel that the smaller downtown markets engage in price gouging and that product choices are extremely limited. While many seniors do patronize the Super Stop & Shop they must rely upon public transportation thus limiting their ability to purchase frozen products (particularly during the summer months) and limiting their ability to buy volume items. Seniors using a cane or other walking device can only carry one bag at a time. Senior citizens feel unsafe shopping at night. They are very price conscious. Generally seniors avoid the grocery items being offered in the downtown area except if they are looking for specialty or ethnic foods. The public hearing also provided an opportunity to open discussion on the idea of the Middletown Housing Authority participating by serving as a co-op for bulk delivery of larger items such as paper products.

At the public hearing, R. Waters, owner of Suburban Stationers in Metro Square expressed his interest in opening a small market in the range of 3,000 - 5,000 square feet. One of the difficulties to overcome is the non-compete clause Waldbaum's negotiated in Metro Square requiring the owners of Metro Square to lease only to non-food store users. Waldbaum's is still paying the lease on their vacant 28,000 square foot facility until the year 2003.

Following the public hearing, a series of petitions were submitted to the Task Force representing large constituencies from 65 Church Street (South Green Apartments), 144

Broad Street and users of the YMCA, all encouraging the attraction of a supermarket to the downtown. There is a total of 339 names affixed to these petitions.

The Commissioner of the CT Department of Economic Development, on December 2, 1994, signed documents designating a large portion of the downtown together with a portion of the North End Industrial Area as being within the Connecticut Urban Enterprise Zone Program (Attachment D). The purpose of the Enterprise Zone Program is to increase private investment within the Zone itself and to stimulate investment in the balance of the City. Additionally, it is designed to expand the tax base, to increase employment, to improve the physical character of the Enterprise Zone by reducing property abandonment and housing blight and, finally, to facilitate and encourage the formation of creative and effective public/private partnerships for community development.

The incentives under the Enterprise Zone program are aimed primarily toward the manufacturing sector, that is, those businesses that have SIC codes ranging from 2000 to 3999. These incentives are in the form of tax abatements, corporate business tax credits and exemptions from State real estate conveyance taxes. There are, however, some benefits which flow to commercial and residential building owners. These include a seven (7) year graduated tax deferral of increased taxes resulting from property improvements and exemption from State real estate conveyance taxes. The Urban Enterprise Zone Program has a working relationship with the State's utility companies in an effort to attract supermarkets to the downtown. To that end, Northeast Utilities offers an electric rate "break" for supermarkets located within an Enterprise Zone. However, markets must generally exceed 50,000 square feet and must be open twenty-four (24) hours a day. In short, except for the graduated tax deferral and exemption from real estate taxes, the Urban Enterprise Zone Program is not the complete answer for providing the incentives to attract a new food market in the downtown.

More practical are some of the provisions of the Tax and Business Incentive Ordinance as adopted by the City in June of 1994 (Attachment E). Under this program, the Common Council has the authority to provide a full range of tax abatements and other development incentives, including but not limited to, the waiving of building permit fees, in-kind infrastructure improvements, the waiving of utility hook-up charges and direct grants to applicants for infrastructure improvements. These incentives are in proportion to the proposed value of taxable investment in the community and the number of new jobs being created.

One of the fringe benefits of the Connecticut Urban Enterprise Zone Program is the ability of a developer to utilize the URBANK program as administered by the Connecticut Development Authority to obtain conventional financing for projects that create and retain jobs in designated urban centers such as Middletown. This program allows for a maximum \$500,000 to be loaned for any business purpose involving the purchase of real estate, equipment, lines of credit and term working capital with special emphasis given to small businesses owned by minorities and women. URBANK can be used for a broad range of purposes and is accessed through local banks. Locally, Farmers & Mechanics Bank and Liberty Bank are both enrolled in the program, as well as the other commercial lenders not based in Middletown.

A second program available via the Enterprise Zone, is the Community Economic Development Fund, which in addition to making loans of \$5,000 to \$500,000 to small businesses and mixed use property owners, provides technical assistance in developing business plans, management skills and financing strategies. Both the URBANK and Community Economic Development Fund are designed to assist smaller businesses become established.

The Supermarket Task Force, realizing the likelihood of attracting a 50,000 square foot facility to the downtown is perhaps not realistic, looked at other grocery chains which are smaller, yet competitive in the marketplace. These include Tri-Town, IGA and Shaw's. To that end, Chairman Novicki corresponded with Shaw's. Their response indicated an interest in the general Middletown area, but noted that the downtown site was too confining to accommodate their current proto-type store and required parking. It should be noted that Shaw's has made entry in the State of Connecticut by opening markets in Manchester and New Britain. Additionally, conversations were held with operators of Tri-Town and IGA stores. One of the deterrents is that these are independently owned and, quite often, it takes all the resources that small business operators can muster to keep one store going, let alone multiple units.

Both the Red Cross and Middletown Area Transit (MAT) provide transportation services for elderly. MAT reaches most elderly housing complexes with connections to the Super Stops & Shop in Middletown and Cromwell and to the Waldbaum's store on Washington Street. Despite this schedule, the elderly require some variations to the scheduled stops which will allow for either shorter visits (thus avoiding a long wait for the next bus) or longer visits (not being rushed to avoid missing the bus). Some senior citizens, particularly the frail elderly, are unable to utilize the bus while others, notably at Marino Manor, prefer to drive their own vehicles.

Potential solutions to these and other seniors' grocery shopping difficulties include: assistance at the market and on the buses in helping load and unload grocery bags; use of Americorp volunteers to ride buses; call pick-up service; group trips by housing complex; use of the MAT trolley; increased number of shopping trips; and, designated check-out stations for seniors at the supermarkets.

