

**TOWN OF HADDAM
BUILDINGS COMMITTEE
COMMUNITY CENTER
7 CANDLEWOOD HILL ROAD, HIGGANUM, CT
THURSDAY, 12 JULY 2018
PUBLIC MEETING
UNAPPROVED MINUTES
*Subject to Approval by the Commission***

ATTENDANCE

A	Scott Brookes
X	Emily Carrow (7:00 p.m. left)
X	Lisa Malloy
X	Jeff Muthersbaugh, Chairman
X	Joanne Nesti
A	Jared Novinski
X	Patrick Pinnell
X	Jan Sweet, Alternate
X	Liz West Glidden, Town Planner
X	Bunny Hall Batzner, Recording Clerk

1. Call to Order

Mr. Muthersbaugh, chairman, called the meeting to order at 6:30 p.m.

2. Attendance/Introductions

Attendance taken and introductions made.

3. Public Comment

Comments and/or questions made during the presentations and under Next Steps and New Business.

4. Approval of the Agenda

MOTION: Joann Nesti moved to approve the 12 July 2018 agenda as submitted. Emily Carrow second. Motion carried unanimously.

5. Approval of Minutes

MOTION: Joann Nesti moved to approve the 20 March 2018 minutes as submitted. Emily Carrow second. Motion carried unanimously.

6. Presentation of Former CTDOT Garage: Scovil ill Project to Date Including Phase I Results; Opportunities and Constraints, Soil Testing. Fuss and O'Neill

Dan Jahne, Senior Project Manager, Fuss and O'Neill; Virgil Lloyd, Senior Vice President, Fuss and O'Neill; and Lindsey Cavalla, Fuss and O'Neill, and Jim Damicis, Senior Vice President, Camoin and Associates, were present.

Mrs. Glidden gave a brief explanation of what the Buildings Committee has been working on and the grants associated with those buildings. Mrs. Glidden explained that the town does not own the Scovil Hoe buildings (former DOT garage) and the town is trying to partner with the state. Mrs. Glidden stated as this area is a vital piece to the center of Higganum, the Committee wants to be ambassadors to the site and do everything possible to leverage additional funding or opportunity to see the site redeveloped in a positive and responsible manner. Mrs. Glidden also stated as part of that, a Phase I study was conducted as well as looking at possible alternatives.

Maurice Adams, Haddam resident, asked if the presentation would be available on site (website) somewhere or would pictures need to be taken. Mr. Jahne stated he could email the presentation to Mrs. Glidden. Mrs. Glidden stated if Mr. Adams will contact her, she will forward the information to him.

Mr. Jahne updated the public as to the work done to date. Mr. Jahne reviewed the use of the grant from the Department of Economic and Community Development (DECD) – engineering and environmental assessment of existing conditions of the site, acquire information as part of acquisition planning, and reuse of the site as well as costs associated with it.

Mr. Jahne talked about the site and the surrounding area as well as the key features of the site. The site is four acres with two buildings, approximately 18,500 square feet, built in the 1800s, used from the 1800s to the 1940s as the Scovil Hoe Mill; the site was then purchased by the State of Connecticut and used as a storage and truck maintenance facility from the 1940s until 2014; and since that time, the property has been vacant.

Mr. Jahne reviewed the different components that were looked at: 1) environmental, 2) hazardous building material survey, 3) wastewater & water supply assessment, 4) structural/architectural building assessment, 5) opportunities & constraints, and 6) market analysis.

Mr. Jahne reported the following in regard to environmental: 1) The site is an establishment under Connecticut's Property Transfer Law and explained that the site must be cleaned up in formal accordance with the State's clean up regulations. 2) A pond was located on the site and over time was filled in with various materials, debris, building materials, soils, etc., which is polluted. 3) A release of petroleum from the former underground hydraulic vehicle lifts was located in the building closest to the brook, eastern portion of the building. 4) There is an underground tank that also has petroleum associated with it. 5) Groundwater quality - the village has an impaired condition. Looked to see if the site is an ongoing contributor to this impairment and there is no evidence to indicate that, but there does need to be some remediation.

In regard to wastewater disposal, Mr. Jahne stated both on site and off site properties were evaluated with the town green being the most suitable for a septic system. As for the water supply assessment, there is an existing well approximately 120 feet deep (per DOT), well has been disconnected by DOT, and samples were taken; however, a long term pump test and water quality analysis will be necessary for health department permitting.

