



Town of Griswold



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**DRAFT
FOR DISCUSSION
ONLY**

**GRISWOLD ECONOMIC DEVELOPMENT COMMISSION
REGULAR MEETING
MINUTES**

JUNE 30, 2010

GRISWOLD TOWN HALL

I. SPECIAL MEETING (7:00 P.M.)

1. Call to Order

Chairman Thomas Giard, Jr. called this regular meeting of the Griswold Economic Development Commission to order at 7:05 p.m.

2. Roll Call

Present: Chairman Thomas Giard, Jr., Paul Lach, Chris Hargus, Town Planner Carl Fontneau, and Recording Secretary Donna Szall.

Absent: Vice Chairman Melvin Jetmore, Matthew Baber

3. Determination of Quorum

T. Giard stated that there is a quorum for this regular meeting of the Economic Development Commission.

4. Approval of Minutes

A. Minutes of Regular Meeting of May 26, 2010

T. Giard asked for any corrections or omission. P. Lach made a motion to accept the minutes. C. Hargus seconded the motion. All were in favor. The motion carried.

5. Workshop

T. Giard stated that Kenneth Sullivan has not arrived and asked C. Fontneau to give is report for Item B.

B. Discussion of Municipal Development Plan enactment process and initial project.

C. Fontneau explained that he and Bert Sacco, TPA went to the CEDC for funding for Triangle when it became available since the state has no projects in the pipeline. He stated B. Sacco presented the small project to package the demo funds and development site funds for the small town Triangle Parcel and there is a gap of 100,000 if it is a MDP project or if t depending Brownfield's Municipal Pilot Project grant application being reviewed by DECD, there will be funds to do total demolition and total remediation and a clean property to be used in a 2.5 year time schedule. He stated that he spoke to Peter Simmons at DECD. He stated that it will be in about a month before we know if we gent the Brownfield Municipal Pilot Project money. If not, the demolition and clean up money from the EPA grant. He stated that there will be temporary and permanent jobs created.

A. Discussion of the Buy-In-Tie-In Fees to sewers for Commercial Development.

T. Giard welcomed Kenneth Sullivan, Louis Demicco, III and Mike LaLima Chairman of the Griswold WPCA. He explained that the EDC is responsible for the entire town for development; and that a letter was sent to your commission about a year ago about the rate structure and its impact on development. He stated that in looking at other communities to attract development a strong point is the tie in for water and sewer. He stated that the developer goes to your board and that they cannot afford the upfront money and at the same time start the project.

K. Sullivan submitted a handout with the tie in fees and amortization schedule. C. Fontneau stated that we hear a lot of things and we want to understand the difference of buy-in tie-in fees and what generates them. K. Sullivan stated that he was pleased that he can explain to give the commission the facts of their rates and fees.

K. Sullivan explained that the tie-in fees are 1000 per EDU and cover the costs of administrative and physical costs for connection of a property. He explained that the cost of the plant was \$15,000,000. He stated that there was 1.1 million gal/day with approximately 300,000-350,000 gallons of existing flow; leaving 750,000 gal/ day; 3,750 EDU equivalent dwelling unit is 200 gal/day of flow when the plant was construction; so it equals \$4,000 per EDU to cover the cost of the \$15,000,000 plant. He stated that the actual cost was \$19,000,000.

K. Sullivan explained that people ask what Lisbon pays. He stated that there was a building moratorium at the time so a new sewer plan was built. He state that Lisbon purchased the flow to the sewer plan and that cost was \$4.4 million for 1,040 EDU that equals \$4230.77 per EDU; so Lisbon pays more for tie-in that Griswold. He stated that the \$4.4 million helped to build the plant.

T. Giard asked how much the stated paid of the \$19,000,000 plant cost. K. Sullivan stated that with grants and what the State paid it left \$8 and \$9 million for the residents to absorb. T. Giard stated that there were \$500,000 City Block Grants that contributed to this amount. K. Sullivan stated that there were preliminary studies were not included in the \$19,000,000 building costs. T. Giard asked how much was left to be to pay off. K. Sullivan explained that about half of the loan is outstanding on the \$8 to \$9 million and Lisbon paid 4.4 million, there is about \$4.5 million over the life of the loan with about 10 years remaining. K. Sullivan stated that the deal with Lisbon was a benefit to the town. T. Giard asked what was the capacity reserved for Griswold's development. M. LeLima stated that it was 50,000 gal/day was agreed upon and it was increased to 400,000 gal/day. He stated that most of this is not being used. T. Giard asked if there is capacity to increase the capacity. K. Sullivan stated that there are plans for another 500,000 gal/day at additional costs incurred. There was discussion of this matter.

