

**Town of Preston
Norwich Hospital Advisory Committee
Regular Meeting
Wednesday, March 4, 2009
Preston Town Hall
7:00 pm**

1. Call to Order/Roll Call

Mike Sinko called the meeting to order at 7:05 pm

Joseph Biber
Michael Sinko
Roy Beauregard
Kent Borner
Allyn Brown III
Bob Congdon
Sandy Ewing
Merrill Gerber
Gerald Grabarek – absent as a member, seated in audience
Dan Kulesza

2. Acceptance of Previous Meeting Minutes – February 25, 2009 Regular Meeting

A motion was made by Dan Kulesza and seconded by Merrill Gerber to approve the minutes of the Norwich Hospital Advisory Committee (NHAC) February 25, 2009 Regular Meeting as amended. All in favor. So voted.

Under Communications (a); Pack should read PAC

Page 2, 18 lines down; Ccommittee should read Committee

Page 2, 24 lines down layers should read lawyers

3. Communications

a. Mile Sinko stated that there was discussion by the public during last week's Board of Selectmen meeting that he should not be sitting as co-chairman of the NHAC because he is a selectman.

Joe Biber noted that there was discussion among committee members when he became selectman and it was decided he should remain as co-chairman.

The NHAC felt there should be no changes at this point.

b. Notice was received that David Bingham and David Frommer have a date for a court appearance on Monday March 9th. David Frommer called to inform the First Selectman's office that it has not notified the court regarding an appearance. Attorney Bruce Chudwick informed the First Selectman that the court did not need to be notified until the appearance date of March 17. It is now believed that David Bingham and David Frommer have tabled the case; attorney Bruce Chudwick is waiting for court confirmation that the case has been postponed.

Mike Sinko asked Attorney Chudwick how this would effect the closing.

Attorney Chudwick answered that it is independent of the closing, unless the court decides for an immediate injunction.

c. Bob Congdon stated that post referendum it was revealed that an updated Phase I environmental

study was needed in order to be eligible for any federal EPA funds and Weston has agreed to do that Phase I work for a reasonable price.

d. Bob Congdon noted that the other post referendum issue regarded insurance on the property; the State informed the Town today that it will pay for insurance at the closing.

Sandy Ewing asked who we are acquiring insurance from.

Bob Congdon answered CIRMA, a municipality owned insurance company.

Sandy Ewing asked what the cost would be

Bob Congdon answered between \$60,000 and \$70,000.

e. Merrill Gerber spoke with COG and has a list of master planners.

4. Bill Penn, Consultant

Bill Penn noted that his fellow board member Steve Soler would be present for tonight's meeting, but was running late.

Bill Penn explained that he was not at this meeting as Bill Penn, independent brown field's consultant, but as Bill Penn, President of the Clean Land Fund, a ten year old non profit organization that focuses on positioning and finding financing for brown field projects.

- The Clean land Fund can assist with financial planning and accessing funding
- Has access to an EPA brown field's program which could provide the Phase I environmental study update at no cost to the Town.
- There is a hundred million dollars in the stimulus package earmarked for brown field assessments and clean ups.
- Other sources of funding for master planning.
- The Clean land Fund is made up of Steve Soler, master developer of the Gilbert and Bennett site in Georgetown, Barry Hersh, professor of real estate and development at NYU, Niall Kirkwood, department head of landscape architecture at Harvard School of Design, Kurt Frantzen, PhD in environmental engineering.

Kent Borner asked if a Phase I environmental study was needed before closing.

Bill Penn explained that in order to be eligible for any federal or state brown field funding the Phase I study needs to be done before closing.

Kent Borner asked if the Clean Land Fund could get that done before closing.

Bill Penn answered probably not.

Kent Borner asked if it was possible to be reimbursed.

Bill Penn answered no, because it is an "in-kind" program.

Bob Congdon asked how would the Clean Land Fund work.