**Conclusion:**

The Supermarket Task Force respectfully submits to the Mayor and Common Council that the enticement of a supermarket in the downtown may not be practical at this point and time. Rather, a smaller grocery store on the order of 3,000 to 5,000 square feet, appropriately located, may be the better option. The chains all develop on the basis of a proto-type which seems to be in the order of upward from 50,000 square feet and, because of space and market limitations in Middletown's Central Business District, do not see this City as a near-term development opportunity. Rather, the Task Force recommends that independent ownership and operation be sought through a variety of incentives, principally the Business and Tax Incentive Ordinance and financing that can be accessed via the Enterprise Zone programs. In terms of siting a store, the ideal location is the Metro Square project area. Cognizant of the non-compete clause, the Task Force feels that anywhere between Union and Court Streets, on the east side of Main Street, would be practical since this entire area is now lacking a grocery store. This also provides opportunities in several underutilized blocks for parking to support the store.

In response to the needs articulated by senior citizens, the City should investigate ways of facilitating shopping patterns to increase the transportation opportunities from sole reliance on the schedules of MAT or Senior Citizens busing which do not allow the freedom necessary for seniors to fulfill their shopping obligations. Additionally, the City should seek to work with the Middletown Housing Authority in developing a co-op for bulk items and/or to coordinate the delivery of groceries.

In sum, the Task Force highly recommends that a smaller market be located in the downtown and that the full resources of the City and its agencies be employed to provide the incentives and encouragement necessary to attract independently owned full service grocery store.

## **ATTACHMENTS**

- A. Common Council Resolution**
- B. Task Force Membership**
- C. Public Hearing "Flyer"**
- D. Enterprise Zone Information Packet**
- E. City Tax and Business Incentive Ordinance**
- F. Task Force Minutes**
  - **March 15, 1995**
  - **April 20, 1995**
  - **May 18, 1995**
  - **August 15, 1995**

**RESOLUTION**

***WHEREAS, since the departure by Waldbaum's from Metro Square, Middletown's downtown and its residents have lost the convenience and opportunity that an urban chain supermarket can offer;***

***WHEREAS, while Middletown currently benefits from the several fine specialty food stores located in its downtown, the lack of a large urban chain supermarket leaves the citizens who live in or near the downtown, many of whom are senior citizens and students who have few transportation options, with limited access to a wide variety of food choices and competitive prices;***

***WHEREAS, in addition to their other attributes, large urban supermarkets add stimulus to neighborhoods, to the shopping centers in which they are located and also provide employment opportunities to local residents;***

***WHEREAS, the City is now a designated "target investment area" and the downtown has been granted an "Enterprise Zone" designation by the State of Connecticut, thus giving the City and its businesses access to certain business incentives and tax breaks; and***

***WHEREAS, incentive programs such as the enterprise zone incentives and particularly URBANK II should be explored to see whether they can be used to encourage the location of a large supermarket in the downtown;***

***NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL that a Supermarket Task Force be established by the City of Middletown through the Mayor's Office for the purpose of investigating the potential for the development of a large chain supermarket within the city's Enterprise Zone;***

***BE IT FURTHER RESOLVED THAT said task force be given the resources and city staff assistance necessary to successfully complete its charge;***

***BE IT ALSO RESOLVED THAT the task force in its report to the Common Council answer, among other things, the following questions:***

- o What are the factors used by chain operators in locating a store?***
- o What incentives (zoning, leasing of city land, tax incentives ), if any, should the city offer to encourage such development?***

***BE IT FURTHER RESOLVED THAT the Supermarket Task Force present its written report to the Common Council no later than August 7, 1995.***

***Submitted by Mayor Thomas J. Serra***

**SUPERMARKET TASK FORCE MEMBERS**

**Henry Novicki, Chair**  
**Susi Dellonna, Vice-Chair**  
**Robert Bourne, Secretary**

**William Corvo**  
**J. L. Pizarro**  
**James Salafia**  
**Albert Santostefano**  
**Missy Winzer**

**William Kuehn, Staff**

**ATTENTION:  
DOWNTOWN RESIDENTS  
WESLEYAN STUDENTS  
SENIOR CITIZENS**

**PUBLIC HEARING  
ON THE NEED FOR A  
DOWNTOWN SUPERMARKET  
- OR ALTERNATIVELY, THE  
NEED FOR CERTAIN FOOD/  
GROCERY ITEMS NOT  
PRESENTLY OFFERED  
BY STORES IN THE DOWNTOWN.**

**THURSDAY, APRIL 20, 1995**

**5:00 P.M.**

**COMMUNITY ROOM  
SENIOR CENTER  
150 WILLIAM STREET  
MIDDLETOWN**

**SPONSORED BY: THE SUPERMARKET TASK FORCE  
CITY OF MIDDLETOWN**

## Connecticut Urban Enterprise Zones & Enterprise Corridor Zones

Enterprise Zones were created to encourage the reuse of established industrial areas of the state. Businesses can take advantage of a complete package of state and local incentives, electric utility economic development rates, and the generally more affordable rents in these older industrial areas.

The Connecticut Department of Economic Development, in partnership with participating local communities, provides companies with a Certificate of Eligibility for Enterprise Zone benefits.

The following benefits are available to assist the growth of sound business and residential development to firms that move to or expand within an Enterprise Zone.

### Benefits

#### Manufacturing & Service Businesses

- A five-year 80% abatement of local property taxes on real estate improvements and personal property acquisitions.

- A ten-year 50% corporate business tax credit, and a grant up to \$1,500 per position, when at least 30% of new employees are either residents of the zone or eligible for federal job training subsidies. The maximum grant is \$75,000.

- Exemption from state real estate conveyance taxes and sales taxes on manufacturing replacement parts.

- Job training and placement assistance.

#### Commercial & Residential Building Owners

- Minimum seven-year graduated tax deferral of increased taxes resulting from real property improvements. The income of occupants of residential properties must not exceed 200% of the median incomes of the municipalities.

- Exemption from state real estate conveyance taxes.

- Additional local abatements may apply, but must be negotiated up front.

#### Electric Utility Rates

- Special Economic Development Rates and Riders may apply to businesses locating within Enterprise Zones. Businesses that qualify are eligible for discounts on electric rates.

### Eligibility

#### Businesses

■ **Manufacturers** — SIC code numbers from 2000-3999.

■ **Service Industries** — Companies providing direct service to the public are not eligible.

■ **Businesses in the Enterprise Zone** making significant investment in facility renovation or expansion.

