

JANUARY 28, 2006 SPECIAL MEETING

The Wethersfield Town Council held a special meeting on January 28, 2006 at 12:15 p.m. in the Lower Level of the Board of Education Building.

Present: Councilors Adil, Cascio, Drake, Kotkin, Walsh, Deputy Mayor Fortunato and Chairperson Morin. Absent: Councilors Forrest and Kirsche.

Also present: Bonnie Therrien, Town Manager; Dolores G. Sassano, Town Clerk; Peter Gillespie, Town Planner; members of the Economic Development and Improvement Committee; and Attorney Doug Gillette.

Redevelopment laws and the role of the Economic Development Commission

Town Manager Bonnie Therrien said that economic development is always a priority and currently there is no land left in Wethersfield to develop to grow the grand list and support the budget. She said that the only way to do this will be through redevelopment.

Attorney Gillette said that redevelopment is an area that is beyond the traditional scope of government operations, and it is an area where municipal powers are limited by State Statutes. Attorney Gillette said that the EDIC is not a redevelopment agency, under the ordinance establishing it. He said that a redevelopment project requires a redevelopment agency such as the Connecticut Housing Authority or a separate agency established by ordinance which acts on behalf of the Town under Council control. He said that the EDIC does however have a role in advising the Town in development and redevelopment issues. Attorney Gillette distributed a handout explaining the development statutes. He said that the local Charter needs to be referred to regarding bond appropriations, public hearings, and referendums. Attorney Gillette explained that the Town typically engages in general obligation (GO) debt finance for its capital projects. He said that under general obligation debt financing, the Town's full taxing power is pledged to back the financing. Attorney Gillette explained the other two types of financing for redevelopment projects are revenue financing, which pledges revenue from the project, and tax increment financing (TIF), where the portion of the tax revenue from the project area is segregated and used to pay debt service, with that portion of the tax revenue as the only thing the bond holders have recourse against. Attorney Gillette said that TIF is not often used, as GO financing is the cheapest municipal financing available. He said that TIF carries baggage along with it beyond the complications, cost, and higher interest rate, such as additional requirements to be met in order to remain tax exempt and also agreements made with developers regarding assessment values. Attorney Gillette said that another problem with TIF is that without even putting a shovel in the ground, the Town is stating what the tax increment will be. He said that with any project, the Town would want to consult with their financial advisor to run the numbers and weigh the pros and cons.

Councilor Adil asked if the EDIC can set up an agency through them. Attorney Gillette said that either the Housing Authority or a separate body established by the Council must be appointed. He said that the EDIC has membership of the business community, whereas redevelopment agencies are limited to membership of resident electors in Town. Councilor Adil asked if a combination of TIF and GO financing can take place and was told by Attorney Gillette that this could happen.

Councilor Drake asked if the Council can commit to a redevelopment project before an agency is set up.

Attorney Gillette said that the commitment would have to be very conditional with a memorandum of understanding. Councilor Drake pointed out that there has to be a project before the Council even starts thinking about financing. Attorney Gillette said that there can be a project in mind that has been reviewed by the EDIC and then proceed with the process of redevelopment, but an agency does not have to be in place before thinking about projects.

Ms. Betty Rosania, EDIC Chairperson, said that although some members on the EDIC are identified as representatives of the business community, all members are voters in Wethersfield. Ms. Rosania clarified that the Council can give a

directive to redevelop a piece of property and have the EDIC gather all the necessary information, and then appoint a redevelopment agency to move forward. Attorney Gillette verified that this is true.

Attorney Gillette was asked if EDIC members can serve on the appointed redevelopment agency concurrently and he answered that he does not see a fundamental conflict arising.

Mr. Paul Montinieri asked if the restriction of the EDIC to act as a redevelopment agency is due to the Town Charter or because of the way the EDIC has been commissioned. Attorney Gillette said that the restrictions are due to State Statutes. Mr. Montinieri asked if there is any way to get around this. Attorney Gillette said that the Statutes limit a redevelopment agency to being the Connecticut Housing Authority, the Town's Housing Authority, or a separate agency. Mr. Montinieri suggested that possibly a subcommittee could be established in order to streamline the process. Attorney Gillette said that this could possibly be done so as not to lose the experience and knowledge of the EDIC members, but he thinks that the groups would have to be separate entities rather than sub-commissions.

Councilor Kotkin asked if there is a certain level where it does not make economic sense due to all the costs to go with the financing. Attorney Gillette said that anything under \$1 million would not be large enough to support the costs and TIF would be for a project of at least \$7 million.

