

LETTER TO JULIA PEMBERTON RE GILBERT AND BENNETT

October 16, 2020

Dear Julia,

We very much appreciate the information you provided on the Gilbert & Bennett project at your Brown Bag lunch of October 7, 2020.

We want to make sure that we understood the many items on which you reported. Below is a summary of what we think we heard. Please correct any misinterpretation we may have made. We would welcome an opportunity to have a Zoom meeting with you. The purpose would be to consider a few questions noted at the end of this letter and to consider ways in which we can support you in the exciting challenges ahead. This is a wonderful opportunity for your leadership to result in reimagining and realizing the potential for Georgetown to become a great social and financial asset to the Town of Redding.

Would also like to take you up on your offer to visit the Georgetown Bible Church when the time is right. We will be glad to organize the visit around a suitable date.

We have the following questions that we hope you can answer:

- What are the expected outcomes of negotiations with the bond holders if the projects becomes a taxable property?
- Do we have any obligation to the bond holders if the property becomes a solar park for town use only? Similar question but if we turn property into a park?
- Considering the potential bond payment obligation and environmental cleanup costs there are a range of costs to a potential buyer. Could you explain the range of current thinking that the board of selectmen might consider?
- There are a range of potential solutions for this property. Has the town done an alternative analysis of the tax implications of each solution?

We look forward to talking to you about the exciting prospects ahead.

Sincerely,

Nancy PelzPaget
For Enhancing Redding's Future
100 Redding Road, Redding, CT 06896

GEORGETOWN/GILBERT AND BENNETT UPDATE NOTES FROM JULIA BROWN BAG OF OCT 7th

Current Status:

- Plaintiff (bond holder) has 20 days to appeal CT supreme court decision
- Deadline for appeal: next week (10/12 week)
- Unlikely court will allow re-argument based on interpretation of law
- Meantime, Julia had meeting with a developer recently

Next Steps:

- Town files motions to foreclose
- Summary Judgment" to allow foreclosure expected in December
- Town takes title of wire mill property development
- Julia preparing a presentation to town in next few weeks including chronology
- Next 2 months: Apply to be included in Municipal Brownfield Liability Program (MBLP)"Park property" in the Program

Protection from contamination liability:

- MBLP protects town from past and future liability
- Exempts owner from clean up responsibility upon property transfer
- Muni not required to clean up, town can leave contamination alone
- Town is insulated from liability, no longer a concern
- Developers may not be interested in the property with contamination present

Property included in foreclosure:

- Georgetown Land Development (GLD) subdivided property into Lots
- Hundreds" of tax bills involved
- Parking area with trucks currently parked not part of foreclosure [Who owns this?]
- No. 1 North Main St. building (HQ of GLDC) included in foreclosure

Project Timing:

- Anticipate 2 year planning process
- Julia suggests that this is a 10 year project

Approach:

- Old Master Plan is out of date
- A Comprehensive Plan must be developed.
- If town wants to, West Pond district can be sold separately Original plan called for 413 units of mixed use
- Currently "highest and best use" of land in Fairfield is apartments
- Apartment construction cost estimated at \$100 - \$125/square foot
- Must review old Master Plan to see what to keep/throw out
- Planning advisor will be needed
- Some office space possible but lots of open space
- Affordable housing may be included at estimated selling price \$250,000/unit

- Julia cited Newtown example of conversion of contaminated property by First Selectman Dan Rosenthal: Newtown Fairfield Hills State Psychiatric Hospital Converted to community center/senior center. Julia or Dan Rosenthal has looked at states where old mills have been converted: MA, NJ, Maine

Numbers:

A. Bonds:

- Bond holders not extinguished, bond obligation remains valid
- When property becomes profitable, face value of bonds become valid claim
- Technically, when profit is made, special taxing district owner is the town
- Bonds have face value of \$18M

B. Remediation Cost of Contamination – Does this include the cost of removing the old buildings?

- Initially estimated at \$17M
- In today's dollars estimated to be \$21 – 24M
- Some grants may be obtained to reduce estimate to \$15M

History of bond negotiation:

- Bond holders asked for 60 cents/Dollar = \$19 million; Julia offered \$2 million
- Oppenheimer sold bonds to Investco at 25 cents/Dollar
- Bond claims brought down from \$60 to \$18 million

Background on Contamination:

- Property already recognized as a brown field by EPA
- G & B initially wanted to develop property so environmental study first done in 1989
- Then Steve Solar did environmental study when he purchased property
- Cleanup plan will be governed by EPA under RCRA program
- Remediation has been planned, approved and must be supervised by EPA
- Ground and Surface water assessments done
- Mark Lewis of EPA (?) will help
- All old files and records on the case exist
- Hence no full reassessment needed, just "cursory" review will be done
- Only new factors will be considered
- For example, if foam from fire extinguishers is found
- Known contaminants mostly lead, zinc and Cadmium
- Phased corrective program already exists

Retaining wall:

- Property is in 500-year flood plain
- Retaining wall must be raised 6 feet before development
- Can be done in 2 stages at \$2.5M per stage

Georgetown improvement:

- Julia proposes to spend \$1.5 million on sidewalks and lights on Main Street
- Plans to address retaining wall issue
- Need to accommodate parking; Question: can a deal be made for use of parking space across the road – post office and Bible Church?

Background on legal case:

- Case in court for 5 years
- Initially bond holders claimed they and town were on equal basis on foreclosure
- Julia found public legal Act that places town above bond holders
- State Office of Legislative Research provided assistance
- Julia spent many hours researching and is knowledgeable about case especially environmental issues: contamination, remediation options