Bill Penn explained that they would not get in the line of title. The Town establishing a Development Authority makes the best sense and the Clean Land Fund could be a consultant to that entity, assisting with financial planning, identifying budget requirements for expenses, and working in tandem to access funds for the clean up and redevelopment of the site. Administrative expenses would be built in to the grant to reimburse the Clean Land Fund.

Bob Congdon asked what the fee is for administrative expenses.

Bill Penn answered that his time is billed at \$150.00 per hour with an additional 20% for administrative expenses.

Bill Penn noted that due to the economy, money is not being lended to developers, so there would be a two to three year time frame before this property could be positioned for redevelopment.

Kent Borner asked if the hundred million dollars in the stimulus package is in addition to what the EPA has available.

Bill Penn answered yes the EPA normally gets between seventy five and eighty million dollars per year appropriated for this program and the hundred million is on top of that, and they are under pressure to get that money out on the street quickly.

Kent Borner asked for an assessment regarding the Town's potential to get some of that money.

Bill Penn answered that this site would have a strong potential of accessing funds due to its magnitude and location.

Bill Penn noted that the EPA currently does not recognize the Hospital Property as a brown field site because there has not been any request to look at it from a brown's field.

Sandy Ewing asked how to get on that list.

Bill Penn answered by applying for one of their grants.

Bill Penn explained that the Development Authority as an entity could be the master developer and then bringing in specific developers for specific components.

Sandy Ewing asked if that type of market would come back sooner than one developer doing the whole thing; is there a way to put ourselves in a better position so the time period is as short as possible?

Bill Penn explained that the critical issue at this time is to do a master plan for the site, the next step would be the remediation process. If housing is a component, the housing should be located where there is less contamination.

Allyn Brown stated that a RAP can't be worked on without some sort of master planning.

Bill Penn stated that comprehensive planning is needed to determine where the remediation needs to take place and the plan and the RAP go hand in hand, because the level of remediation is a function of the use.

Bill Penn noted that current thinking of environmental regulators is to not take contaminated soil off site, but to find a way to put it on site.

Bob Congdon asked how the Town would be billed by the Clean Land Fund.

Bill Penn answered that the fee would be from the budgets associated with the grants, except in the case of technical assistance where a small retainer would be needed.

Bob Congdon asked for an explanation of technical assistance.

Bill Penn answered it would be the application process for the upgrading of the Phase I environmental study.

Merrill Gerber asked for clarification regarding what EPA funds could be used for.

Bill Penn explained that the EPA has two programs; one provides assessment funding for technical assistance and grants that would come directly to the Development Authority, the second component are grants for clean up which are in the two hundred to three hundred thousand range.

Bob Congdon asked about the RAP grant.

Bill Penn stated that it is a competitive grant for two hundred thousand dollars. The EPA announces these grants in the summer, they accept the applications in the fall and make their awards the following spring.

Merrill Gerber noted that the Town is out of sync for the upgrades to the Phase I.

Bill Penn agreed.

Mike Sinko commented that an application for the two hundred thousand RAP grant would be possible.

Allyn Brown asked if we would then be out of sync for the stimulus money.

Bill Penn answered yes, because the stimulus money is for shovel ready projects with a completed and approved RAP, however other funds are also available such as the Community Development Block

Grant through the Small Cities Program.

Sandy Ewing asked how much did the Clean Land Fund request and receive through the Community Development Block Grant in Redding?

Bill Penn answered that they requested seven hundred thousand and received seven hundred thousand.

Sandy Ewing suggested getting on the EPA's list as soon as possible.

Bill Penn recommended that after acquiring the property and updating the Phase I, submitting an application for the in-kind services to begin the RAP. The initial phase would be a scope of service of what is needed to do the RAP.

Allyn Brown commented that there is currently a completed RAP.

Bill Penn stated that it would need to be updated.

Sandy Ewing asked if work on the RAP began could the Town get reimbursed or do we apply for the grants and wait to be accepted?