#### Buildings

■ **Must be either newly constructed or substantially renovated or expanded, or facility must be acquired by new owners after being idle for a minimum period of time, generally one year.**

■ **May be acquired by purchase, or by lease for a certain minimum term.**

■ **Should the company decide to move within that term, the existing Certificate of Eligibility stays with the building if new occupants move in within 90 days.**

### Urban Jobs Program

■ **Available to eligible companies that operate in Targeted Investment Communities (any community with an Enterprise Zone), but are not located within the Enterprise Zone.**

■ **A ten-year 25% corporate business tax credit. Also provides many of the incentives offered by an Enterprise Zone location.**

### Application Process

■ **Application criteria are the same for the Enterprise Zone or Urban Jobs Program.**

■ **Applicants contact Department of Economic Development, where they are qualified and receive preliminary application.**

■ **Final application must be completed prior to project completion, so Certificate of Eligibility can be issued and exemptions can be claimed.**

### Targeted Investment Communities With Enterprise Zones

Bridgeport	New Haven
Bristol	New London
Groton	Norwalk
Hamden	Norwich
Hartford	Stamford
Meriden	Waterbury
Middletown	Windham
New Britain	

### Enterprise Corridor Zones

#### Along Interstate 395:

Griswold	Putnam
Killingly	Sprague
Lisbon	Sterling
Plainfield	Thompson

#### Along CT Route 8:

Ansonia	Seymour
Derby	

### For More Assistance

Connecticut Department of Economic Development Regional Managers are on call to assist companies contemplating Enterprise Zone applications, or who need assistance or information on other state programs.

Just call the Connecticut Economic Resource Center, Inc. at 1-800-392-2122.

**Connecticut Department of Economic Development**

In Partnership With

 **Connecticut**  
Economic Resource Center, Inc.

1-800-392-2122

Connecticut. The state that thinks like a business.

## ENTERPRISE ZONE

.....in order to:

- *increase private investment within the Enterprise Zone and stimulate investment in the surrounding community*
- *expand the tax base of the Enterprise Zone community*
- *increase employment and training opportunities placement for residents of the Zone and surrounding community*
- *improve the physical character of the Enterprise Zone by reducing property abandonment and housing blight*
- *facilitate and encourage the formation of creative and effective public/private partnerships for community development*

**Real & personal property tax abatements, deferred increased assessments for improvements, State corporation tax abatements, real estate conveyance tax waivers, job creation grants and access to other State incentive programs ...**

An Enterprise Zone (EZ) was authorized in December 1994 by the State of Connecticut, which includes most of the Downtown and part of the North End Industrial Area. This designation entitles businesses in Middletown - particularly manufacturing concerns - to apply for the State benefits of a "Targeted Investment Community", as well as the additional incentives for businesses located within the Enterprise Zone.

### Guidelines at a Glance:

- Qualification of businesses and projects is the responsibility of the State of Connecticut, Department of Economic Development.
- Incentives are applicable only for a company with an eligible project within the City of Middletown's Enterprise Zone. If a project in Middletown is not within the Zone, incentives will be available on a discretionary basis.
- The Enterprise Zone is located generally within the following boundaries: the Ct. River to the east; Union Street to the south; Main Street to the west up to Court Street, thence northward, the rear property lines of Main Street properties up to the Arrigoni bridge approach; and to the north, properties which abut the Arrigoni Bridge, including the railroad property.
- 80% real and personal property tax abatement is available for five years on new buildings, buildings idle for at least one year, or added value of an expanded or substantially renovated building. Abatement also applies to machinery and equipment new to the grand list and installed in a qualifying building.

- 25% abatement of corporation business tax for ten years is available on income attributable to the qualifying facility. This incentive is increased to 50% abatement for a ten year period for Enterprise Zone businesses, if 30% of their new employees reside in the EZ area, or are from qualified groups of unemployed workers.
- Increases in assessed values, resulting from real property improvements in the EZ are abated for seven years along the following schedule: 100% in years 1 & 2; 50% in year 3; and declining by 10% in each successive year.
- Enterprise Zone property transfers are eligible for forgiveness of the 1/2 percent State conveyance tax.
- Sales of replacement tools and parts for manufacturing are eligible for a State sales tax rebate.
- Manufacturers with SIC codes ranging from 2000 - 3999 may be eligible for the Manufacturing Property Tax Exemption for a period of four years for new machinery and equipment used predominately in the manufacture or production of goods, research and development, design, and engineering of manufactured products.
- Job incentive grants of \$500 per new job created in qualifying newly constructed, expanded or substantially renovated or idle manufacturing facilities are available to businesses in the EZ. The company must create a minimum of three jobs. Grants may be increased to \$1,500 per job in the EZ, provided that 30% of the new hires reside in the EZ area, or are from qualified groups of unemployed workers in the City of Middletown. Maximum grant is \$75,000.
- State and Federal programs and tax credits may be available for on-the-job-training and new hires meeting their respective program guidelines.

*...for further information...*

**William M. Kuehn, Jr.**  
City of Middletown  
Municipal Development Office  
245 DeKoven Drive  
Middletown, CT 06457

Phone: (203) 344-3419  
FAX: (203) 344-0136

*...for preliminary review and application ... contact:*

**Shyama Jalpershad**  
State of Connecticut  
Department of Economic Development  
865 Brook Street  
Rocky Hill, CT 06067-3405