In terms of the structural/architectural assessment, there is some water infiltration, exterior wall issues, and degradation of timber; however, Mr. Jahne stated the buildings are in relatively good condition and can be reused. Mr. Jahne noted the structures are also in a good location within the Center.

Mr. Jahne reviewed the constraints – waterways, topography, utilities, mill buildings separate from downtown - and the opportunities – sense of place, recreational/cultural, room for expansions and mixed uses – just to name a few.

Mr. Jahne also reviewed the market analysis – two market segments (aging population and young professionals) and Higganum's market observations & opportunities (low cost office/flex space, food/retail shops, restaurant, and market rate or luxury residential units).

Mr. Jahne reviewed preliminary reuse option renderings as well as Opinion of Cost Estimate (cost numbers are conservative and range from \$8,037,000 to \$17,225,000). Full breakdown is available in the report.

Mr. Jahne reported there is still \$60,000 remaining in grant funding and that a site meeting has been scheduled with DECD for Monday, 30 July 2018. The site is on DECD's Priority List of State-Owned Brownfields Sites and this could be helpful in terms of funding and assistance in acquisition. Mr. Jahne stated a future meeting with DOT will need to be held to discuss a potential transaction process. Also reviewed were research and applying for public financing, possibly securing a private development entity (optimum situation), and preparing the site as well as the downtown for this transition.

Ms. Nesti asked if DECD may have its own interests in doing something with the property. Mr. Jahne stated no, there is a special designation, by state statute, for five surplus state properties.

Mr. Muthersbaugh stated uniqueness about the property is that the Connecticut Trust for Historic Preservation has listed these buildings as examples of some of the best mill buildings in the State of Connecticut.

Kate Anderson, Haddam resident, asked if there were any concerns about it being in a flood plain, near the brook. Mr. Jahne stated there are no concerns; however, it is a consideration for part of the site design.

Ed Schwing, Haddam resident, asked if the Community Center was included as part of the environmental study. Mr. Jahne stated no. Mr. Schwing asked if the well water test results were available. Mr. Jahne stated yes, they are in the report. Mr. Schwing asked Mrs. Glidden if she had a copy with Mrs. Glidden responding yes.

Ms. Malloy asked if the Connecticut Resource Conservation and Development (CTRC&D) group have pursued anything in regard to the property other than the study done by the Conway School. Mrs. Glidden stated she believes there is interest, but no final decisions have been made. Ms. Malloy stated it appears as if CTRC&D is on the fast track to find a property and they seem to be interested in this one. Mrs. Glidden stated of the properties that CTRC&D has looked at, this is the one they liked the most. Mrs. Glidden also stated part of the reason for the fast track was due to a deadline to use the grant money they had.

Alan Aronow, Haddam resident, asked if the demographics of the area – define what the geography, number of people - had been done. Mr. Jahne gave a quick review of the market analysis. Mr. Aronow asked what constitutes the market that these numbers are characteristic – is it 15 feet from the site, is it two miles – and also asked if Mr. Jahne could define the circle. Mr. Jahne stated they looked at the entire town. Mr. Damicis stated on the retail side they would look at the visitation and other retail markets near-by outside of town and the retail would be purely local driven. Mr. Aronow asked if this is a market driven project; and that what he's asking is how many people represent the study. Mr. Damicis stated it's not market driven today based on the cost and the amount of remediation there is as there is no level of market that would support it. Discussion followed. Mr. Adams stated he didn't believe Mr. Aronow's question was answered. Mr. Damicis apologized for not having the market study with him and again tried to answer Mr. Aronow's question.

Mike Farina, Haddam resident, asked if the town would have to accept ownership and liability or could the town be a partner or stakeholder. Mr. Jahne stated that would be a part of the Memorandum of Understanding.

Melissa Schlag, Haddam resident, stated the Commissioner of DECD as well as the ombudsman toured the site previously, unclear if they toured with the present committee, however, they were very excited about this project. Ms. Schlag also stated she believes there was \$20 million set aside from the amount previously talked about and believes there have only been one or two of the five projects that have been funded. Ms. Schlag urged the Committee to continue the conversation with DECD as that money will fill

that gap in financing. Mr. Mothersbaugh stated that meeting is already scheduled. Mr. Jahne stated he doesn't know the status of the funding. Mrs. Glidden stated there may be some disagreement as to who should fund the cleanup – DOT or DECD. Ms. Schlag asked if the copy of the Market Study would be available. Mrs. Glidden stated it's within the report.