Bill Penn answered that after applying you have to wait to be accepted and there are strings attached to grants, because it is federal money federal cross cutters must be dealt with in terms of minimum wage, minority women owned businesses, etc. It takes an entity like the Clean land Fund to make sure the grant is being properly administered.

Allyn Brown noted that in order to receive stimulus money, a RAP will need to be completed to make the site shovel ready

Bill Penn stated that it was possible to tap some stimulus money through the Community Block Grants to do master planning. If a master planner was on board with a specific scope of work within six months then we should go after that money.

Kent Borner asked Valerie Ferro and John Meyer of Weston Solutions if they thought a master plan could be done in six months.

Valerie Ferro responded that she has done master planning in three months; how this is driven has to be distinguished. It can be a community exercise or very focused, still with community involvement.

Bob Congdon asked if there was stimulus money for remediation and demolition of the buildings on the property.

Bill Penn asked if the Town had permit approvals.

Valerie Ferro stated that everyone is positioning for this stuff, so you have to be 120 days ready.

Bill Penn commented on the master planning noting that all of the public funding sources, encourage and almost require input from the public. This is the flip side for public funding, there is criteria that has to be met in order to qualify for the funding.

Bill Penn explained that without public funding there is no private funding. Public money has costs to it, but it is free capital where private funding is not free, you have to pay for the capital. Private sector funding looks favorably at projects where there is broad base public funding sources.

Bob Congdon asked what permitting would be needed for asbestos and lead paint.

Valerie Ferro answered local demolition permits.

Bob Congdon stated that the seven to eight million dollars of asbestos has to be removed at some point, and local permitting shouldn't take much time.

Bill Penn noted that Connecticut DEP approval would also be needed for asbestos removal.

Allyn Brown noted that a RAP is not needed to proceed with the demolition, so if there is stimulus money for the demolition we could get the permits for that quicker than getting a RAP done.

Bob Congdon asked what the length of time was for DEP approval.

John Meyer stated that it is not long and typically the contractor takes care of it.

Mike Sinko asked Bill Penn if there was stimulus money for demolition.

Bill Penn answered that there is money available but you have to have all the permits in place.

Bob Congdon stated that only the local demolition permit would be needed.

Bill Penn noted that the pots of funding are numerous and the challenge is to put these pots together so there is a significant amount of public monies that come in to a project.

Valerie Ferro stated that if the buildings were gone there would be more developer receptivity.

Bob Congdon noted that it would also reduce liability insurance coverage.

John Meyer stated that the Town could also apply for a brown field assessment to get it going and then EPA would assist with preparing the RAP and then in the fall put together an assessment grant or a clean up grant to move forward with some strategic clean ups.

Bob Congdon asked if the brown field assessment grant could be applied for at any time.

Bill Penn answered yes, it is for in-kind service by an EPA consultant.

Mike Sinko asked for a definition of in-kind service.

Bill Penn explained that in-kind means technical services are being provided with no cost to the Town as opposed to the brown fields assessment grant where the money comes from EPA to the Town and then the Town enters into a contract with an environmental firm.

Sandy Ewing asked what is gotten from this assessment.

Bill Penn answered that an assessment is done at no cost and the property would then be on their radar screen.

Bob Congdon asked what is being assessed?

Bill Penn answered that there are two assessments. One is the update of the Phase I, the second is to start the work on the Remedial Action Plan.

Mike Sinko asked if an up-to-date Phase I is in hand, does that make you more palatable to the EPA?

Bill Penn stated that it's the ticket to the dance to access all the brown field funding programs.

Steve Soler arrived at 8:20 pm

Joe Biber asked if a usable market study could be done in the current economy.

Bill Penn answered that an order of magnitude market study could be done, that would then be followed up with a detailed market study.

Bill Penn explained that a master plan is a living document; you start out with a multi-use plan and as things change it has to be flexible enough to accommodate that.

Bob Congdon asked because there are multiple pots of money for different things, can you go after those multiple pots at the same time?

Bill Penn answered yes. We would recommend coming up with a matrix of all the various things we are talking about and then trying to identify funding sources that could be accessed for those particular projects.

