

Town of Preston
Norwich Hospital Advisory Committee
Regular Meeting
Wednesday, October 3, 2007
7:00 p.m.
Preston Town Hall

MINUTES

1. Call to Order/Roll Call

M. Sinko called the meeting to order at 7:14 p.m.

Present

Joseph Biber	Sandy Ewing – excused
Michael Sinko	Merrill Gerber
Roy Beauregard	Gerald Grabarek
Kent Borner	Dan Kulesza
Allyn Brown III	Kristina Gregory – alternate
Bob Congdon	Kathleen Nichols - Recorder

M. Sinko seated Kristina Gregory.

2. Communications

Two responses from the developers for Part II of the RFP were received on Friday, September 28, 2007. The two developers are Preston Green (Northland Investment Corporation) and Preston Gateway Partner, LLC (Renova/Weston). Both proposals have been posted to the town website www.preston-ct.org and also on The Day's website www.theday.com.

3. Fred Carstensen – Director of CT Center for Economic Analysis – Discussion regarding Evaluation of Proposals.

The Committee welcomed Fred Carstensen, Director of UConn's Center for Economic Analysis.

Mr. Carstensen explained that the **Connecticut Center for Economic Analysis (CCEA)** was established in 1992. For the first eleven years the center provided economic analysis to **Department of Economic and Community Development (DECD)** for any program that involved state funding and for the past four years they have primarily worked with communities and developers providing analysis. The Center will provide an Economic Impact Analysis to the town based on criteria received from the development proposals using a tool called **REMI (Regional Economic Models, Inc.)** which was developed by a company from Amherst, Massachusetts. Mr. Carstensen described the model to be distinct and dynamic and stated that the model looks out over a period of 30 years on how an economy, at whatever geographic level, will respond to new activity within their region. Mr. Carstensen described the model to be reasonably accurate (80 – 85%). The

report the town will receive will be in a narrative format and will provide a projection of the following:

- Business and Employment Forecast.
- Fiscal Impact.
- Medical and Emergency services.
- Housing Requirements.

REMI breaks down the impact of development on an annual basis, including direct and indirect employment, and income that is induced by the development. A proposal such as the development of the state hospital property has been known to take 3-7 years to reach the operational phase.

Depending on the level of data received from the developers, for example, if the developers know they will have a medical arts building, this type of development will have a different implication in terms of employment per square foot and different wage structures versus retail. If the information regarding the use of the proposed space is not available from developers, the report will be clear that *REMI* has created information to be imposed on that space. The studies completed always adhere to the principal of being absolutely clear as to where the data comes from and what the data is; so that anyone looking at the model knows exactly what the starting point was and the methodology used. There will be an appendix on the *REMI* model and the analysis is transparent. CCEA wants to be absolutely clear how they arrived from point A to point B.

REMI is the most conservative model in terms of economic impact. For more information on the Center for Economic Analysis, visit their website at www.ccea-uconn.edu.

First Selectman Congdon noted that the original proposal received from CCEA included a cost estimate and time frame based on four developers. We have two developers that responded to the RFP Part II, and First Selectman Congdon asked Mr. Carstensen if they would resubmit a new proposal based on the two developers responses and revise the time frame necessary to complete the study.

Mr. Carstensen responded he will submit a new proposal to the town based on two developers and readjust the time frame necessary to provide the analysis.

First Selectman Congdon also noted that the proposals CCEA will be looked at today may be different proposals to some degree than what comes out a development agreement and questioned if this new information is able to be taken and incorporated into the analysis? Mr. Carstensen responded that this is expected and that once an analytic frame work is built, they are able to go back in and make changes.

There will be two separate spreadsheets completed for each proposal.

It was determined that Attorney Murphy will obtain contacts from each of the developers for Mr. Carstensen and that a preliminary report may be available in two weeks for discussion, if the necessary information is received from the developers.

CD's of the presentation by Fred Carstensen are available by calling the Town Hall at 860.887.5581 x118. Cost of each CD is (\$5.00).

4. Review / Discussion of RFP Part II Responses

As noted, two proposals were received on Friday, September 28, 2007 from Preston Green (Northland Investment Corporation) and Preston Gateway Partner, LLC (Renova/Weston). First Selectman Congdon noted that the committee originally expected to receive four proposals and are now in possession of two. He suggested it would be feasible to move forward and ask the two developers to put on a public presentation for the committee and the town.

The committee discussed whether it would be necessary to wait for the *REMI* study prior to conducting public presentations. It was determined that holding the presentations prior to the preliminary analysis being completed, may provide additional information from the developers that would aid in the analysis prior to any development agreement. First Selectman Congdon also noted that a first presentation is not a negotiation for development.

Attorney Scott Murphy suggested that the town should begin the process of public presentation. Attorney Murphy will contact the developers and ask if they are ready to do a presentation and what time frame would be required by them.

Attorney Murphy noted that in terms of questions the committee may have and how to draw out more specifics of the proposal, we need to think about the best way to coordinate questions with those that Mr. Carstensen may have, as we don't want to ask the same questions in two different ways.

The committee discussed and determined that it would be best if both developers could make their presentation on the same evening, so as not to be advantageous to either developer. If this was not possible due to time constraints the committee would schedule the presentations on separate evenings but back to back.

5. Adjournment

A motion was made by M. Gerber, seconded by R. Beauregard to adjourn the meeting at 8:45 p.m.

All in favor. So Voted.

Respectfully submitted,

Kathleen Nichols