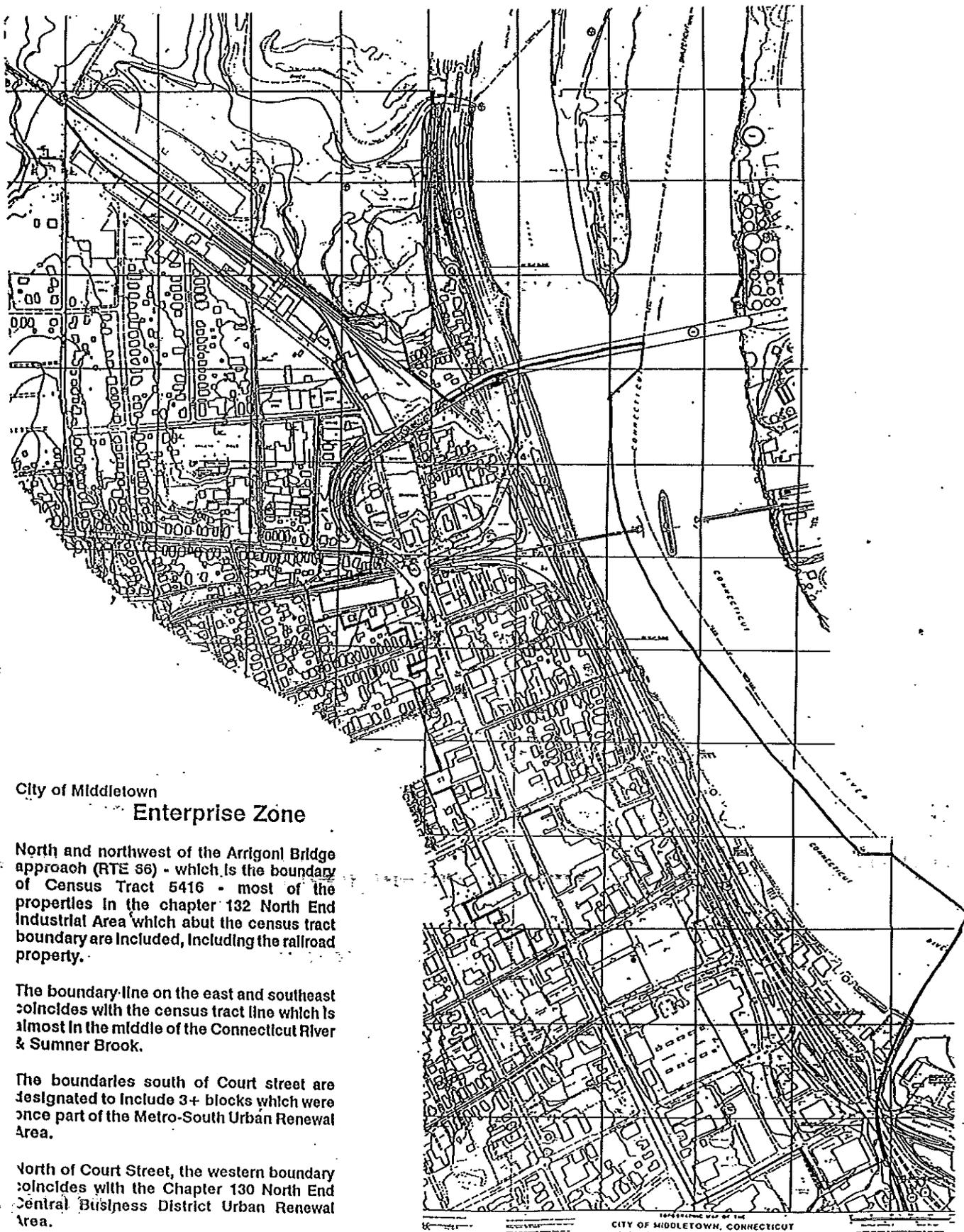
Phone: (203) 336-8700  
FAX: (203) 366-7611

### Connecticut Small Business Reserve/Urbank

The Urbank program, administered by the Connecticut Development Authority, is available through area banks to any small business enterprise unable to obtain conventional financing for projects that create and retain jobs in designated urban centers including Middletown. The program allows for a maximum of \$500,000 to be loaned for any business purpose involving the purchase of real estate, equipment, lines of credit, and term working capital with special emphasis given to small business owned by minorities and women. Urbank can be used for a broad range of purposes including agriculture, commercial, industrial, retail or service. This program is accessed through local banks. CDA officials are in the process of enrolling Middletown's two locally based banks, Farmers & Mechanics and Liberty.

### Community Economic Development Fund

A second program offered now is the Community Economic Development Fund. This operates in conjunction with business technical assistance and financial lending programs to promote community based economic development. As established by Public Act 93-904, the stated goal is "to strengthen neighborhoods by maintaining or creating employment for neighborhood residents, generating tax revenues and stemming physical deterioration and social problems....." In addition to making loans of \$5,000 - \$500,000 to small businesses and mixed use property owners, this program also provides technical assistance in developing business plans, management skills and financing strategies.



**City of Middletown  
Enterprise Zone**

North and northwest of the Arrigoni Bridge approach (RTE 56) - which is the boundary of Census Tract 5416 - most of the properties in the chapter 132 North End Industrial Area which abut the census tract boundary are included, including the railroad property.

The boundary line on the east and southeast coincides with the census tract line which is almost in the middle of the Connecticut River & Sumner Brook.

The boundaries south of Court street are designated to include 3+ blocks which were once part of the Metro-South Urban Renewal Area.

North of Court Street, the western boundary coincides with the Chapter 130 North End Central Business District Urban Renewal Area.

## **TAX AND BUSINESS INCENTIVE ORDINANCE**

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MIDDLETOWN That a new Sec. 28-9. Tax and Business Incentive Program be added to Chapter 28 of the Middletown Code of Ordinances to read as follows:

**Sec. 28-9. Tax and Business Incentive Program.**

**A. Purpose**

The purpose of the Tax Incentive Program is to attract new firms to the City of Middletown and to promote expansion of existing businesses and industry. It is the intent of the city to provide and create jobs for local and area residents; to create long term tax base growth through the replacement, reconstruction, expansion and remodeling of existing business and industrial facilities, where appropriate and environmentally sound; to encourage the construction of new facilities, when necessary, and to create the potential for generating new demands for existing local businesses through a "spin-off" effect of major employers' business decisions. It is further the intent of the City of Middletown to encourage substantial investment in new equipment and other personal property subject to taxation within the City.

In addition to the incentives provided hereunder, the applicant may also be eligible for incentives allowed under other ordinances and provisions of the City of Middletown and State of Connecticut including Section 28-7 of the Middletown Code of Ordinances and Section 12-127a of the Connecticut General Statutes, as amended.

