

Discussion Regarding Purchase of HES

Public Hearing

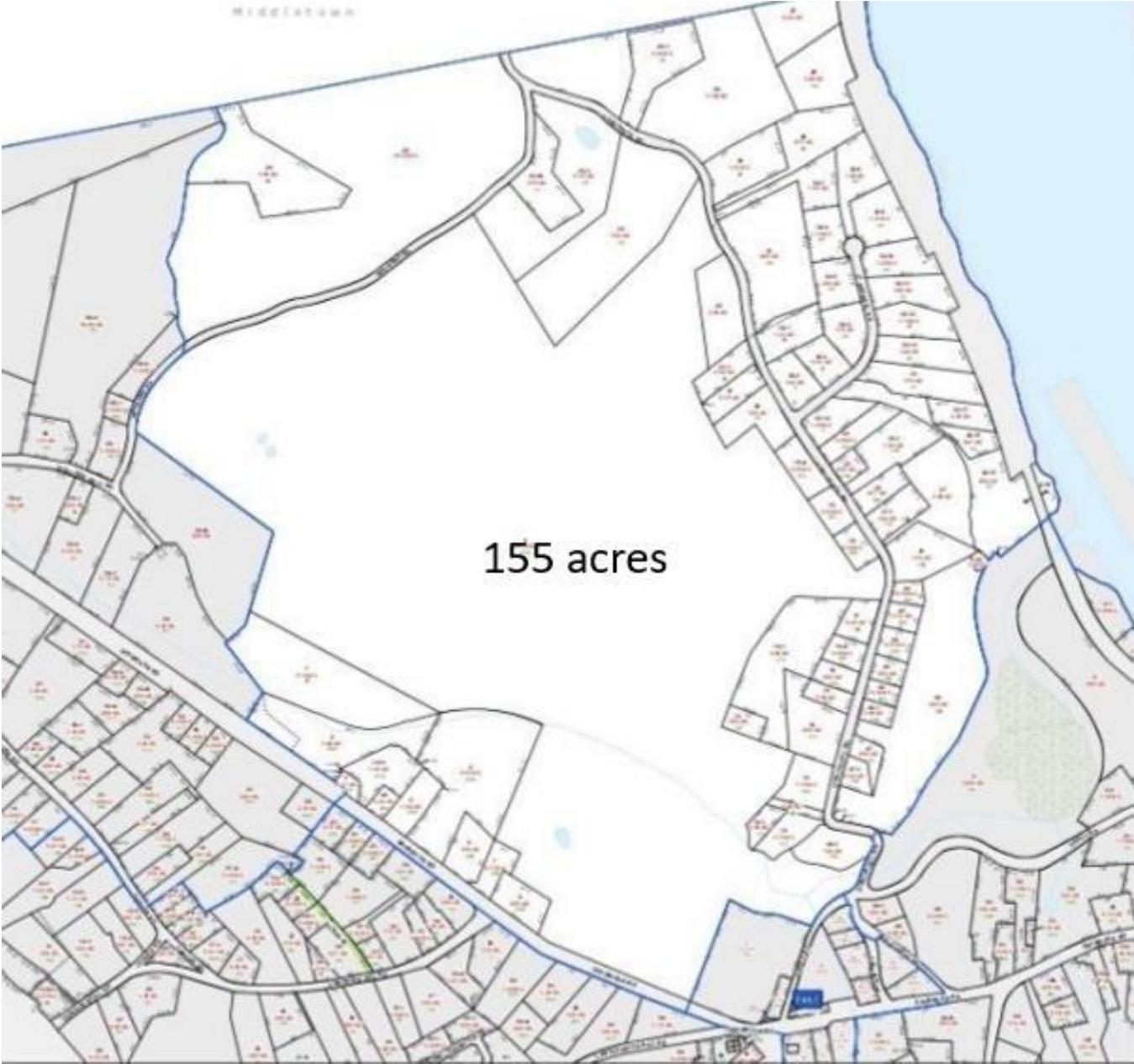
May 1st, 2019

1. Property Facts
2. Division of Property
3. Analysis of Possible Scenarios

Property Facts

MIDDLETOWN

155 acres



Existing Zoning – R-1 Residential

Zoning permit

Single family and two-family dwellings

- B. Bed and Breakfast
- C. Agriculture, forestry
- D. Temporary roadside stands
- E. Tag sales, and yard sales
- F. Home occupations
- SITE PLAN REVIEW
- A. Nursery schools and day care centers 12 or less
- B. Public recreational uses.
- D. Nursery gardening and greenhouses.
- E. Storing, processing and manufacture of agriculture and forestry