Mr. Damicis stated the questions that were asked in regard to the market study are very good questions and once he has the study in front of him, he will provide the answers.

Mr. Aronow asked for clarification in regard to the Opinion of Cost Estimate. Mr. Jahne stated the numbers given are within a range with a 20 percent contingency built in and that contractors were not consulted to provide numbers. Mr. Aronow asked how much would this translate into the developed cost per square foot of rentals. Mr. Jahne stated it would be approximately \$280 to \$600 per square foot. Discussion followed in regard to the cost of getting the site ready.

Mr. Aronow asked if this particular site is a realistic development site given the realities of the market place. Mr. Damicis stated that ideally it should be market driven; however, that's not possible in the market today and now you need to look to the public. Mr. Damicis stated it's a choice.

The Fuss and O'Neill presentation for the former DOT Garage/Scovil Hoe site can be viewed at the following: <https://www.haddam.org/land-use-department/pages/studies-reports>.

7. Presentation on Tax Incremental Financing (TIF Districts) by Jim Damicis, Policy One Research

Jim Damicis, Senior Vice President, Camoin and Associates, was present.

Mr. Damicis explained what Tax Incremental Financing (TIF) is, what the components are, tips if the town should consider utilizing it, and that a TIF always has to be voted on by the town's legislative body (a town meeting).

Mr. Damicis stated TIFs can be used to finance economic and community development projects such as the one before the Committee as well as other projects. TIF allows the use of future tax revenue and as it comes in, the town can pay off some of the costs associated with a development (it can be used for public and private costs) such as to assist in the cost of the site, to put in infrastructure, or public costs such as remediation, upgrade intersections, etc. Mr. Damicis stated the critical thing for taxpayers to know is that a TIF is not a new tax. A TIF district would be taxed according to the regular property tax and money that's generated by it will be distributed according to a financial plan.

Mr. Damicis reviewed how a TIF district can be developed – multiple parcels are allowable, the process is more streamlined, and different kinds of uses such as residential, retail, industrial, and commercial properties can be included so long as they are being used in the name of economic and community development. Revenue from a TIF can be used for septic, sewer, water, utilities, land acquisition, professional services, to name a few. Mr. Damicis stated TIF money can be used off site so long as the projects are related to the TIF district and it can be used to help pay back a bond. Mr. Damicis briefly talked about a proposal in the Town of Groton that will potentially be paid through TIF monies.

Mr. Damicis stated the state requires a district master plan (a financial plan) that outlines what the boundaries will be. The town would have to state what the TIF monies will be spent on (costs can be estimated); will need to specify the time frame of a TIF district (from one year up to 50 years, 50 is not typical); have to estimate the anticipated revenue; do not have to put entire district into a TIF, but this needs to be specified; and taxes can be abated which TIF allows through a Credit Enhancement Agreement.

Mr. Damicis quickly reviewed the flow of funds graph (annual accounting is required) and explained the process. Mr. Damicis stated the planning commission will need to make a statement that the TIF is

consistent with the Plan of Conservation and Development (POCD), a public hearing held, and then a town meeting approving the TIF district and the financial plan at which time it becomes effective immediately.

Mrs. Glidden asked the difference, if any, between a fixed assessment and a TIF. Mr. Damicis stated a fixed assessment can be integrated with a TIF. Mrs. Glidden asked how the two are different. Mr. Damicis stated he is not an attorney, but he believes a fixed assessment can only be allowed for 15 years; whereas, a Credit Enhancement Agreement can be allowed for a longer period of time.

Mr. Aronow asked once the town establishes a district, that district can be whatever the town establishes. Mr. Damicis stated yes. Mr. Aronow asked if a developer is selected for all work within the district or does each project have to qualify as the town goes along. Mr. Damicis stated when the district is set up, the plan will specify how it will handle the matter. Discussion followed with Mr. Damicis noting a TIF cannot be used to end round regulations, etc.

Mr. Farina asked if the funds go into an escrow account or lock box, and if so, can the town invest some of the money prior or during disbursement. Mr. Damicis stated that would be subject to state and local laws and the money stays in the fund until the legislative body says the money can come out of the fund.