Sandy Ewing asked if there is money to save historical buildings.

Bill Penn answered absolutely.

Steve Soler explained that his role on the Clean Land Fund board is to help facilitate the transfer of properties with his expertise, not for financial benefit but to see things happen that otherwise wouldn't.

Bill Penn stated that the Clean Land Fund has no office or staff, they get involved on a project by project basis.

Bob Congdon asked if they want to see some kind of written agreement between the Clean Land Fund and the Town of Preston.

Bill Penn said there would be a written agreement that spells out the scope of services Preston would

like provided, deliverables and reimbursement as a line item budget with any of the cash grants. Steve Soler stated that the Town needs to identify the scope of what they want done, from there what the Clean Land Fund needs to do can be identified. There will be a lot of different people doing different things; you will have to hire planners, civil engineers, and people to advise you on these hirings.

Mike Sinko asked Steve Soler if he sees himself as one entity of multiple entities.

Steve Soler said you are looking at multiple entities that will be working on the overall plan. It would not make sense to have one group doing everything for you. This will be a process where there are different attorneys involved helping you with different elements of what you want to do and as you go through the process you will find what works and what doesn't, you may be able to do things that will generate revenue, but it may not be what you want to do and you don't want unintended consequences. Bill Penn stated that he wanted to make it very clear that their expertise is in the field of finance.

Bob Congdon noted that a typical team would be financial consulting, attorneys, environmental engineers, civil engineers, a planner.

Steve Soler said you will probably want to start with a planner or an architect because they are going to give you the concepts, then you will bring in engineers to engineer those concepts and lawyers to see if the concepts are attainable, as you evolve through that, that intellectual capital requires physical capital and political capital to make sure all those things happen. Our role would be to help you identify the sources of capital to pay all those people in order to get to the end goal.

Mike Sinko asked what political capital is.

Steve Soler explained that lobbying would be needed for state and federal funding.

Bill Penn said there are the three "C's" of Capital; intellectual capital, financial capital and political capital. You need all three to get a project moved down the road.

Kent Borner asked if the Clean Land Fund got involved with municipal bonding.

Bill Penn answered that they have done that.

Bill Penn asked if it would be appropriate to put together a scope of work the Clean Land fund could do and submit it.

Bob Congdon asked that it be sent to him and it will be forwarded to the NHAC.

Bob Congdon asked Steve Soler to share his background.

Steve Soler stated;

- In the development business for over twenty years.
- He has bought small brown field properties from Miami to Boston.
- He bought the Georgetown water mill in 2002 with partners and brought it through its process so he understands the state process, local entitlement process and federal process.
- Teaches real estate development process at Harvard Design School, NYU and City College
- Sits on non-profit boards that deal with projects similar to Preston's.

5. Discussion pursuant to development of the Norwich State Hospital

Mike Sinko asked Attorney Bruce Chudwick to the table to discuss the formation of a development commission.

Bob Congdon asked if two groups was necessary, the NHAC and a development commission.

Attorney Chudwick thought it would be redundant to have an advisory committee and a development commission, and that the NHAC should reconstitute as the development authority.

Mike Sinko asked if the Selectmen should be part of the development commission.

Attorney Chudwick thought it would be best to keep them separate as ex officio members and also keep in mind that many land use approvals will be needed and several of the NHAC members are involved with land use process. It would have to be decided if that is appropriate because the commission would be making recommendations on development proposals to other Town boards for review and approval.

Sandy Ewing asked what kind of authority does the “authority” have.

Attorney Chudwick answered that economic commissions are advisory in nature in Connecticut., but this would be broader in scope; making recommendations to the Board of Selectmen, the Board of Finance and other groups in how to pick a process and get the property developed.

Allyn Brown asked if they would have the ability to sign contracts.

Attorney Chudwick answered that would still be referred to the Selectmen.

Kent Borner asked if the authority could issue bonds.

Attorney Chudwick answered that would go through the Town as well.