SPECIAL PERMIT

- A. Accessory Apartments
- C. Bed and Breakfasts and Inns
- D. Bona fide clubs or community houses
- E. Cemeteries
- G. **Churches and schools**, except correctional institutions.
- H. Communication towers
- I. **Housing for elderly and/or physically handicapped persons.**
- J. Kennels (commercial)
- K. **Nursing and convalescent homes**
- L. Outdoor Recreational Facilities,
- M. Police stations, fire houses, other municipal uses
- N. **Child day care centers or group day care homes**
- O. Post offices,
- P. Permanent year-round farm markets
- Q. **Private Schools**
- S. **Veterinary hospital**
- U. **Artisan galleries, art studios and art classrooms.**

Building Operation Costs & Anticipated Capital Costs as
Provided by RSD 17

Oil Usage - HES

Date	Gallons	Price	Net	Tax/Fee	Total	Building
1/12/2018	3620.10	\$2.1865	\$7,915.35	\$10.86	\$7,926.21	HES
2/7/2018	715.20	\$2.0846	\$1,490.91	\$2.15	\$1,493.05	HES
2/20/2018	1495.00	\$1.9919	\$2,977.89	\$4.49	\$2,982.38	HES
2/22/2018	2500.00	\$2.0082	\$5,020.50	\$7.50	\$5,028.00	HES
3/16/2018	800.00	\$1.9657	\$1,572.56	\$4.08	\$1,576.64	HES
5/1/2018	500.00	\$2.2461	\$1,123.05	\$2.55	\$1,125.60	HES
10/12/2018	1056.10	\$2.4032	\$2,538.02	\$5.39	\$2,543.41	HES
10/30/2018	1000.00	\$2.3594	\$2,359.40	\$5.10	\$2,364.50	HES
11/7/2018	917.00	\$2.2742	\$2,085.44	\$4.68	\$2,090.12	HES
11/14/2018	589.80	\$2.1494	\$1,267.72	\$3.01	\$1,270.72	HES
11/20/2018	642.10	\$2.1712	\$1,394.13	\$3.27	\$1,397.40	HES
11/24/2018	731.70	\$2.0299	\$1,485.28	\$3.73	\$1,489.01	HES
11/28/2018	492.50	\$1.9676	\$969.04	\$2.51	\$971.55	HES
12/3/2018	471.60	\$1.9253	\$907.97	\$2.41	\$910.38	HES
12/6/2018	382.70	\$1.9681	\$753.19	\$1.95	\$755.14	HES
12/10/2018	468.60	\$1.9676	\$922.02	\$2.39	\$924.41	HES
12/14/2018	592.50	\$1.9583	\$1,160.29	\$3.02	\$1,163.31	HES
12/19/2018	3527.20	\$1.8434	\$6,502.04	\$17.99	\$6,520.03	HES
12/28/2018	400.00	\$1.7622	\$704.88	\$2.04	\$706.92	HES
1/7/2019	29.70	\$1.8523	\$55.01	\$0.15	\$55.16	HES
1/11/2019	1600.00	\$1.9767	\$3,162.72	\$8.16	\$3,170.88	HES
Total	22531.80					

Electricity Usage - HES

Date	kW	Supply	Delivery	Total
1/2/2018 HES	18800.00	\$ 1,852.74	\$ 1,751.47	\$ 3,604.21
1/29/2018 HES	20000.00	\$ 1,780.00	\$ 1,791.40	\$ 3,571.40
2/28/2018 HES	18160.00	\$ 1,616.24	\$ 1,627.33	\$ 3,243.57
3/29/2018 HES	16560.00	\$ 1,473.84	\$ 1,488.76	\$ 2,962.60
5/1/2018 HES	18320.00	\$ 1,630.48	\$ 1,642.21	\$ 3,272.69
5/30/2018 HES	17360.00	\$ 1,545.04	\$ 1,590.07	\$ 3,135.11
6/28/2018 HES	16800.00	\$ 1,495.20	\$ 1,540.88	\$ 3,036.08
7/30/2018 HES	14480.00	\$ 1,288.72	\$ 1,314.80	\$ 2,603.52
8/29/2018 HES	16240.00	\$ 1,445.36	\$ 1,465.05	\$ 2,910.41
9/28/2018 HES	20160.00	\$ 1,794.24	\$ 1,802.99	\$ 3,597.23
10/29/2018 HES	17600.00	\$ 1,566.40	\$ 1,582.30	\$ 3,148.70
11/29/2018 HES	18000.00	\$ 1,602.00	\$ 1,616.78	\$ 3,218.78
12/31/2018 HES	18080.00	\$ 1,609.12	\$ 1,623.68	\$ 3,232.80

