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TOWN OF NEWTOWN

TOWN OF NEWTOWN LEGISLATIVE COUNCIL MEETING MINUTES SEPTEMBER 5, 2018 NEWTOWN MUNICIPAL CENTER, NEWTOWN, CT

PRESENT: Chris Eide, Chris Smith, Jordana Bloom, Robert Pickard, Judit DeStefano, Ryan Knapp, Dan Wiedemann, Paul Lundquist, Phil Carroll, Kelley Johnson, Jay Mattegat, Dan Honan.

ALSO PRESENT: First Selectman Dan Rosenthal, Director of Planning George Benson, Deputy Director Economic & Community Development Cristal Preszler, Northeast Investment Realty Brian Atherton, 2 public, 1 press.

CALL TO ORDER: Mr. Lundquist called the meeting to order with the Pledge of Allegiance at 7:30 pm.

VOTER COMMENT: None.

MINUTES: MR. EIDE MOVED TO APPROVE THE MINUTES OF THE AUGUST 29, 2018 SPECIAL MEETING. SECOND BY MR. CARROLL. ALL IN FAVOR. MOTION PASSES. (12-0)

COMMUNICATIONS: None.

COMMITTEE REPORTS: None.

FIRST SELECTMAN'S REPORT:

Mr. Rosenthal said that the Board of Selectmen approved the notice for the police project for the referendum 3-0, also approved the transfer that will go to the Board of Finance next for transfers for a new accounting system that was budgeted for next year. The Board of Education, will also use the same system, proceeded with the transfer over to the new system, do not to get too far along in the process because there will be opportunities to save money, Mr. Tait recommended to fund it this year rather than waiting. When the transfer comes before the Council, Mr. Tait can speak to opportunities and efficiencies. Mr. Lundquist asked what the cost is, it is \$59,000. Transfers will come from some salary and benefit lines and about \$13,000 from contingency.

Mr. Wiedemann asked about the status of the purchasing agent position. Mr. Rosenthal said that Mr. Tait has narrowed down the pool of candidates and will be proceeding with the interview process.

Mr. Knapp asked if the ballot language comes to Council for approval now that the Board of Selectman has approved the ballot language. Mr. Rosenthal said it is now with the Town Clerk to be filed and will not come to Council. Mr. Lundquist commented on the language and referred to the Board of Selectmen meeting minutes which does not seem to reflect the address. Mr. Rosenthal said that the ballot question does include the address. Mr. Rosenthal said that they waived the reading of the full resolution and assured Council that the full resolution includes the property address.

NEW BUSINESS:

Update on 7 Glen Road – Mr. Benson and Ms. Preszler joined the podium to provide an update on 7 Glen Road. Ms. Preszler referred to the property which the Town took by foreclosure and has owned since 2013.

(ATTACHMENT) The property is known to be a brownfield, through a grant the property and the building was assessed for hazardous materials. There was some asbestos, but not a significant amount, about \$18,000 of remediation on the building. The property also had a Phase I and Phase II environmental site assessment done. Testing came back with some contamination on the property. Ms. Preszler has looked into grants for clean-up, but has not been successful because it is necessary to show an end game plan in the grant application, which is not apparent.

Mr. Benson explained that when the Town closes on properties, the Town is exempt from the transfer act. There is no liability for off-site pollution nor need to clean it up right away, if to be used, it would have to be cleaned up. There are three levels of clean-up, the highest is residential, medium is business and the lowest is passive like a parking lot or park. Once Phase II was done, the extent of the problems became known, mostly hydrocarbons and lead. If the property was sold, the new owner would assume liability and have to clean it up. The property can easily be turned into a parking lot, because it does not need to be cleaned up because the polluted area will be capped. Preliminary costs for high level clean-up range in the \$600,000-800,000 to \$1 million range. Banks may not want to fund it because of the contamination and liability on the site. Over the years, several people have looked at the site, and have changed the zoning at least 3 times to allow different types of development. One prospective buyer spent \$30,000 for a Phase III assessment on the property, but walked away and did not share the results of the assessment with the Town. Mr. Benson suggested that Council consider that the Town retain the property since it is not proving to be marketable. Before moving forward with any type of remediation or plans to reuse the property, it needs to be known if the Town is going to accept it as a piece of property for the Town.