Mr. Schwing made three comments: 1) an example was show of an increase of \$7 million which only allowed \$79,000 income per year; 2) money is taken away from the rest of the town to focus on one neighborhood which could be a potential problem; and 3) in a small town like Haddam, he believes the Board of Finance could direct the money to a project. Mr. Damicis addressed Mr. Schwing's third comment stating there is nothing stopping the town from putting together a capital plan; however, a TIF has more policy rationale. In regard to comment #1, Mr. Damicis stated this would be a "but for" as the town would not be getting any of that money right now, therefore, no one is benefitting from the property. And in response to #2, Mr. Damicis stated yes, the funds are benefitting those within the TIF district, but it also benefits the town by increasing the economy.

Mrs. Glidden asked what are the benefits of setting a TIF up with a private investor compared to a bond market. Mr. Damicis stated with a TIF you can still bond a project; however, if a Credit Enhancement Agreement is needed, it can only happen with a TIF. Mrs. Glidden asked similar to a public/private partnership. Mr. Damicis stated yes.

Ms. Schlag stated with bond money is all up front where with a TIF it's piece meal. Mr. Damicis stated yes. Ms. Schlag asked how many towns in Connecticut have used a TIF. Mr. Damicis stated there are very few, possibly a dozen or less, as the law is very new; however, more are looking into TIFs. Mr. Damicis talked about Connecticut Main Street helping with the process.

8. Next Steps

Mr. Muthersbaugh stated the numbers presented to develop the property sound rather bleak, but there are options available that could make this a viable project. Mr. Muthersbaugh believes the State of Connecticut DOT should clean the site up as they contaminate the site and hopefully the remediation costs will be covered by them. Mr. Muthersbaugh stated there are tax credits – TIF, gap funding by the Connecticut Trust for Historic Preservation, and economic development grants; and asked Mr. Jahne if there were any additional grants. Mr. Jahne stated Mr. Muthersbaugh covered the highlighted grants.

Mr. Muthersbaugh stated there are a number of projects such as this one being done all over the state, but there are a number of moving pieces. Mr. Muthersbaugh also stated there is a lot of interest in old mill sites and Haddam is fortunate to have one of the best sites in the state.

Mr. Aronow asked if the buildings are designated historic. Mr. Muthersbaugh asked Mrs. Glidden if the designation has been received or if it was still in process. Mrs. Glidden stated she believes it is still in process, but that an application was submitted to place the buildings on the national registry. Mr. Aronow asked if closing the street between the two buildings in order to obtain additional square footage would be

prohibited. Mr. Muthersbaugh stated it would have to be ruled on by the State Historic Preservation Office. Mr. Aronow stated it would change the dynamics. Mr. Muthersbaugh agreed.

9. New Business

Ms. Nesti asked what is expected from DECD at the 30 July 2018 meeting. Mr. Muthersbaugh stated he wants to know where the project is on their priority list, whether they are going to clean the site or how much pressure they are going to put on DOT to clean it up, and what would be the status of the buildings – pass to the town or do they want to sell them. Ms. Nesti stated she was concerned that DEEP may get involved. Mr. Jahne stated DEEP will get involved with the site when it enters into a voluntary program.

Mr. Farina asked if there's an estimated time frame for a project such as this. Mr. Jahne stated it would depend on the development process. Mr. Muthersbaugh stated the Building Committee has been trying to move this project along as quickly as possible.

Ms. Schlag asked where and when the 30 July 2018 meeting will be held. Mr. Muthersbaugh stated it will be held in the Community Center. Mrs. Glidden stated she believes the meeting is scheduled for 11:00 a.m. and noted it is not a Buildings Committee meeting. The meeting is for the first selectman, the consultant, the town planner, and deputy DECD commissioner and potentially some DECD staff.

Prem Aithal, Haddam resident, asked if there is an existing TIF District that is currently doing what Haddam would potentially like to do (worthwhile to consult with them in terms of best practices). Mr. Damici stated Putnam, Canton, Windsor Locks, and Groton are all working on something similar and will provide more via email. Mrs. Glidden stated she will speak to the Town of Canton's town planner.

Mr. Muthersbaugh thanked all the consultants for their presentations and their work as well as the public for attending.

10. Adjournment

MOTION: Joann Nesti moved to adjourn. Lisa Malloy second. Motion carried unanimously.

The meeting was adjourned at 8:45 p.m.

Respectfully Submitted,

Bunny Hall Batzner

Bunny Hall Batzner
Recording Clerk

The next meeting is scheduled for Thursday, 9 August 2018.