RSD 17 Provided Annual Maintenance Costs to run building as Elementary School

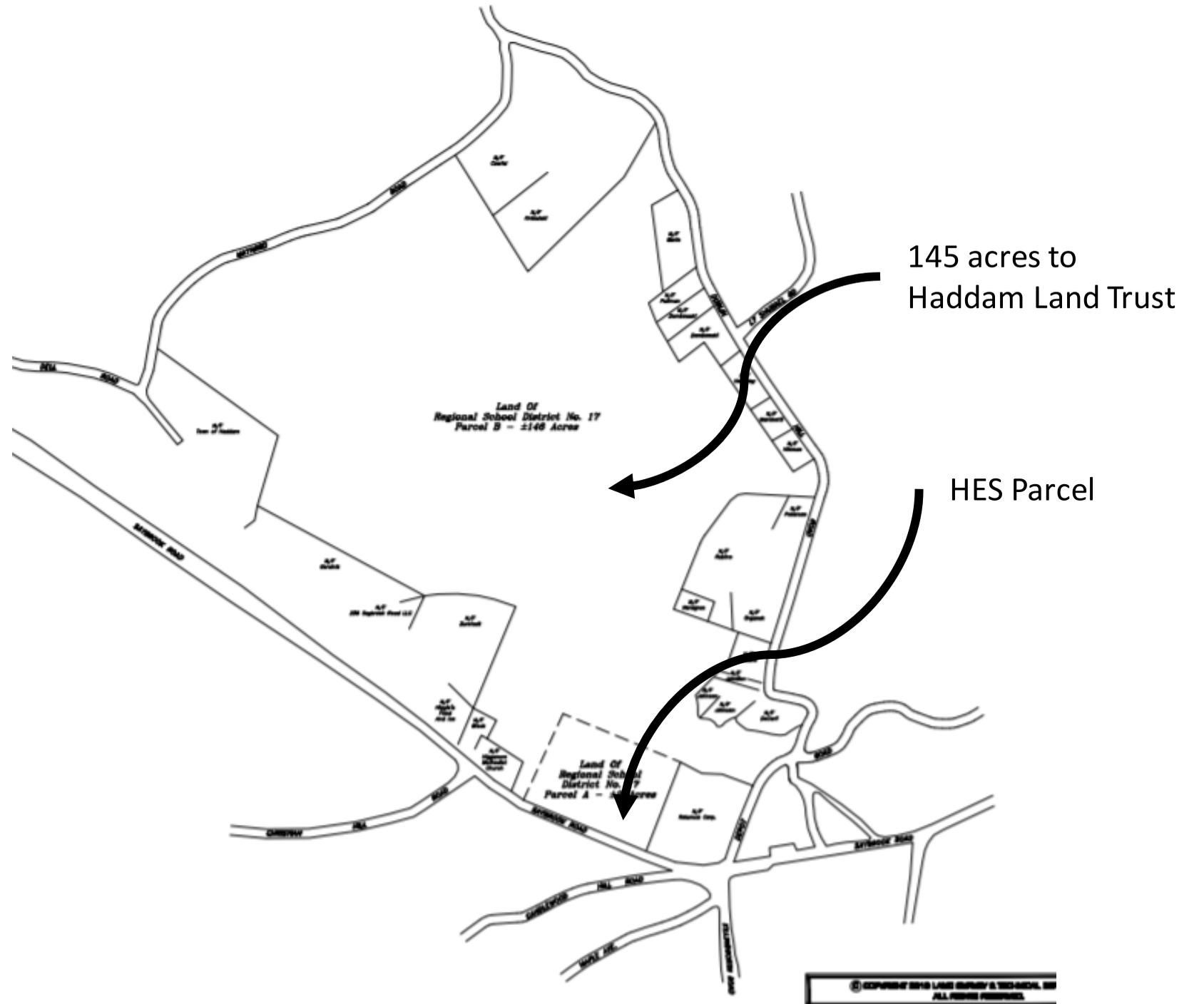
<u>Pump Septic Tank</u>				
6,000 gal.	@ 0.18	\$1,080		
<u>Well Maintenance</u>		\$3,100.00	(2 services filter recharge does not include water testing)	
<u>Heating Oil</u>				
1/18 - 1/19	22,531 gal.	\$43,482.00		
<u>Electricity</u>				
1/18 - 1/19	230,560 kwh	<u>\$44,769.00</u>		
TOTAL		\$92,423.00	<div style="text-align: center;"> <p>Reduction for Vacant Building</p> <p><u>20%</u> <u>30%</u> <u>40%</u> <u>50%</u></p> </div>	
			\$74,000	\$64,700 \$55,500 \$46,200