**B. Qualifying Businesses**

The following types of businesses, consistent with City codes, shall receive priority consideration for development incentives:

- (1) Manufacturing firms as defined in the Economic Development and Manufacturing Assistance Act of 1990, as amended.
- (2) Facilities designed for the management and administrative support of business activity located elsewhere.
- (3) High Technology Firms.
- (4) Wholesale/Distribution Firms providing new employment not less than one (1) job per each 1,000 sq. ft. of gross building area.
- (5) New retail businesses in the central business district.

Notwithstanding the listing of priority businesses, all companies should meet the following standards:

- (6) Possession of a good, recent environmental "track record"; or, through relocation to an area with appropriate infrastructure, begin meeting its environmental responsibilities.
- (7) Investment of \$100,000 or more in new or rehabilitated facilities and/or equipment.
- (8) Creation of at least five (5) new jobs.
- (9) Provision of a solid financial base and growth potential through the preparation of a business plan which demonstrates possessing the capital necessary for reasonable business growth.

Program

C. General Requirements

Applications for tax incentives under this program will be considered under the following circumstances:

- (1) The proposed project is located in an appropriate zone as defined in the City of Middletown's Zoning Code.
- (2) If the applicant is a tenant, the tax benefits must be reflected in the lease and the lease must be for at least the term of the tax abatement period.
- (3) There is no delinquency in any taxes or service charges due the City of Middletown.
- (4) The project should have a clear benefit to the City of Middletown

D. Local Employment Considerations:

To the extent feasible, the applicant shall commit to the utilization of City based businesses and City residents during both the construction and operation phases. The following guidelines are offered to assist in achieving these goals:

- (1) To the extent feasible, the applicant shall commit to hire City residents for new positions created as a result of the development project.
- (2) Applicants shall estimate the number of anticipated new hires, the skills required and the timing of such new hires.
- (3) Applicants shall provide a copy of its affirmative action/hiring statement or plan.

E. Application Procedure

All tax abatement requests shall be made in writing on a form prescribed by the City of Middletown. The applicant must indicate that the new investment would not occur within the City of Middletown without the tax incentive requested. Two copies of the application must be submitted simultaneously - one to the Mayor and the other to the Office of Municipal Development.

The application for tax abatement shall first be referred to a Tax Abatement Incentive Committee consisting of the following: two members of the Economic Development Committee, a representative of the Mayor's staff, the Tax Assessor, the City Planner, the Municipal Development Director; and the Director of Finance. All shall be appointed by the Mayor with the approval of the Common Council. Said Committee shall review the application to determine if the application conforms to and complies with the City's requirements. Each complete application shall be reviewed on a case-by-case basis. Within 15 days of receipt of the proposed tax incentive package, the committee shall report their findings to the Common Council who shall within 15 days act upon the application.

All final approvals shall be granted by the Common Council.

In the event of unusual or extraordinary circumstances, the Common Council may alter or waive any requirements contained herein.

Page

F. Tax Abatement Agreement

Pursuant to Section 12-65(b) of the Connecticut General Statutes, as amended, the assessment of real property and all improvements thereon or therein may be fixed for a period of not more than seven years provided the cost of such improvements to be constructed is not less than \$3,000,000; or for a period of not more than two years provided the cost of such improvements to be constructed is not less than \$500,000; or to the extent of 50% of such increased assessment for a period of not more than three years provided the cost of such improvements to be constructed is not less than \$100,000.

The fixed assessment period shall commence with the first fiscal year of the City of Middletown for which a tax list is prepared on October 1st immediately following the issuance of a Certificate of Occupancy for any construction. The assessment of the real property for the period prior to the affixed assessment period shall be determined in the normal course pursuant to state and local laws and ordinances.

Pursuant to the Manufacturers Assistance Act, the City will assist all qualified businesses to obtain tax relief from the State on equipment used in manufacturing as defined in Section 12-65(h) of the Connecticut General Statutes, as amended. Machinery and equipment must qualify for five or seven year depreciation for federal tax purposes. New tangible personal property acquired by lease or purchase must be used predominately in the manufacture or production of goods, research or development design and engineering of manufactured products.

After approval of any application by the Common Council, construction shall commence within twelve months and shall be completed within 24 months. Any extension from this requirement must be approved by the staff Committee and the Middletown Common Council.

All agreements shall contain a provision that any business granted a tax incentive abatement, shall repay the City the dollar amount of any incentive contained in such agreement if such business does not meet obligations contained in such agreement.

G. Partial Tax Exemptions for Real Estate

Within the parameters of C.G.S. Section 12-65(b), as amended, a business will be granted partial exemption from real estate taxation for the term of years which will vary in accordance with the scale of new development.

The number of years of partial exemption will be determined in accordance with Table A. The percentage of partial tax exemption for each fiscal year following the initial appearance of the new property on the City's tax role will be determined in accordance with Table B.

H. Other Development Incentives

In addition to, or in lieu of, tax abatements, the City will consider on a case by case basis, other financial/development incentives. Such incentives include but are not limited to:

- (1) Waiving of building permit fees, in whole or in part.
- (2) In-kind services such as infrastructure improvements by the City related to the development project. For example, road widening, storm drainage improvements, sidewalk construction.
- (3) Extension of water and/or sanitary sewer lines; waiving of "hook-up" charges.
- (4) Direct grants to the applicant for infrastructure improvements.

I. Any and all decisions to grant an incentive, pursuant to the terms of this Chapter, shall be within the sole and absolute discretion of the Common Council of the City of Middletown.