Mike Sinko noted that it is a commission, opposed to an authority.

Attorney Chudwick stated he is using those terms interchangeably right now, but envisions a development commission under the City and Town Development Act.

Joe Biber stated that for clarity, we are not talking about a development corporation

Bob Congdon noted that the development commission would come back with a recommendation from the Board of Selectmen that they issue bonds to do the following purpose, and the property be the security for those bonds, and the Town would vote on it and issue those bonds.

Sandy Ewing asked for non-monetary things like the master plan; would the commission send that to the Board of Selectmen for their approval and then they decide whether it goes to the Town?

Attorney Chudwick answered right.

Kent Borner noted that this is basically a name change.

Attorney Chudwick said it will be advisory but carry great weight; all the leg work would be done by the commission, who would then present to other boards and commissions in order to borrow and spend money.

Allyn Brown asked if approval would be needed by a town meeting in order to spend grant money.

Bob Congdon noted that the commission would oversee money received by a grant.

Sandy Ewing asked if the commission would have an ordinance where it would spell out exactly what its duties were and this would be written out and approved by the Town.

Attorney Chudwick answered yes.

Sandy Ewing asked if members would have specific roles such as treasure and secretary.

Attorney Chudwick answered not really, if certain members have areas of expertise they may want to take on that role.

Bob Congdon noted that the Clean Land Fund would be overseeing the financial aspects.

Dan Kulesza asked if a the development commission would have a paid director.

Attorney Chudwick answered that it could have one but not necessarily, and most development commissions don't.

Bob Congdon noted that there was interest from some people in Town to be part of the development commission, so it may make sense to expand it to an eleven member commission.

6. Public Comment

Norm Gauthier, Preston resident asked what David Frommer and David Bingham's lawsuit is about.

Attorney Chudwick answered they are asking for an injunction to prevent the State from transferring

the property to the Town. The allegations and complaint are numerous regarding standing and environmental issues.

Mike Clancy, Preston resident asked what will happen if the Town does not vote for a development authority.

Attorney Chudwick said then one will not be created. The development authority allows the municipality of the town to finance the cost of the project by securing it only with the property, if people don't want to do that, the way to finance is put money in the budget or issue bonds, so why people would want to do that instead of by securing the property would be an interesting discussion. Mike Clancy commented that people would be raising their taxes if they didn't want a development authority.

Attorney Chudwick answered that's right.

Jerry Grabarek, Preston Selectman asked how much the environmental Phase I study is costing.

Bob Congdon answered \$5800.00.

Jerry Grabarek said there is only \$1200.00 in that line item.

Bob Congdon answered that there is \$9000.00 in the Norwich Hospital account.

Jerry Grabarek said the stimulus is talking hundreds of thousands and this property will cost millions to clean up. He wanted to speak with an independent source, so he called Gene Arnold from TD Bank North. Their conversation ended with the term "junk bond status" for these bonds. I hope to get a written report from him by next week's meeting about what he thinks will be available to fund this clean up. Whether this property has the equity in it to float bonds against it or whether the town of Preston would be backing those bonds. That was an important question that we didn't answer before the referendum.

A motion was made by Kent Borner and seconded by Sandy Ewing to amend the agenda to include executive session for the purpose of discussing pending litigation with the Town and invite attorney Bruce Chudwick and the Board of Selectmen to executive session. All in favor. So voted.

7. Executive Session – For The Purpose Of Discussing Pending Litigation With The Town.

A motion was made by Allyn Brown and seconded by Sandy Ewing to go into executive session for the purpose of discussing pending litigation with the Town and invite attorney Bruce Chudwick and the Board of Selectmen to executive session. All in favor. So voted.

Executive session began at 9:30 pm

Executive session ended at 10:09 pm

8. Adjournment

A motion was made by Dan Kulesza and seconded by Merrill Gerber to adjourn the meeting at 10:10 pm. All in favor. So voted.

Respectfully submitted,

Roberta Charpentier
recorder