Anticipated Capital Costs

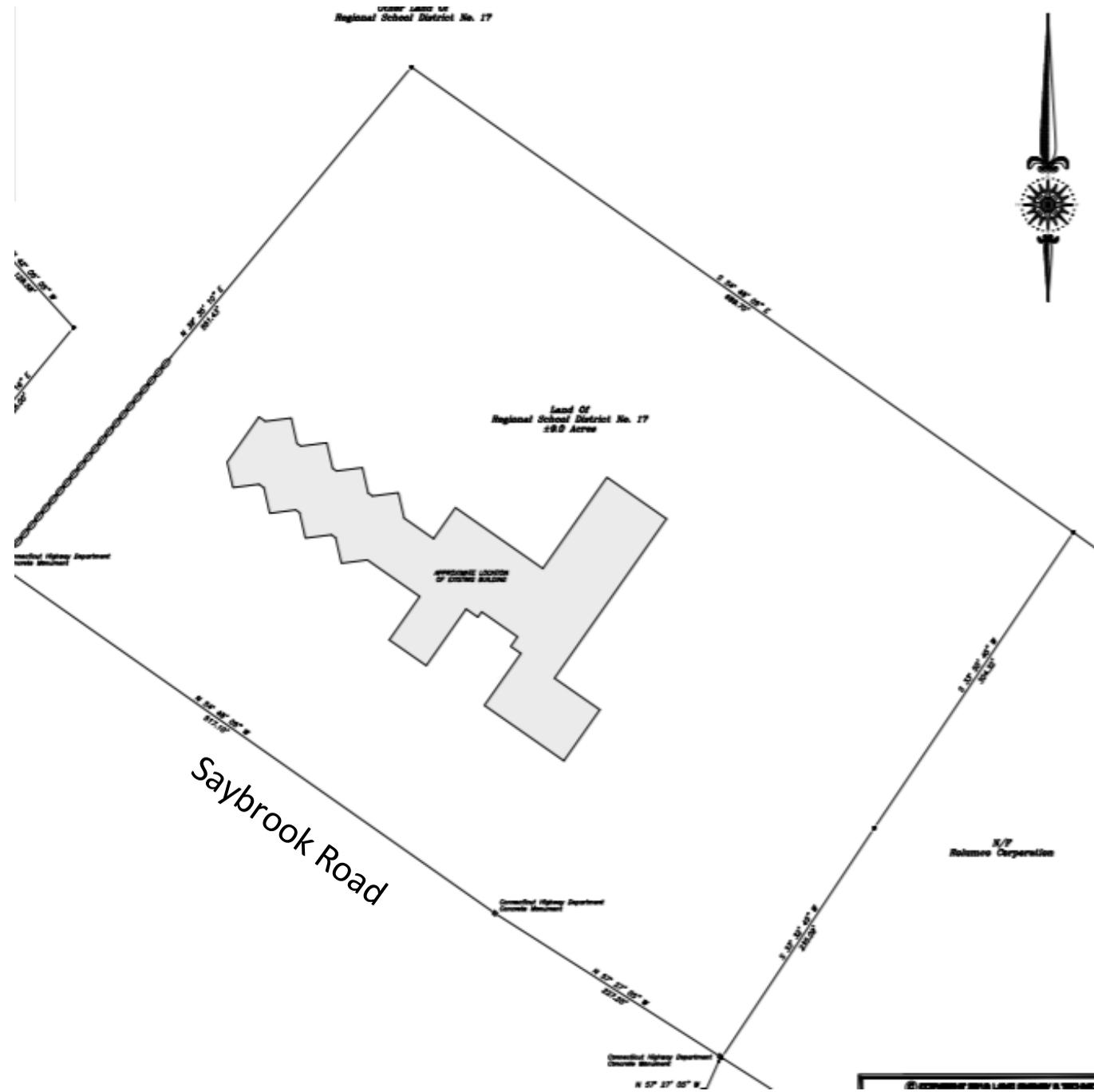
Haddam Elementary	1	Flooring	\$10,000.00	
	1	Recoat Modified Bitumen with aluminum coating	\$13,200.00	
	1	Shingle section E	\$10,000.00	
	1	Roofing option B - Urethane Foam	\$96,280.00	
	1	Paint lines on gym floor	\$3,500.00	
	1	Interior painting	\$2,000.00	\$134,980.00
	2	Roof shingled section E	\$35,000.00	
	2	Recoat Modified Bitumen with aluminum coating	\$13,200.00	
	2	Concrete walkway repairs/modifications	\$3,500.00	
	2	New Playscape	\$65,000.00	
	2	Painting	\$13,500.00	
	2	Paving/sealing/repairs - parking lot	\$10,000.00	
	2	New Stage curtain	\$3,200.00	
	2	Create SLP/Counselor space (renovate)	\$6,500.00	\$149,900.00
	3	Flooring	\$30,000.00	
	3	Boiler modifications	\$15,000.00	
	3	Roof - Urethane foam	\$110,000.00	
	3	Roof - Shingled section F	\$26,500.00	
	3	Sealcoat parking lot	\$12,500.00	
	3	Painting	\$13,500.00	\$207,500.00
4	HVAC upgrades	\$30,000.00	\$30,000.00	

The Division of the Property

Compilation Plan Property of RSD 17



Proposed Lot Split to Create HES Parcel



Untitled Map

Write a description for your map.