**TABLE "A"**  
**YEARS OF PARTIAL TAX EXEMPTION FOR REAL ESTATE**  
**VALUE OF IMPROVEMENTS**  
 (in thousands of dollars)

<u>NEW JOBS</u>	<u>100</u>	<u>500</u>	<u>1,000</u>	<u>5,000</u>	<u>10,000</u>	<u>15,000</u>
YEARS	2	3	4	5	6	7

**TABLE "B"**  
**ANNUAL PERCENTAGE OF FULL TAXATION**  
**FOR REAL ESTATE NEW TO CITY TAX ROLLS**

Years of Partial Tax Exemptions For Real Estate	Fiscal Years (Following Appearance of Property on City Tax Rolls)						
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
2	40	70	100	100	100	100	100
3	30	50	70	100	100	100	100
4	25	45	60	80	100	100	100
5	20	35	50	65	80	100	100
6	15	30	45	60	75	90	100
7	10	25	35	50	60	75	85

**SUPERMARKET TASK FORCE**

**MINUTES**

**MARCH 15, 1995**

**PRESENT**

H. Novicki  
W. Corvo  
J. L. Pizarro  
A. Santostefano  
M. Winzer  
S. Delldonna  
R. Bourne  
J. Salafia

**ALSO PRESENT**

W. Kuehn

The meeting was called to order at 5:06 p.m. in Room B15 of the Municipal Building.

There was no one from the public to address the Task Force.

Upon a motion by M. Winzer, seconded by W. Corvo the Task Force unanimously elected H. Novicki as Chair.

Upon a motion by W. Corvo, seconded by A. Santostefano the Task Force unanimously elected S. Delldonna Vice Chair.

Upon a motion by W. Corvo, seconded by J. Salafia the Task Force unanimously elected R. Bourne as Secretary.

H. Novicki said the Task Force should find out why Waldbaum's went "downhill". R. Bourne suggested the Task Force determine "where we've been in order to find out where we should go". J. L. Pizarro said: he has talked to people from Waldbaum's; he will share with the Task Force his efforts to recruit a supermarket; there is a need of an action plan including an inventory of the past.; the Task Force needs to look for a marketing niche and distributed a sheet entitled "Action Plan" dated January 31, 1995 with various suggested tasks to be accomplished; and he has spoken to people in Hartford who indicated the lack of a supermarket in the downtown is not a unique problem..... much information is already on file.

W. Corvo said the Task Force needs to identify the perceptions and real needs. R. Bourne suggested an informal market study and to identify the housing markets within walking distance of the downtown. M. Winzer suggested a niche/specialty supermarket. W. Corvo questioned the number of sq. ft. of retail space in the downtown. J. L. Pizarro reported that Waldbaum's has a lease and will control the use of that property in the future. W. Corvo said all Metro Square leases were on a percentage basis; there are only two major properties Konover and the Metro Square to be considered for supermarket use. J. L. Pizarro said parking is a problem at both sites. W. Corvo asked if the Task Force should be looking at one large store or a cluster of smaller stores. R. Bourne said a social goal is built into the resolution which requires that certain questions be asked concerning the need and the space.

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J. L. Pizarro has spoken to personnel at two supermarket chains who had identified certain locational factors.....they do not locate in an urban setting; people want a small drive to the store; and, they want open parking areas.

W. Corvo asked if shuttle buses could be used for patrons. R. Bourne said the Red Cross provides trips during the daytime only-these must be arranged. R. Bourne noted that Pelton's sells grocery items. J. L. Pizarro said CVS also provides grocery items in some of their stores.

W. Corvo noting that a walk way in Riverview Center is virtually empty thought that area might be sized properly for some "mom and pop" stores who would qualify for REINVEST Loans. J. L. Pizarro suggested that the Task Force effort may include developing a packet of incentives. H. Novicki said we need to identify the clientele.

J.L. Pizarro listed some of the criteria supermarkets look for. They include: high traffic area; one stop shopping effect; customers's perception of high safety; no downtown congestion; attractive well lit, well maintained area; a slightly segregated location; minimum of 60,000 of sq. ft.; and, 5 parking spaces for each 1,000 sq. ft. of floor area. He noted some of the problems at Metro Square-poor visibility; poor parking; too close to the Super Stop & Shop; a non competitive downtown; and, the inability of the walk-in trade to support a downtown store. W. Corvo cited the earlier Carabetta plan for Metro Square which would include 500 dwelling units. H. Novicki thought there was a need for a medium size store. W. Corvo suggested the Task Force hold a public hearing to attract the potential target clientele such as, Traverse Square, River's Edge, North End, South Green Apartments, Wesleyan Students, and Sbona Towers residents. He further suggested the need to discuss Task Force efforts with existing businesses which include among others, Vinci's Market, Public Market, Aresco's, It's Only Natural, and The Neon Deli. To do that he suggested cataloging the existing stores, listening to the owners and, rather than "force feeding" a store into the Konover space, assisting existing owners through incentives to expand.

W. Corvo cited user friendly pedestrian amenities in the North End. It was noted the Woolworth store contains 11,000 sq. ft. J. L. Pizarro suggested the Task Force do an analysis of the dollars captured in the downtown stores and the dollars available to be captured; there may be a perceived problem of unavailability of groceries in the downtown.

R. Bourne suggested a brief survey of ten questions. A. Santostefano said we need to know what the public requires. J. L. Pizarro said that supermarkets will analyze the buying power of a neighborhood. J. Salafia felt that stores do not want to come to Middletown.

The Task Force agreed to meet on the 3rd Thursday of each month as follows: April 20th, May 18th, June 15th, August 20th and to hold other meetings as necessary. The Task Force suggested the conduct of a public meeting for April to be held in the Municipal Building by targeting residential neighborhoods with invitations and by placing notices on bulletin boards.

W. Corvo suggested the creation of the subcommittee to talk with landlords on rents, etc. and to determine their willingness to participate with the Task Force. He further suggested a subcommittee

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to talk with existing store owners. A. Santostefano concurred with extending this courtesy to the existing stores and suggested a need to coordinate activities with the Downtown Manager Advisory Board. W. Corvo said the mission of the Task Force to prepare a written report of options and considerations to be submitted to the Downtown Manager Advisory Board and to the Common Council.

Upon a motion by W. Corvo, seconded by A. Santostefano a subcommittee to meet with landlords was approved consisting of W. Corvo and H. Novicki.

Upon a motion by R. Bourne, seconded by M. Winzler a subcommittee of R. Bourne and W. Kuehn was approved to meet with store owners.