Councilor Adil asked Attorney Gillette if he would be willing to advise the Town so as to avoid pitfalls that have occurred with other municipalities regarding financing. Attorney Gillette said that his firm has a number of staff who deal with development and redevelopment projects. The Town Manager verified with Attorney Gillette that he advises municipalities to already have a developer in their back pocket. Attorney Gillette said that depending on how many resources the Town wants to devote to a project, they would want to have a developer rather than do something on spec.

Deputy Mayor Fortunato addressed the Connecticut General Statutes 8-188 and Attorney Gillette said that these deal with development rather than redevelopment. Attorney Gillette said that the EDIC is clearly the Town's development agency, but the Connecticut Statutes in Chapter 130, §8-126, require a redevelopment agency which can be any of the three previously stated. Deputy Mayor Fortunato pointed out that it would be important to have communication between the redevelopment agency and the EDIC. Deputy Mayor Fortunato questioned the language to be used in the ordinance to establish the redevelopment agency and Attorney Gillette said that when the time comes, he could provide examples of such, since there are some conflict of interest restrictions for membership.

The Town Manager asked Attorney Gillette to explain and give examples of the difference between a development project and a redevelopment project. Attorney Gillette said the Chapter 132 traditional development projects required municipal acquisition of property and redevelopment project permits, among other things, and that the Town to enter into agreements with redevelopers who will actually do the project. Attorney Gillette said that the third type of development project is relatively recent and parallels the older Chapter 132 development project program, but permits the municipality to have a private developer involved. He said that this third type is narrowly defined and is generally not commercial retail.

Councilor Adil asked if the redevelopment agency can be used for both redevelopment and development projects, or if the EDIC should remain the development agency. Attorney Gillette said that this decision is left to the discretion of the Town Council. He said that the redevelopment agency can be appointed as the development agency but not vice versa. Councilor Adil asked if the Town goes to the voters for a \$10 million referendum, does the amount have to be for one specific project or can it be for more than one project. Attorney Gillette said that a redevelopment area would need to be stated as part of the redevelopment plan and then depending on the definition of the bond, it could be for more than a single project. He said that a tax-exempt bond cannot be used to simply create a pool of money with no specific expectation of when it will be expended; therefore projects would need to be identified for cash flow.

Chairperson Morin thanked Attorney Gillette for coming to the meeting and sharing helpful information with the Council. Attorney Gillette said that it is his pleasure to speak with the Council and when this is pondered further and more questions arise, he will be happy to return to answer them.

EDIC Parcel Concept Plans

Chairperson Morin said that the Council will attempt to continue the meeting in its regular format until such time as specific real estate concepts are brought up and the Council will need to adjourn to Executive Session. He stated that it is legal for the Council to invite the EDIC into Executive Session as the Town's advisory committee on development.

Town Manager Bonnie Therrien said that Town Planner Peter Gillespie will be showing the Council the Fuss & O'Neill concept plan for four parcels strongly recommended by the EDIC.

Mr. Gillespie said that the EDIC has three working subcommittees; marketing, finance, and development. He said that the Development Committee has been working on potential sites throughout Town, with concentration on the Silas Deane Highway. He said that that the EDIC asked Fuss & O'Neill to look at four sites on the Silas Deane Highway. Mr. Gillespie distributed the concept plans for three of the properties which have not yet really been presented to anyone and are only preliminary plans at this time.

Councilor Drake asked if the property owners have seen the plan and Mr. Gillespie said that they haven't yet seen it.

Councilor Adil asked if the Town would need to put up the money to acquire the property or do the remediation if needed. Mr. Gillespie said that a group is looking to acquire the property and he hopes that the Town will be supportive of them in terms of tax incentives or some other means of assistance.

Ms. Carmella Moore, Chamber of Commerce President, asked Mr. Gillespie if the package qualifies for Browns Fields and he said that it does.

He said that the Town's assistance with Browns Fields funding is a way to assist those who acquire the property.

Ms. Rosania asked if the Town has enough incentives to bring people in and was told by the Town Manager that the Town has a number of tax incentives to offer. Mr. Gillespie stated that the redevelopment Statutes provide additional tools as well.

Mr. Gillespie reviewed the next site which is approximately ten acres with 100,000 square feet of space. He said that one of the plans is to put in a small grocery store with a small restaurant, and develop the corner with a public streetscape. He said that the second plan includes two and three floor residential buildings generating approximately 120 residential units, and that the Development Committee does not feel that the second plan, nor the possible use of the property for a hotel, makes the best use of the property.