HES Parcel

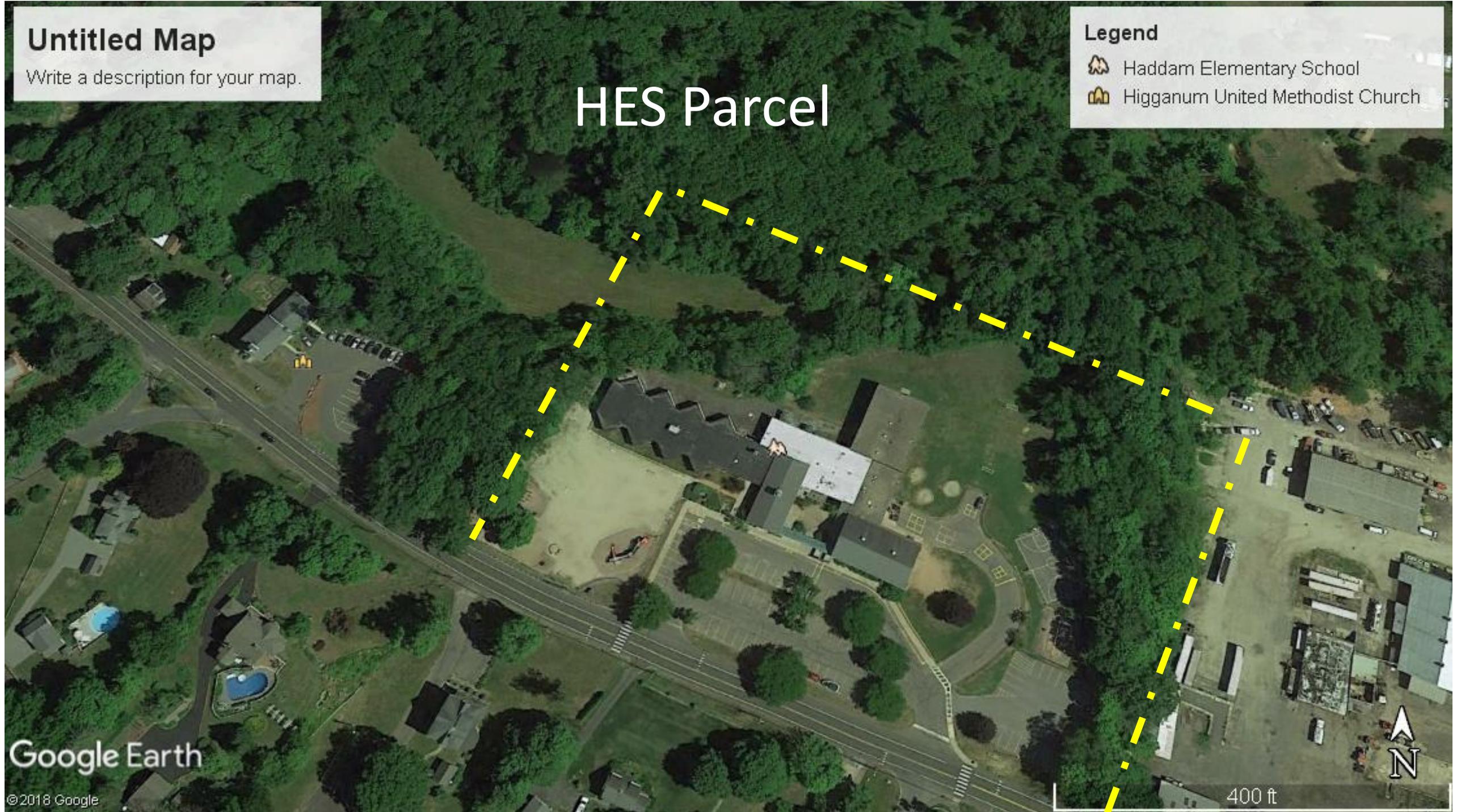
Legend

-  Haddam Elementary School
-  Higganum United Methodist Church

Google Earth

©2018 Google

400 ft



Should the Town Acquire the HES Parcel?

