

East Haddam Village Revitalization Committee
Meeting
Thursday, October 28, 2010
Minutes

Committee Members Present: Bill Gerrish, Melanie Kolek, Will Brady, Michael Gionta, Phil Barlow, Eric Sabetta. Others in attendance: George Fellner, Bob Casner, Deb Mathiasen, Mark Walter, Jef Wolter, Susan Hays.

Mr. Gerrish called the meeting to order at 7:06 p.m.

Approval of minutes:

Minutes from the meeting of September 23, 2010: Amendments proposed by Mr. Brady to change "Feller" to "Fellner" and "burm" to "berm." Motion made by Mr. Gerrish to accept minutes, seconded by Mr. Gionta. Motion carried.

Old Business

None.

New Business

Mr. Wolter discussed his experience with developments such as the one endeavored by the committee. He stated there are two questions that are essential when choosing a developer: 1) how do we select a developer, and 2) how does the town protect itself in that relationship. For example, how does the town ensure that the developer follows the vision? What is the contingency in place if the developer cannot finance the project? Mr. Wolter explained that there are questions that must be considered, especially on these economic times.

Mr. Wolter presented Attorney Susan Hays, a principal at Updike, Kelly, and Spellacy. In her experience with real estate developers, whom she represents, Attorney Hays stated that her experience is mostly with developers of shopping centers. She has worked with private developers on projects such as the Town of Naugatuck.

She described the RFP process. The first part of the process is the development process, whereby there is an agreement entered into. (She cited a "memorandum of understanding," "preliminary agreement" and "exclusive negotiation period" as types of writings the parties could enter into, examples of which were distributed.) She indicated that this requires a considerable amount of time and money on the part of the developer. Most developers will not proceed with this first stage if they do not think that the project is going to go anywhere.

The next phase is the permit and approval process. A pre-development letter of intent is usually sent to the developer stating they have been selected as the preferred developer. Then the developer and town/owner meet to discuss this relationship and future handling of the project.

She said there are generally two different situations where developers approach her: When they want to build on a piece of property but need help with the land acquisition (like the malls in Waterbury where the developer and City teamed up to do an environment clean-up) or when the developer is sought out to complete a specific project, like Norwich Hospital.

Attorney Hays stated that it is extremely hard for developers to respond to specific RFPs without assurances that they will be chosen to complete the project as it is very expensive. She recommended that a better way would be to start on a smaller scale. Approaching a developer with everything within a specific time frame is too constraining. A good example of an RFP that would be attractive and manageable would be one where the town gives concepts of what they want versus specifics about dimensions, etc.

She also noted that the committee would want to keep in mind about the type of people who are responding. She stated that there are not a lot of people who do mixed use properties, that more likely than not developers would have to team up into a partnership. Some of the other considerations include state/town funding (the developer would look to us for that or work with the town or Department of Economic and Community Development “DECD” money), environment clean-up, and the time frame by which the project can and should get done. Attorney Hays stated that the more the town can do to the site to make it development ready, the more the town saves paying a developer to do it. If the town hires its own consultant, the consultant needs to understand the goals/objectives.

Mr. Barlow questioned the role of the developer in bringing the town through the process. Mr. Brady stated that the site is part of both historic and village districts. Attorney Hays noted that it is important that all of the town committees and boards agree to the project, which the committee needs to investigate ins and outs. She further stated that obtaining the permits from the town for the project takes considerable time.

Mr. Barlow questioned what we can do to make sure that developers are interested in the project. Attorney Hays recommended that we “know our enemy” inasmuch as we know what hurdles we will face, i.e. transportation (DOT), parking, etc.

Mr. Gerrish asked what steps the committee needed to take next. Attorney Hays stated that baby steps is the way to go, that we should send out something to potential developers, i.e. Request for Qualification (“RFQ”), to have an interview process, ask for resume, etc. “If there is no interest, that tells you something.” She also stated that we could have a feasibility analysis done to determine if we will make enough money to get returns on the development. Mr. Brady asked if it is up to us to say what retail is recommended. Attorney Hays stated that the developer will likely figure this out but again, “it’s a balancing act because of what someone will pay.”

Attorney Hays also stated that the challenge three to four years ago was getting a developer interested in a small project like this one. But this may be a perfect opportunity for the developer “looking to put their toe in the water” to start their business of developing again, that we may not be too small (whereas we would have been a few years ago), and we may be surprised by the interest we received.

Attorney Hays thinks that the Board should look nationally for a developer. Locally, she mentioned Richard Heaps of New York as well as Bob Weiner of JDA Development.

Mr. Gionta questioned where we could find these developers. Unfortunately, Attorney Hays explained that there is no one central place for “mixed use” developers. We could use social media, ask associations for the mailing list, word of mouth, look at other projects. She stated

that she would look through her materials and advise if there were developers she might recommend that we talk to. Also, she recommended the Real Estate Exchange, where the RFP/RFQ could be posted, as well as CERC and the CT Economic Resource Center.

Mr. Wolter discussed the process of funding, through issuance of bonds and/or obtaining grants. He also discussed the option of doing the project in phases, namely three parts (front, back, Riverhouse) which could potentially have three different developers. There was discussion about all of the parts coming together to create “synergy” and the types of shops that would attract local and visiting patrons.

Mr. Wolter further noted that if the town cannot get a clean site, we will be unable to get a developer to finance the project, as that will mean more costs to the developer. If the town invests in the infrastructure, we can lower the rent.

General Discussion

Mr. Gerrish stated that Mr. Fellner had been contacted by Mr. Ventres to obtain information about the project for the presentation on the Middle School Conversion taking place on November 10th at the high school. There was discussion about the committee meeting with Ventres and Fellner to discuss the project thus far and to pick two or three slides from the renderings to present at that meeting. Mr. Gerrish and Mr. Barlow have agreed to attend the meeting on November 10th to field questions about the status of our project.

It was discussed among the committee that it is a preference but not a requirement that the town offices be moved off site to the proposed renovated middle school in order to advance the Village project.

For the next regularly scheduled meeting, Mr. Gionta recommended that committee members research potential developers and go through sample RFQs. There was also discussion about generating a subcommittee to draft an RFQ after the committee members come back with their findings.

Motion to adjourn made by Mr. Brady, seconded by Mr. Barlow. Meeting adjourned at 8:57 pm.