Chairperson Morin said that he's not happy with either plan, although he likes the streetscape aspect. He pointed out that the market drives what kind of business will go into a space. Mr. Gillespie said that the market study identified a large demand for apartments along the Silas Deane Highway and developers have actually approached the Town looking to put apartments and condominiums along the Highway.

Ms. Rosania said that she did not agree with much of the marketing study since Wethersfield is only four minutes to downtown Hartford and needs to take advantage of this location.

Mr. Gillespie said that one of the next steps is to run the plans up the flagpole with some of the developers to determine if they make sense. He said that their opinions will be factored into the final comments on the plan.

Mr. Phil Knecht, P&Z liaison to the EIDC, said that officials in the City of Hartford have stated that they believe that another hotel in the area will be required. Mr. Knecht asked if the food store has a long-term lease and Mr. Gillespie said that the lease terms of that grocery store are more than ten years, and to get out of them is another level of expense.

Ms. Cynthia Jacobs said that she has concerns about apartments or condominiums being located at this location since they are residential and she also expressed concern about the impact this will have on the school system.

Councilor Cascio left the meeting at this time.

Mr. Gillespie reviewed the third site stating that what is being proposed is a series of mixed use buildings built right on the Highway which will require some type of parking deck. He said that the amount of space is approximately 67,000 square feet compared with the current 60,000 square feet. He said that the development will include intersection improvements, and a small focal point or small park at the corner of Church Street and the Highway indicating that this is an important intersection in Town.

Deputy Mayor Fortunato asked if any of the businesses will be manufacturing or medical. Mr. Gillespie said that the market study dismissed the idea of any industrial or manufacturing businesses along the Highway since there is not a market for them. He said that there is a big demand for office condominiums which will be owner occupied and a particular group has been looking to Wethersfield to locate a wellness center.

Ms. Jacobs asked if bringing the Post Office into this space is being discussed as part of the plan. Mr. Gillespie said that the Post Office has been made aware that development sites are being reviewed and they expressed a level of interest in discussing this further with the Town. The Town Manager said that the Post Office lease goes to 2009 and they said that they would be willing to move at any time as long as the cost is cheaper for them.

Mr. Howard Greenblatt said that this is a strategically important area should a Town Center plan be considered.

Mr. Christopher Lyons asked if any conversations have been held with the owners of these buildings and Mr. Gillespie said that none have been held with these owners.

Ms. Rosania said that she wants the Town to go with something visible and achievable and to expend STEAP money in order to obtain another STEAP grant. She said that the plan presents the best opportunity at this time for the Town to consider movement, although it could be tough dealing with five to six property owners. Ms. Rosania said that she would like to see that something actually starts to be done to bring the four corners of the government center into reality.

Mr. Gillespie provided a view of the proposed streetscape at the corners of Church Street and the Silas Deane Highway which includes interlaid pavement in the crosswalks, light poles, banners, underground utilities for this part of the Highway, public spaces, Wethersfield identification, a traffic island with trees, additional trees along the Highway, and additional public improvements.

Councilor Drake asked if the planting of trees in the center is actually possible. Mr. Gillespie said that it is possible if the sites are properly developed and traffic does not have to turn there. He said that the State is willing to allow anything as long as it makes sense in terms of a traffic point of view.

The Town Manager said that when the trees were proposed earlier, the businesses absolutely did not want them. Mr. Gillespie said that the planting of trees will be selective along the Highway and can only happen if all of the driveways currently existing are gone and this makes sense in key locations where traffic should not be allowed to turn.

Councilor Drake expressed concern with brick pavers being installed as they do not seem to weather well over time. Mr. Gillespie said that the pavers will not be brick, but rather a new product of embedded concrete or asphalt which is stained. He said that the State DOT has to approve of the final treatment.

Mr. Gillespie said that the plans and the costs will be reviewed further and a strategy will need to be developed to communicate the plans with the property owners so that they are informed. He stressed that there is still homework to be done on these plans.

Deputy Mayor Fortunato suggested that the YMCA be approached as they have expressed an interest in the past to have a metro facility in Wethersfield which would include early child care.

Chairperson Morin said that he supports redevelopment and agrees with starting small as this is the right thing to do. He said that he agrees with Ms. Rosania to get something going so that residents will see that they are getting

something for their money.

ADJOURNMENT

At 1:50 p.m., Councilor Adil moved "**TO ADJOURN THE MEETING**" seconded by Deputy Mayor Fortunato. All Councilors present, including the Chairperson voted AYE. The motion passed 6-0-0.

Dolores G. Sassano
Town Clerk