Mr. Knapp thanked Mr. Benson and Ms. Preszler for coming and asked as per Charter, if missed the 90 day window of time to keep the property for the Town. Mr. Benson referred to the necessity of coming to Council with a decision during that time, but said that there must be some way to go back, so it does not sit there forever. Mr. Benson explained some of the options, to keep on trying to market it, spend \$1 million to clean it up and try to sell it, or keep it and come up with a use for it relatively easily without spending a lot of money. Mr. Knapp expressed concern over the loss of taxes, property is a liability, plus opportunity costs of revenue. Mr. Knapp said that when discussed years ago, there was the movement of getting it back on the tax rolls, generating future use for the location, and not to be a parking authority, this is not a parking lot for a town building or park, Mr. Benson said that it could be. Mr. Benson said that S.H.O.P. has some ideas and need to look at other possibilities, but do not want to go further unless Council is willing to keep the property for the Town. Mr. Benson said that they would never have gotten those taxes, thus the foreclosure, so at least be able to knock the blighted building down, which was done relatively cheaply using the work of town employees. One of the studies done in Sandy Hook is need for parking. Mr. Benson referred to leasing, which he thought may not be the best use of this property.

Mr. Carroll said that at a previous presentation, Mr. Benson explained how it was necessary to take the building down, unable to collect taxes, the need to get it back on the tax rolls, plan to cap it, then someone can build on it, now the story is different. Concern over the Board of Finance minutes that parking lot was discussed, and there are other sections of town in need of help from the Town. Mr. Benson said that levels of pollution were not apparent until the Phase II was done, limiting some options.

Mr. Smith asked about different levels of clean-up per use for commercial. Mr. Benson said that yes, there are different levels depending on intended use.

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Mr. Lundquist asked about contamination and sense of urgency, concern with the Pootatuck River nearby, is capping a natural conclusion to put an end to it or is the property in dire need of clean up, he is not hearing the urgency to do anything with it at the moment. Mr. Benson said that there is no pollution we know of in the river, not sure about the ground water, Phase III would tell. Mr. Lundquist suggested to hear about the choices and potential uses, and if S.H.O.P. has ideas, to please share with Council.

Ms. Preszler highlighted environmental assets, the river going through Sandy Hook and trails are reasons to come to the Town, to benefit the Town, support local business, and benefit the region as a whole.

Mr. Rosenthal said that he wanted to have an open discussion with Council before asking S.H.O.P. or asking others for a proposal ideas, delve into the needs of residents and businesses in the area surrounding the property.

Mr. Atherton of Northeast Investment Realty, Shelton, CT and Newtown resident, marketed this property several years ago, during the time, that there was uncertainty with the environmental assessment, in commercial real estate, environmental is one of the biggest uncertainties, with respect of the transfer act, stringent restrictions for residential criteria, or land use restrictions to prohibit residential transfer. In Mr. Atherton's opinion, the property probably has a value of commercial \$150,000 because of the rental rates are generally \$12-\$18 per sq. ft. with the exception of the old dry cleaner property off Exit 10 which is so close to the highway. The absorption can be a year to 5 years, the time it takes to lease a property. The feasibility of development is very limited. One developer is philanthropic, interested in Sandy Hook because of the walkability, infrastructure. Mr. Atherton offered best use of the property would be to create some sort of a destination for community parking/entertainment-associated.

Mr. Carroll referred to environmental clean-up for the property currently being developed on Church Hill Road that used to house a dry cleaner, Mr. Benson explained that the property has been cleaned up to a safe level and Mr. Atherton elaborated, it will be hermetically sealed and capped and proper protocol through DEEP. Mr. Carroll asked why something similar could not be done with this property. The Church Hill property was not transferred over; many layers of approval. Mr. Atherton referred to valuation, clear distinction of differences in value of the two properties and income approach.

Mr. Lundquist reminded Council there is no decision tonight, but good to be aware, and know future paths for the property, not ready to take any action right now. Talk to legal about taking the property back and understand what the options are for future consideration.

Ms. Johnson asked about the environmental component and if it is advisable to push for a Phase III with possible grants to do the right thing for the environment. Mr. Benson said that development will dig things up, disturb the soil, there is more chance of pollution, according to the licensed environmental professional capping is the best thing to do. Mr. Atherton said that Phase III is a series of boring testing.

Mr. Smith asked if there is any feedback from businesses in the area. Mr. Benson said that S.H.O.P. is looking at the possibility of parking. Mr. Smith said capping is a common approach as proposed.