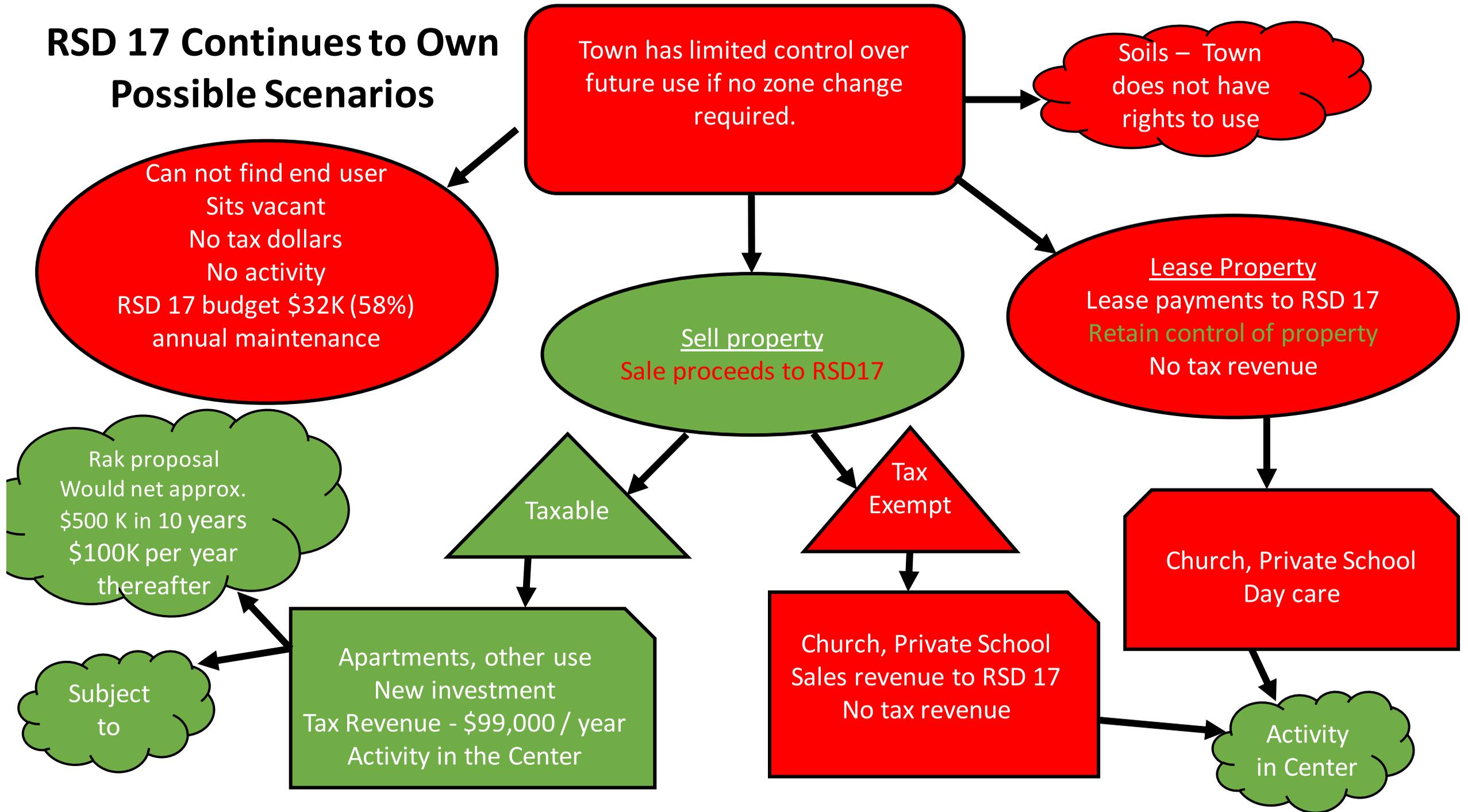
Planning and Zoning Commission CGS 8-24 Report

- What is the best future use of the property?
- Would any of the permitted uses add to the vitality of Higganum Center and a significant addition to the grand list?
- Would a tax-exempt use like a place of religious worship or a private school add to the vibrancy of the village center?
- Which ownership entity, the Town or RSD 17,
 1. would give a proposed sale or lease the level of scrutiny it deserves?
 2. would have the greatest interest and concern for the economic vitality of Higganum Center?
 3. will focus its deliberations on consistency with and implementation of the POCD?

“After reviewing all of these considerations with it’s professional staff and the attached flow charts the Commission voted unanimously to recommend to the Board of Selectman that the Town of Haddam acquire Haddam Elementary School from RSD 17.”

