

Why buy the Rossi property?

DRAFT Presentation MATERIALS
FOR EXECUTIVE SESSION on 9/14/2020

Higganum Center Revitalization

- ▶ The property is 4.65 acres in the Higganum Village District zone.
- ▶ The site is flat and fully developable with frontage on RT 154, ideal for new development.
- ▶ There are no wetlands or flood plain on the property.
- ▶ The property has 3 wells on the property. The wells are registered as community well system with DEEP.
- ▶ The property is adjacent to future community septic, no longer is development of Rossi subject to \$12 million sewer system.
- ▶ The property is an income producing property, which off sets the cost to the Town.

Higganum Center Revitalization

- ▶ There has been no significant private investment or revitalization in the last 30 years...all while Middletown, Deep River, Chester have revitalized. WHY?
- ▶ Rossi Lumber was a great company and employer. But since they pulled out in 1994 the property has been much more of a negative influence than positive for the Center.
- ▶ It is the largest privately owned parcel in the Center, full of inappropriate uses, creates to many unknowns for surrounding private investment.
- ▶ Rossi currently exists as a legal non-conforming use, its uses are completely inconsistent with goals of Village District;
- ▶ Non-conformity runs with land, future buyers have same rights; literally could be like this, or worse, forever;
- ▶ Allowed uses - warehouse; vehicle storage, maintenance and repair; manufacturing, lumber storage;
- ▶ Town needs to control its future and drive revitalization;

Higganum Center Revitalization

- ▶ As largest privately owned parcel in the center, Rossi is the lynchpin for future development

WHY ?

Cost of sanitary sewer lines to community septic on HES.



In-road option ——

*Delays and unknown DOT requirements, must be town owned

400 feet in road

\$90/ft pipe and trenching - \$36,000

Temporary patch \$45/sq.yd. - \$6,000

permanent patch \$65/sq.yd. - \$8,700

DOT will require milling and overlay of lane - \$29,600

plus costs for encroachment permit,

contractor to set up a traffic pattern,

state police for traffic control.

Future maintenance and repair

\$150,000

Off-road option

\$50,000 = ——

Higganum Center Revitalization

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WHY ?

- ▶ Trail Swan Hill to Cove
- ▶ Depot Road streetscape - connection between Center and Cove
- ▶ Potential parking for Cove events;
- ▶ Connecting the Center to Green and HES

Better connection between Green / HES and Center



Future Area for Community septic







Higganum Center Revitalization

- ▶ As the largest, privately owned parcel in the center, Rossi is the lynchpin for future development.

WHY ?

There has been a long standing potable water issue in Higganum. There are 3 wells on the Rossi property that exist as a “public water system”, per DEEP.

Eric Mcphee, Department of Energy and Environmental Protection

“I actually found out that 300 Saybrook road used to be a public water system. **That’s good news for any new owner, as it typically means that it can be ‘reactivated’ as opposed to creating a new public water system.** Since the well is a public supply source, it does not need to go through the approval process for a new well.”

“I would also recommend, as I mentioned on the phone, that if the town moves forward with the purchase, that the **feasibility of consolidation with the public water system located on the adjacent property (Haddam Elementary School) be evaluated.**

Higganum Center Revitalization

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WHY ?

- ▶ Future economic development along Saybrook Road.
- ▶ Market Study indicates Haddam can support up to 187 units of market rate rental. Developer moving forward with 48 units in Tylerville. If that is successful no reason couldn't develop similar on Rossi.



FINANCIALS

*Method of financing completely up to BOF

<u>Annual Cost to Town - AS IS</u>			
		Expence	Revenue
Approx Annual Debt Service		\$ 138,000	
Lost tax revene		\$ 21,000	
Savings to Town - Rent			\$ 36,000
Rent roll			\$ 60,756
		\$ 159,000	\$ 96,756
			\$ (62,244)

Development Opportunity

- ▶ Developer currently interested in acquiring front 2 acres
- ▶ Plans to develop approx. \$3 million retail/office/production facility.
- ▶ Understands need to preserve existing brick building, need for high quality architecture and sidewalks along Saybrook Road.

Development Opportunity -Assumptions

- ▶ If town and developer proceed.
- ▶ Town sells front 2 acres to developer
- ▶ Proceeds from land/building sale - \$400,000 (one time)
- ▶ Developer constructs \$3 million building
- ▶ Building permit fee - \$60,000 (one time)
- ▶ Annual taxes from new building - \$67,000

FINANCIALS

*Method of financing completely up to BOF

Annual Cost to Town with new development			
	Expenses	Revenue	
Approx Annual Debt Service	\$ 138,000		
Lost tax revenue	\$ 21,000		
Savings to Town - Rent		\$ 36,000	
Rent roll		\$ 31,956	
New tax revenue		\$ 67,000	Cost to Town
	\$ 159,000	\$ 134,956	\$ (24,044)
One time revenue (Building permit & land sale)		\$ 450,000	

*One time revenue covers annual cost of **(\$24,044)** for life of bond