W. Corvo said the Task Force should frame all its public comments in a positive vein by indicating that they are looking for public input and fact finding. R. Bourne said the Task Force needs to identify the need and to identify what will work. It was agreed that H. Novicki as Chairman would act as a spokesman for the Task Force and that a press release should be drafted prior to the public hearing.

R. Bourne agreed to supply the Hartford study for copying to the rest of the Task Force.

There being no further business, the meeting was adjourned at 6:37 p.m.

  
Robert J. Bourne, Secretary

RJB/sh

**SUPERMARKET TASK FORCE**

**MINUTES**

April 20, 1995

**PRESENT**

H. Novicki, Chair  
J. L. Pizarro  
M. Winzer  
S. Dellonna  
R. Bourne  
J. Salafia  
W. Corvo

**ALSO PRESENT**

W. Kuehn  
(See attached attendance sheet)

The hearing was called to order at 5:10 p.m. in the second floor Community Room of the Senior Center, 150 William Street, Middletown. H. Novicki, Chair, explained the purpose of the task force and the desire to elicit public comment.

F. Muraca expressed her support of senior citizens who, should have a supermarket in the downtown noting it is unfair to disabled persons who cannot drive.

E. Mitchell, with a family member on disability, misses the Waldbaums store.

M. Winzer asked what residents are interested in. E. Mitchell replied, "A full grocery store."

H. Novicki asked those present why they thought Waldbaums closed and, if the city was able to attract a smaller market, what kinds of products are desired. F. Muroca responded that basic meat and vegetables are needed.

R. Bourne asked how the seniors presently get their groceries; responses were either the MAT bus or the senior bus. L. Toro expressed the problems of having to wait her turn for a bus, making it inconvenient to carry groceries. M. Hickey said she uses a cane and can't carry multiple packages and a cane at the same time.

L. Nowakowski explained the problems of having to wait for a bus at the supermarket; frozen food melts during the wait. As a senior citizen, she is tired after walking through Super Stop & Shop and additionally tired from waiting for the bus.

R. Bourne asked if senior citizens did night shopping. A chorus responded that they only do day shopping. F. Muraca said that seniors feel unsafe at night, besides, the buses stop at 6:00 p.m.

W. Corvo asked, if transportation were provided, what would be the store of choice? Numerous persons responded that wherever the best buys and the bargains are.

M. Winzer asked if residents felt safe shopping at Waldbaums when it was open; the unanimous

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response was, yes, if it was daylight

J. L. Pizarro asked if senior citizens shopped at CVS; many replied that they did. J. L. Pizarro asked if they purchased grocery items at CVS; a chorus responded, no. Others replied that the food items prices at Pelton's were too high. J. L. Pizarro asked if persons shopped at Public Market; a number of persons replied yes, if the weather is good.

G. Burden said there is a need for a mom & pop store in the South End of Middletown. L. Toro, whose husband has had a heart attack and stroke, said it is difficult to take the bus and do grocery shopping. She also cited "price gouging" at certain downtown stores for food items.

R. Bourne explained the experience in Hartford in attracting a downtown supermarket.

L. Toro who, because of her Spanish ancestry, tries to shop at Ortiz Market, cited high prices. C. Toro said the issue is just not that of a store, but rather a store with reasonable prices.

M. Winzer asked if seniors would use a warehouse type of store. F. Muraca said no, because persons would then have to buy in bulk, which is not practical.

J. L. Pizarro said that testimony further defines the problems in a downtown and the need to provide a store with a full line of groceries at competitive prices. He asked if the seniors desire to walk to a grocery market; all responded yes. J. L. said his office has looked at some of the issues and has identified problems from the food company's standpoint. He said there are three basic tiers of stores-the largest store deals in volume sales with competitive prices; the next tier is one in which no contacts have been made yet; and the smallest tier of store is one with limited stock and higher prices. He suggested the solution may require creative thinking.

R. Bourne said the committee must identify what people want versus what the city can attract. He explained that new tools are available to attract businesses with incentive programs being shared by both the City and the State; we must find the right fit.

D. Vose asked about an IGA store. J. L. Pizarro responded that independent grocers typically have stores of 3,000 to 5,000 square feet, and only own the store that they manage. Small independent grocers are nervous about satellite stores because they require additional management skills. However, this may be an answer to balance convenience with price. He said that 60,000 square feet is the formula for larger markets. Waldbaums had 28,000 square feet in Metro Square and are still paying for the lease. Because of the non-competitive clause, they will lease only to a non-food store use.

W. Corvo said he checked the lease. It was originally signed with Skip Bronson's father-in-law who arranged the deal with Waldbaums. W. Corvo reported that he had a call in to the parent company office in New Jersey. W. Corvo asked if the problems were typical throughout all senior housing in

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Middletown; there was an enthusiastic affirmative response. He asked if a solution would be to order groceries by phone; several persons responded that seniors want to get out and, therefore, would not want shop by phone. W. Corvo then asked about having someone bring in the larger bulk items again the response was negative. W. Corvo asked if the fatigue factor is getting groceries from the store to the home, how about developing a senior citizens food co-op for bulk delivery to the senior center; again, there was a negative response.

There being no further testimony, the public hearing portion of the meeting was closed.

Upon a motion by W. Corvo, seconded by J. L. Pizarro the minutes of March 15, 1995 were unanimously approved with the following change to Page 1, paragraph 6, line 4 "...including an inventory of the past supermarket recruitment activity."

The Task Force members then discussed with R. Waters, owner of Suburban Stationers in Metro Square, the possibility of subdividing Waldbaum's space for a market. J. L. Pizarro said his latest information from Waldbaum's indicates they are not interested in subdividing the space. R. Waters then expressed an idea of consolidating his business activity into the former Waldbaum's space and then opening a smaller grocery store in the 3,000 sq. ft. space currently occupied by Suburban Stationers. He expresses willingness to look at other possibilities in creating a market; he has a background in the grocery business. All acknowledged the existence of a non compete clause but questioned if it applied to the entire shopping area. R. Waters said he is willing to further explore opening a grocery; however, he may need some financial assistance with capital costs.

W. Corvo suggested that the City Attorney check out the Metro Square leases. He said Waldbaum's lease document is the only one not publicly available. If R. Waters could take the assignment of lease of A & P, then he would competing against himself.