Mr. Knapp said he does not think the Town should be in the business of acquiring commercial properties, and knows that the Town did, but from a big picture perspective there is a reason the Charter only gives 90 days to reserve property for municipal use, don't want municipalities ending up with commercial properties that are not on the tax rolls. Every year there is an issue of commercial residential balance and the need to grow the commercial tax base because that helps with our property taxes on residents, families, and subsidizes schools. Council in 2014 already acted on this, so he does not think it's feasible to go back on that now based on Charter. This property is like Fairfield Hills, it is a blighted property, will cost millions of dollars to abate and make marketable again, adjacent to a river. He does not want the Town to be responsible, he would rather let someone else do it privately than have the Town get in the business of doing it publicly. Mr. Benson said that the Town has a responsibility to address blight.

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Mr. Wiedemann is not for the Town to be in the parking business.

Ms. DeStefano understands the perspective but the reality is there is no buyer, and remediation can cost over \$1 million.

Mr. Knapp prefers that the Town explore leasing the property, there is more of ownership, more economical.

Mr. Rosenthal welcomes suggestions and ideas on use of the property.

MR. WIEDEMANN MOVED A RESOLUTION TO AUTHORIZE THE PREPARATION OF EXPLANATORY TEXT RELATED TO THE POLICE DEPARTMENT REFERENDUM QUESTION BY THE TOWN CLERK AND APPROVED BY THE TOWN ATTORNEY, SUBJECT TO CGS 9-369B(A). SECOND BY MR. EIDE. Mr. Lundquist that this is a process to allow text to be developed for the explanatory text at referendum subject to review by the Town attorney and in collaboration with the Town Clerk, needs to be informational, explanatory and cannot advocate positively or negatively toward an outcome on the referendum itself. Mr. Knapp expressed concern over this process, not only satisfying the appropriations process and also satisfying the acquisitions process and Charter. Mr. Rosenthal said just the ballot question needs to be reviewed by Secretary of State, the explanatory text may not. Mr. Rosenthal said that he will share the text with Council once reviewed by Town Attorney Dave Grogins. The Town Clerk needs it by end of September. ALL IN FAVOR. MOTION PASSES. (12-0)

MR. WIEDEMANN MOVED A RESOLUTION TO AUTHORIZE THE PREPARATION AND PRINTING OF NON-ADVOCACY MATERIALS RELATED TO THE POLICE DEPARTMENT REFERENDUM QUESTION. SUCH MATERIALS MAY INCLUDE MAILINGS, FLIERS, AND POSTERS. CONTENT OF THESE MATERIALS TO BE APPROVED BY THE TOWN ATTORNEY, SUBJECT TO CGS 9-369B(A). SECOND BY MR. EIDE. Mr. Lundquist said the Town Attorney will approve, but the action is to authorize preparation and printing, not to create or review content. Mr. Wiedemann asked if there is a need to approve a budget. Mr. Lundquist said the way to pay for it is not part of the resolution and deferred to Mr. Rosenthal. Mr. Rosenthal said the budget is limited and to spend as little as possible, take advantage of email system. Mr. Knapp said that while the Town can't advocate there are rules for individuals who can expend up to a certain amount. Ms. DeStefano said that there should be no overlap of information, consistent message, non-advocacy is important. ALL IN FAVOR. MOTION PASSES. (12-0)

VOTER COMMENT: Vin Pietrorazio, 103 Head of Meadow Road – Mr. Pietrorazio thanked the Council for time and talent, efforts are most appreciated.

ANNOUNCEMENTS: None.

ADJOURNMENT: There being no further business the meeting adjourned at 8:50 pm.

Respectfully Submitted,

June Sgobbo
Clerk

Attachments: Update on Glen Road.

These are draft minutes and as such are subject to correction by the Legislative Council at the next regular meeting. All corrections will be determined in minutes of the meeting at which they were corrected.

UPDATE ON 7 GLEN RD

The Town of Newtown foreclosed on property located at 7 Glen Road, Sandy Hook owned by Sandy Hook Auto & Marine Corp. The transfer of title to the Town's name took place on November 3, 2014. According to the Town Charter in section 7-90 the Legislative Council may for a period of 90 days thereafter, vote to reserve said property for Town Purposes, provided that if the amount of the tax, interest, lien, fees and other costs exceed \$50,000. The total due was approx. \$307,000 at the time of foreclosure.

At the Dec 3, 2014 Legislative Council meeting, councilman Chaudhary motioned to consider reserving property for town use at 7 Glen Road per Charter 7-90. Motion Failed. Rather than retain it for town use, intent instead was to attempt to clean it up and sell it. Subsequently, Land Use hired a firm to complete an environmental assessment of the property to determine feasibility of re-development.

Legislative Council will hear a review of opinions of environmentalists, brokers and realtors regarding cleanup, marketing possibilities, and potential future of the property.

