

**ECONOMIC DEVELOPMENT COORDINATOR'S REPORT 1/15/09**

**Submitted by: Joe Seacrist**

- 1. Attended a meeting at Drive-sol in the Watertown Business Park concerning their financial problems and their announcement of plans to wind-down operations within 60 days. Also attending were US Congressman Chris Murphy and several of his aides, State Senator Rob Kane, State Rep. Sean Williams, Town Manager Chuck Frigon, and Ray Primini Vice Chairman of the Town Council along with Plant Manager Gabe Rosa and several of his financial people. We received a comprehensive briefing on the magnitude of the situation. Mr. Rosa expressed a local concern that in addition to his other financial problems, the Town of Watertown had a sheriff deliver a notice of delinquent town taxes. Mr. Rosa asked if the Town could delay any action until a buyer could be found. The Town reserved any rights to delay taxes until more was known about the possibility of an early sale, making no promises of a delay. My contacts at the Corporate level of Drive-sol in Michigan indicated that they were trying to find a "turn-key" buyer for the plant, who could come in and seamlessly continue operations. As of this date discussions behind the scenes of Drive-sol are taking place to try to find a buyer. They owe the Town more than \$400,000 in taxes plus an \$85,000 tax penalty for missing the deadline to apply for their personal property tax exemptions.**
- 2. Participated in a phone conference call with the number two person in the Connecticut DECD, town officials, state officials and the plant management of Drive-sol to determine what, if anything, the state DECD could do to help keep the plant open. The discussion was wide-ranging and the state local officials agreed to follow-up to see what could be done from a state level. The current financial condition of the state will play a role in whatever help DECD can give.**
- 3. Attended a meeting at Watertown Plastics in the Business Park, concerning their projections for their business growth in 2009 and beyond. Also attending were Town Manager Chuck Frigon, State Senator Rob Kane, and State Rep. Sean Williams, along with owner Jon Andrew and Ed Nickles VP of Operations. Mr. Nickles gave an overview of their business and some of the problems they face going into 2009. They are holding their own, but have postponed plans for a planned warehouse on their property. We were then taken on a tour of the facility so we could better understand their business. While there are no major crises at the company, they are as guardedly optimistic about 2009 and beyond as most manufactures are in this economic climate.**

- 4. Attended a meeting with Peter Baker, the CEO of Crystal Rock at the Town Hall Annex conference room to review their business and their outlook for the coming years. Also attending were Town Manager Chuck Frigon, EDC Chairman Joe McGrail, State Senator Rob Kane, and State Rep. Sean Williams. Mr Baker indicated that his business continues to do well, with little falloff in business so far. His major expenses are energy for his manufacturing and fuel for his vehicles. The recent installation of solar panels on the roof of his buildings has significantly reduced his electricity bill from the grid. He had some issues for the state reps to consider, but by and large is pleased with his location in Town and has no current plans to cut back either production or employees.**
- 5. Attended a meeting with the Siemon Company on Siemon Company Drive to determine their plans for 2009 and beyond. Also attending were Town Manager Chuck Frigon, State Senator Rob Kane, State rep. Sean Williams, Carl Siemon President, and Tom Costello Chief Financial Officer of the Siemon Company. While their business is highly competitive they are holding their own. Since they are world wide, they used to be able to shift sales from areas of the world which were not doing to sell to other areas of the world which were doing better. This is getting more difficult with a world-wide economic slowdown. They had several issues with the state government's attitude toward business in general and taxes and fees in particular which they asked the state reps to consider the upcoming legislative session.**
- 6. Prepared a draft letter, at the Chairman of the EDC's request, to Governor Rell concerning the erection of a sign indicating exit 37 on Route 8 Southbound for the Watertown Business Park. We have a sign on the Northbound side, but none on the Southbound side.**
- 7. Spoke with Stephanie Podewell from Congressman Murphy's office as well as with the Congressman about the latest news on the Watertown Post Office location. The Congressman indicated that because the Post Office is a semi-governmental and semi-private corporation, dealing with them is not as easy as if they were a completely government run operation. The PO has indicated that our project has been put on hold, as have all non-approved projects. Stephanie explained that our project was "approved" in 2008 and should not have been put on hold. The PO, in traditional fashion, did not have a ready answer for her and indicated it would get back to her. In short, no progress at all to report.**

- 8. The potential buyers of 400 Park Road have apparently had to delay their plans for the purchase, since their current plant in the Bronx has not yet sold. The buyers were counting on the sale of the Bronx plant to help with the purchase of 400 Park Road. Indications are they the buyers have a new purchaser for the Bronx plant, and that plans for 400 Park Road may be re-invigorated. The Current owners of the 400 Park Road property owe the Town of Watertown approximately \$100,000 in taxes.**
- 9. The Town has prepared its list of “shovel ready” projects for our participation in the expected Federal financial stimulus package for 2009 and beyond. Copies will be distributed at this evening’s meeting.**
- 10. Declined an opportunity to do a “stand-up” piece with Channel 3 on the Drive-sol closing.**
- 11. Received a nice phone message and a thank you from Vance Taylor a commercial real-estate broker in the Torrington area for helping a new company locate in Watertown. The company is “Boards-up” a manufacturer of snow boards which has located to the pin shop property on Main Street. He also called Chuck Frigon to say how helpful the EDC was, which Chuck passed on to me in person.**