J. L. Pizarro said according to supermarket players, the area is oversaturated with grocery outlets.

W. Corvo suggesting a pilot cooperative through the Middletown Housing Authority.

There being no further discussion, the meeting was adjourned at 6:00 p.m.

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SUPERMARKET PUBLIC HEARINGS  
SIGN-IN

<u>Name</u>	<u>Address</u>
CARLOS TORO	40 Broad St
LEONAR TORO	40 Broad St
DORIS F. VOSE	40 BROAD ST MIDDLETOWN, CT
Carrie Pines	40 Broad St Lot.
Menca Burden	40 Broad St apt 214 Middletown
Louise Lowrey	144 Broad St apt 1 - Middletown Conn
Lillian Nowakowski	144 Broad St. apt 2-8 - Middletown, CT
Eleanor Michel	40 Broad St Middletown CT
Stephanie Manzyk	40 Broad St Middletown
Ruby Slawick	2 Pearl Ave. Middletown, CT
Lee Scott	126 Rose Cir Middletown, CT
Mary Healy	24 Hamlin Court Middletown CT
Frances M. Drucio	27 Fairview Ave Middletown C.
Fred Thight	40 Broad St Middletown
Albert Brown	40 Broad St Middletown
Belle Pirano	40 Broad apt. 204 "
Grace Hackett	40 Broad Apt 706
Gladys Mastaney	40 Broad St apt 908
RAY WATERS	METRO SOUTH
SUBURBAN STATIONERS	

**SUPERMARKET TASK FORCE**

**MINUTES**

**MAY 18, 1995**

**PRESENT**

H. Novicki, Chair  
M. Winzer  
S. Dellonna  
R. Bourne  
J. Salafia  
W. Corvo

**ALSO PRESENT**

W. Kuehn

The meeting was called to order at 5:05 p.m. in Room 208 of the Municipal Building by H. Novicki, Chair.

H. Novicki reported that he had forwarded a letter to David Jenkins, a Wesleyan alumnus and an officer of Shaw Supermarkets. H. Novicki cited the need to identify potential development sites. M. Winzer noted that the store can't be located too far from seniors and others who need it. W. Corvo offered that everyone wants a supermarket downtown; in some ways, it is a "no-win" situation. M. Winzer asked why the committee was formed, was it to serve the seniors or to serve the downtown? W. Corvo said that the seniors want the option to shop at other markets as well.

R. Bourne said that research shows if a market is built, it will be on a smaller scale and not a chain, somewhat larger than a mom & pop and probably an entrepreneur. He noted incentives available including Urbank which is a state guarantee for a portion of the loan on risky projects; it is job creation oriented. He also thought there needs to be a market study.

On a motion by W. Corvo, seconded by R. Bourne, the minutes of April 20, 1995 were unanimously approved.

Concerning the Hartford study W. Corvo said it is not related and a completely different situation. R. Bourne noted the requirements of a supermarket of 50,000 sq. ft.

J. Salafia reported on his discussion with the proprietors of Public Market. They are satisfied with their present location and presently do a lot of business by phone call with deliveries.

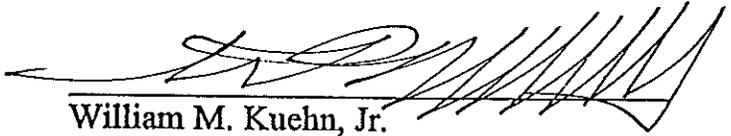
In reacting to public hearing comments, W. Corvo said the city could improve shoppers convenience through transportation and with a van with a freezer unit.

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H. Novicki suggested sending a letter to the IGA and Purity chains. W. Corvo said he is aware of some potential interest in the downtown and to that end will get a name in order that a letter may be sent.

There then ensued a general discussion of incentives. W. Corvo suggested setting up a meeting with Allen Smith, a representative of Konover. R. Bourne said the Mayor also wants to meet with Konover representatives. W. Corvo suggested using a portion of the Armory. It was agreed J. L. Pizarro should be contacted to determine any leads he might have.

There being no further discussion the meeting was adjourned at 5:35 p.m.



William M. Kuehn, Jr.

WMK/sh

CAMDOASTFMIN.5-9

## SUPERMARKET TASK FORCE

### MINUTES

AUGUST 15, 1995

#### PRESENT

H. Novicki, Chair  
M. Winzer  
R. Bourne  
J. Salafia

#### ABSENT

W. Corvo  
A. Santostefano  
S. Delldonna

#### ALSO PRESENT

W. Kuehn  
C. Stannard, Press

The meeting was called to order at 5:15 p.m. in Room B-15 of the Municipal Building by H. Novicki, Chair.

H. Novicki suggested that a letter be sent to Waldbaums signed by the Mayor and the Chair asking Waldbaums to release the noncompete restriction on the Metro Square property as it is not in anyone's interest to keep the building empty. H. Novicki also asked that an ad be placed in a trade journal indicating the City's desire to assist in locating a market in the downtown. R. Bourne said he would contact J. Robinson to ascertain the name of an appropriate trade journal. R. Bourne also suggested a nation-wide ad and an ad in the Northeast Minority News.

H. Novicki reported on his visit to an IGA wholesaler/distributor in Cheshire. This needs some follow up. R. Bourne reported on his discussion with the owners of Tri-Town Foods. The family discussed the Middletown offer but decided not to pursue it. According to H. Novicki there are already two Shaws markets in Connecticut - one in New Britain.

In discussing the outline for the final report, R. Bourne noted that transportation improvements may be one of the recommendations. The City might also recommend co-oping bulk items for the elderly.

The Committee members agreed that attracting a full scale supermarket to the downtown might not be feasible. R. Bourne suggested a "niche" market might be more practical. He also said he would discuss with T. Cheeseman the possibility of special market routes for the seniors.

It was agreed that the Committee would next meet on Thursday September 7, 1995 at 5:00 p.m. There being no further business the meeting was adjourned at 5:40 p.m.

  
William M. Kuehn, Jr.

WMK/sh  
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