T. Giard asked what it would cost if a developer came to them with a project as a moderate water user. M. LeLima explained that if you were using 40,000 gal/day divided by 200 and multiply it \$4,000 to equal \$80,000 and that is the upfront cost. K. Sullivan explained that now there is an amortization schedule to attract commercial development to the town that the up front fees would be 15% and a 3 year pay-off period with two equal payments per year. T. Giard asked if there could be more than 3 years so that we can attract more business to the town. K. Sullivan stated that this amounts to an interest free low. T. Giard asked who pays for the tie-ins. K. Sullivan stated the developer would pay the tie-in. L. Demicco explained that there can be a problem with this if the developer stops paying the buy-in tie-in fees; we cannot go after them except to put a lien on the property because the State does not allow us to cap the sewer and water if someone does not pay the amortized fees or the usage fees. There was discussion of this matter including that treating waste water the sewer cannot make money so it is a zero profit and rates are based on projected expenses for the year.

T. Giard stated that there could be some sort of bonding that the sewer company can use. C. F explained about performance and surety bonds. K. Sullivan stated that there is considerable risk when we developed the amortization schedule. T. Giard asked if they had a number of the

average year when they have not been paid for buy-in tie-in fees. K. Sullivan stated that only two people have taken us up on the buy-in tie-in amortization scheduled. There was discussion of this matter.

K. Sullivan asked the Commission if they got feed back that the three years for developers is insufficient. C. Fontneau stated that the improvement of the amortization schedule is hugely positive; but we have heard stories that Lisbon has different fees to developers and costs less. K. Sullivan gave the commission facts on what Lisbon pays. He explained that we charge everyone the same rate for buying flow. We charge Lisbon \$5.46 per unit which is 748 gal/day of flow and this is changed to everyone who buys flow from us. Lisbon WPC marks up the rate to \$8.00 per unit for flow to their customers in processing user fees. T. Giard asked about the tie-in fees to developers. M. LeLima explained that Lisbon bought the tie-in fees and that is already paid for. K. Sullivan stated that Lisbon bought the rights of flow allocation to 280,000 gal/day of flow for which they paid \$4.4 million from us. T. Giard asked what Lisbon's rate of use is. K. Sullivan stated it was 25,000 gal/day. There was discussion of this matter including that this allows Lisbon to offer a lower buy-in tie-in rate to developers.

T. Giard asked how Griswold can become competitive. L. Demicco stated that Griswold can do what Lisbon and buy-in tie-in flow in advance and change whatever fees they choose. T. Giard stated that there is 400,000 capacity that is not paid for yet so if Griswold was to purchase 200,000 gal/day flow capacity then we can give it away. K. Sullivan stated that all this is predicated on cost of capital. There was discussion of this matter including the changes to the technology, waste treatment costs, and the cost of replacement of the sewer plant

T. Giard stated that this has been very informative and asked how to improve our situation. K. Sullivan stated that the no. 1 option would be for Griswold to buy flow from the Sewer Authority. K. Sullivan stated their board may be willing to work closely with the community and a very large project can be evaluated on a case by case basis. T. Giard stated that if a well-finance developer comes to your board, maybe they could have a plan B or a step motion based on financial ability to pay like a credit application to minimize their risk. There was discussion of this matter including that a longer case by case amortization schedule could be considered. L. Demicco stated he will bring this idea to his board to discuss at their meeting in July.

C. Fontneau explained the business incentive ordinance will be put in effect soon as it would affect new developers and existing businesses. C. Fontneau stated that the town has additional projects and plan to make it more helpful for to make the town more attractive with the two intestate exits. C. Hargus asked about they cannot put the initial costs of the rates into a bank account. K. Sullivan stated that he was alluding to the fact that it was like a no interest loan but that the money up front would be in the back earning interest for us.

T. Giard that K. Sullivan, L. Demicco, and M. LeLima for give the commission information on their operation. He asked to let the commission know what their board discussed in this matter. K. Sullivan stated that he will send a letter to C. Fontneau regarding their meeting.

T. Giard stated that we need to look at how we can make Griswold more competitive to developers. There was discussion of this matter.