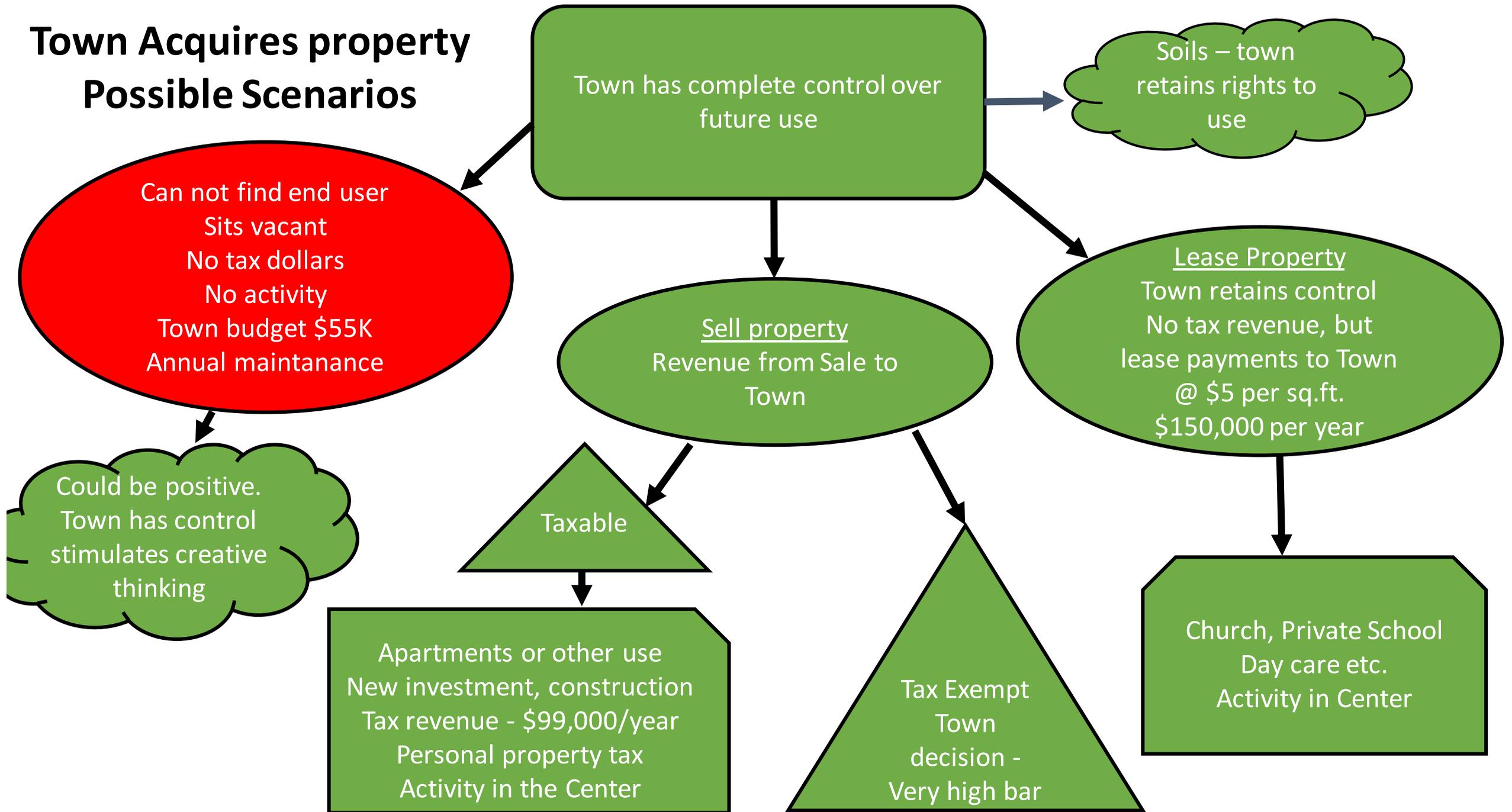
Possible Scenarios based on Ownership

RSD 17 Continues to Own Possible Scenarios



Town Acquires property

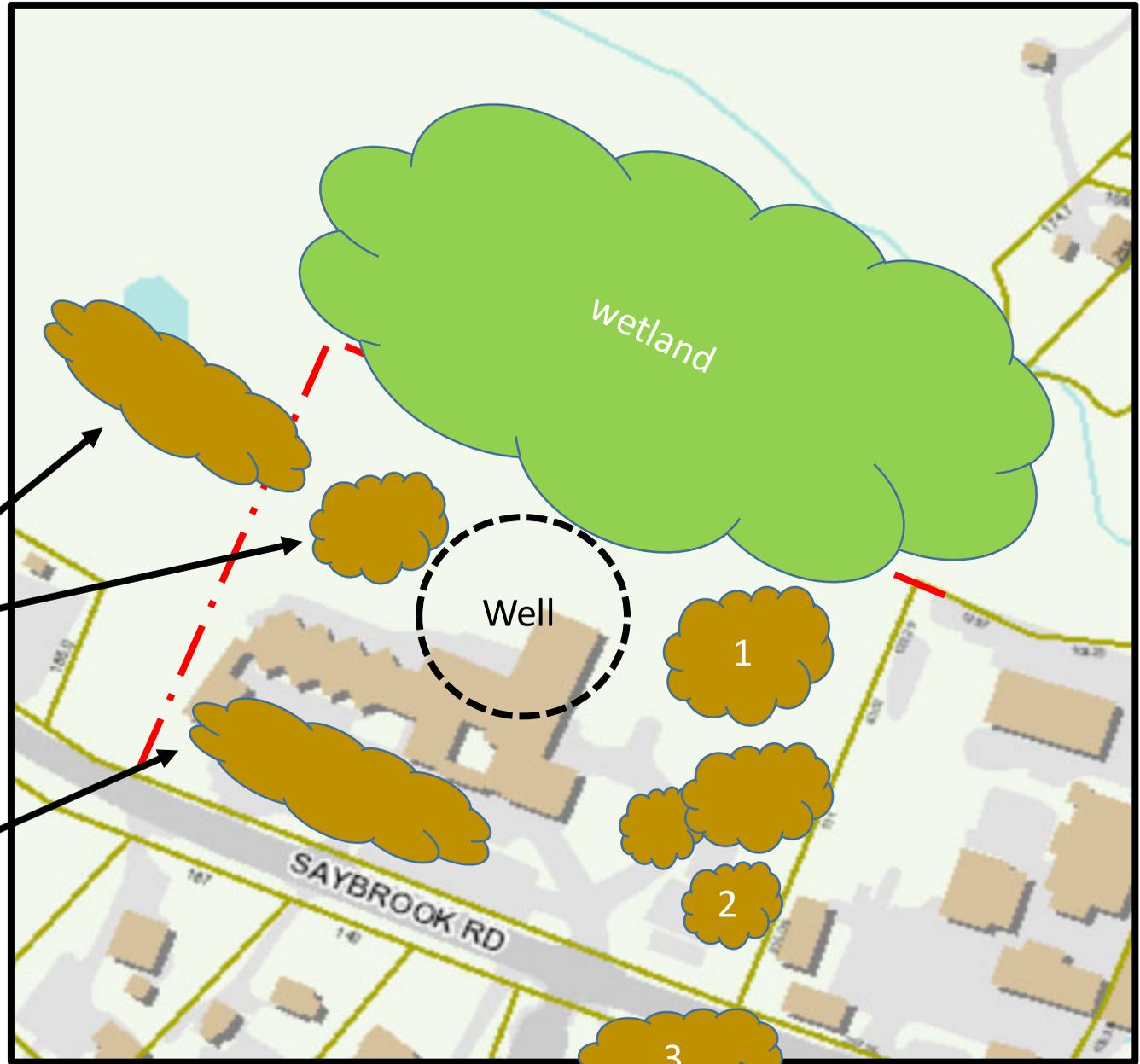
Possible Scenarios



Ability to Control the Underlying Soils

- Biggest impediment to growth in Higganum Center is unsuitable soils for septic.
- Restaurants, apartments and other high water users can not locate in much of the center. Rossi / citizen Bank/Town Garage/ along RT 81
- Town has spent 20 years studying a public sewer system.
- The only thing that has happened is cost has increased.
- 2019 cost for packaged plant \$10 million / \$100,000 annual operating
- Need to be creative think outside of the box.
- Town Green and HES property could unlock Higganum's potential

Soils



HES property

- 1.) Existing 6,000 gallon system
Good soils no ground water or ledge
- 2.) Reserve area tested an approved for Reserve – good soils

Based on topography and testing school is sitting on a natural mound of sand and gravel – “couldn’t ask for better”

Idea

Add multiple, independent 7500 gallon Systems to service other properties in Higganum Center.

DPH < 7500
DEEP > 7500

3 additional 7,500 gallon systems on HES
7,500 gallons town green

All subject to state health approval

Tested 2018

Conclusion

- Cost of acquisition well worth the control it buys
- \$450,000 is small amount to pay to control \$4.4 million asset
- Control future use – avoid tax exempt and focus on uses which bring positive activity to center
- Who decides? Should be exclusively Town of Haddam.
- There must be extensive public input.
 - RSD 17 owned – RSD 17 decides
 - Town owned – PZC, BOS, Town Meeting, referendum
- Control future disposition - sale / lease /retain
- Lease Revenue, Sale Revenue, Tax Revenue
- Control underlying soils
- Use soils to unlock Higganum's true potential