**B. Discussion of Municipal Development Plan enactment process and initial project.
Continued.**

T. Giard asked C. Fontneau to continue his report on the MDP. C. Fontneau continued is report. He stated that the larger parcel of Triangle involved getting the property by eminent domain and have a business park there. He stated that \$5 to \$6 million for that project. He stated \$174,000 of the CTDEP money with about \$125,000 left over after the present contract but half of that funding \$40,000 to \$50,000 for matching funds for the EPA cleanup grant so it is only \$50,000 to \$60,000 and it isn't enough. He is asking the EDC for a motion to write a letter that the BOS consider going to the bond commission to expand and make it more flexible the uses that the

money can be use for the demolition phase and the clean up phase. There was discussion of this matter.

P. Lach make a motion to authorize the town planner to submit a letter to the Board of Selectmen that that BOS go to before the bond commission to get increased flexibility in the ways the remaining funds of the CTDEP grant can be used for Triangle. C. Hargus seconded the motion. All were in favor. The motion was carried.

C. Fontneau stated tha that municipal development Plan has been approved by OPM and DECD but we don't have letters yet; but Nelson Teresso gave us that information when we were in Hartford. C. Fontneau stated that there is a letter from SECCOG with their comments; and the Griswold Planning and Zoning discussed the MDP and by consensus that the plan was consistent with the PoCD.

C. Fontneau stated that the EDC hold a public hearing and combine it with the BOS and they can enact it that their meeting so it can be done in one night. There was discussion of this matter to set up a joint public meeting with the BOS.

T. Giard asked to hold the public hearing on August 18, 2010. C. Hargus made a motion to hold a public hearing at the August 18, 2010 regular meeting to enact the Municipal Development Plan. P. Lach seconded the motion all were in favor. The motion was carried. C. Fontneau will work with the BOS to hold a joint meeting on that date.

C. Status review of commercial projects.

C. Fontneau explained that the Travel Center and car wash is making progress, the infrastructure is getting ready on the hotel site. We are developing a process for commercial projects to work better. He stated that there is a developer for the Hampton Inn hotel and the restaurant is to be attached to the building and a pool as well. They will need to go to the Planning & Zoning Commission for a modification to the plan.

C. Fontneau stated that Lakeside Landing will have a powder coating company there that has outgrown a home occupation. T. Giard asked if C. Fontneau asked John Faulise if the parking can be shared with Lot #1 since the Golf Barn site has 56 parking spaces. C. Fontneau stated that he has not discussed this will J. Faulise yet. There was discussion of this matter including that there will be a loop driveway to service three or four adjacent lots.

C. Fontneau stated that the business incentive ordinance and there is a codification from the State. He stated that he is working on changes to the Road Ordinance with Todd Babbitt.

T. Giard asked if there was anything happing with Wyre Wynd. C. Fontneau stated that he has not had any word about it. T. Giard reminded C. Fontneau about the geothermal possibilities because of the river. There was discussion of this matter.

P. Lach asked if there was anything with the Downtown Main Street. C. Fontneau stated that he has contacted farmer markets but it is late in the season; but he is trying for a location in the parking lot of the Rite Aid on Sunday or develop the site at 32 School Street for parking for that. T. Giard asked if there will be a July meeting. C. Fontneau stated that he has not set up a July meeting put that he can. P. Lach stated that he thought that there would be flags or something on Main Street. D. Szall asked about any river walk funding. T. Giard stated that the river walk has problems, because there is private property on the river and so there cannot be a river walk along that stretch of the river. C. Fontneau stated that the Down Town Main Street was the second highest priority on the MDP and Triangle has a higher priority so that is what we are working on. There was discussion of this matter.

C. Fontneau stated that there will be signage going to public hearing for the town regulations. T. Giard stated that there should be signage and parking so that it can be utilized properly. P.

Lach stated that this should be used so you can walk down to the Rite Aid. There was discussion of this matter. C. Fontneau stated that there could be a meeting on August 18 in the morning for the Main Street.

T. Giard asked if C. Fontneau had a disc from the Student presentation for the Main Street design. C. Fontneau will try to get a copy of the presentation. There was discussion of this matter.

6. Correspondence

C. Fontneau stated Leslie Cosgrove worked on the Griswold Development process and review and contract to look at after the meeting. There was discussion of this matter.

C. Fontneau explained some legislation for Regional Economic Development for federal funds for high priority projects for Griswold.

7. Adjournment

T. Giard asked for a motion to adjourn. P. Lach made a motion to adjourn. C. Hargus seconded the motion. All were in favor. The meeting adjourned at 8:33 p.m.

Respectfully submitted,

Donna M. Szall
Recording Secretary