

Economic Development Commission

Regular Meeting

June 4, 2012

Windham Town Hall

979 Main St., Willimantic, CT

D R A F T - Minutes

Call to Order- the Chairman called the meeting to order at approximately 7:35 PM. Those present were Bill Hettinger-Chairman, Bob Horrocks, John McCommas, and Victor Funderburk. James Finger was present as staff. Also present were Paula Stahl PZC Chair, and Susan Johnson-Windham Representative of 49th District

The Chairman invited **Representative Johnson** to speak. She addressed the Commission about the **Mill #4 site** potential for uses for the Town, and expanding freight rail up to Canada, and possibly passenger rail. She explained she has been working on this for the past four years, in hopes to get the area behind the Mills cleaned up. She reviewed the recent history of when the Mills went into Bankruptcy. Part of it had been subdivided and sold to Mr. Briggs (Loch View aka TWB properties) for about \$6 ½ million; and the balance of the 24 acres – about half is wetlands with probably four (acres) that is developable but it has to be cleaned up. It is a superfund site as well as a Brownfield's area which will follow for priority in clean up-secondly. We have a chance to have the clean up done. While we had the Bankruptcy trustee directing this, we had the phase one, two, and possibly the phase 3 (plan) done on the area. So now we have to do the clean up, but the clean up can't be done with out the direction of somebody (taking charge of the work). The Bankruptcy Court will no longer be in control, and the trustee will no longer be involved as the firm has wanted him to close the case for a long time. So by the end of this month, the property will be abandoned. She mentioned that she worked hard to get the legislative change to provide the municipal immunity from the liability on the clean up, and to get the insurance paid by the Department of Community and Economic Development – this is one of the first bills that she got passed as a new legislator. Then during the last legislative session, they revised the statutes to provide the same immunity to non-profits under the Transfer Act that is given to a municipality. This means that if the court would convey the property to a non-profit organization, or a municipality it won't be held to the same liability for a lot of the guarantees or certifications of where the property is located now and what you'll be able to do with it in three to five years.

So those are some of the things that created the resistance or difficulties – as people were concerned that there might be liability. People should be reminded that the federal government will be doing the clean up; but only at the direction of the non-profit or municipality – based on an economic development plan – which is why she came to talk to the Commission. It has to have a plan to raise money, and she said that she was hoping that a non-profit could take the property if we were lucky enough to find one. So far she said she hasn't heard from anyone who's interested in directing the clean up. But if there is a plan for the development, then we would have access to the EPA's money for the superfund cleanup. Also, the EPA found the corporation that would be held liable, and they are willing to help in

providing some funds in the clean up. So there's an independent party who's taking responsibility and will be able to do some of the clean up. Then there's also a chance that we can get the Brownfields – or remaining ARRA (Grant fund) money. So she concluded that these are her ideas for getting the site cleaned up, and that perhaps it would help Mr. Briggs in his development. But she added it would be good to have the area cleaned up for recreational purposes.

She then said that she wants to work this summer with the two freight Rail lines – and that we have some property over in that direction and that could be another opportunity for development and be more attractive so that we can use the freight rail. Freight rail is one of the things that helped this community develop, and if we are able to expand our freight rail opportunities between Canada and Washington D.C. or Virginia. If you get freight rail from Virginia, you can get lots of truck traffic that way, and hopefully we could make a connection to the I-95 corridor and all the way up to Canada which is one of our largest trading partners; and this could be like the center and could help us with the (re-establishing) passenger rail service.

Citizens & delegations comments/questions

Jeffrey Viens – representing Neighborhood Revitalization Zone – read from letter giving background of NRZ, and in support of Windham Mills plan for zoning changes to allow residential uses.

Greetings,

The Natchaug-Willimantic NRZ (Neighborhood Revitalization Zone) is an entity created through legislation to empower the citizens who live, work, volunteer and otherwise have a stake in the health of the community encompassed within the borders of the “zone.”

The NRZ includes a large number of self-owned businesses, a university, a hospital, a regional theater, a radio station, several churches, an elementary school, and mill buildings along a beautiful river that are continuing to undergo redevelopment.

The Windham Mills complex is an important part of the NRZ in terms of its potential contribution to the economic well-being of Windham-Willimantic and its upkeep has an impact on the quality of life in this area.

At the May 24, 2012 meeting of the NRZ Steering Committee, Thomas Briggs, president of TWB Properties, talked with members about his proposal to create housing at Windham Mills.

After discussion with Mr. Briggs, it was the general feeling of the NRZ Steering Committee that while we would like to see more businesses in those buildings – new businesses, versus relocated companies and nonprofit agencies – we understand the obstacles all developers face at this time in a recovering economy. We also recognize that there's a successful model for what Mr. Briggs is proposing, the development of Storrs Center in Mansfield, which is termed a “mixed use” development.

We also appreciate that Mr. Briggs' company has invested a considerable amount of its own funds in order to create attractive and functional spaces at the Mill Complex.

Therefore, the NRZ Steering Committee voted unanimously to authorize me, as Chair, to write this letter expressing our support for developing housing at the Mill Complex and to encourage the Town of Windham to help expedite this process.

Sincerely, Brenda Sullivan Chair, Natchaug-Willimantic NRZ

Mr. Viens added that they felt that the Mills proposal was definitely something that would boost the Town by adding to our tax base, the feet on the street, and the list of possibilities goes on and on. And as Representative Susan Johnson said about the Mill #4 site, a strong Mill complex is going to be vital to anything that will happen to Mill #4.

The Chairman asked if there were any other citizens who wanted to speak. Hearing none, he asked Paula Stahl if she had other questions for Representative Johnson.

Paula Stahl asked Representative about the implications of Mill #4 site being abandoned at the end of the month, or what happens a year from now if a non-profit comes forward to take property – or what does ‘abandoned’ mean?

Representative Johnson explained that right now there’s an opportunity to for the property to be transferred to some entity, and there would be little cost involved. Right now, the Trustee has offered to transfer the property; and all the entity has to do – is take the property. Once the property is abandoned, the only entities that can take the property is the State and the Town for the liens on the property through foreclosure of its liens. But it wouldn’t be a simple foreclosure because the property would revert back to the property owners – the Windham Mills Development Corporation, but their directors are not available. So you’d have to go on a nationwide search to get a quorum, and to get a vote to get the property transferred; or you’d have to look at the statutes on abandoned property. It would take a lot of legal fees and energy. So if no one steps forward during the next few weeks, it will be a longer process to get the property and to get the funds to

Chairman Hettinger asked for clarification on the establishment of a non-profit under a 501-c3 to take possession, and asked if this would have to take place within the next three weeks. Representative Johnson confirmed that was correct, but it takes a year to form such a non-profit; so one would have to be in existence now.

Ms. Stahl asserted that they would have to include ‘redevelopment’ within their mission.

Representative Johnson thought that perhaps the Whitewater group could qualify. It couldn’t be residential, but some type of commerce could be done. Doing something with the Rail would be ideal.

Victor Funderburk asked if Thread City Development Corporation could qualify, and Representative Johnson said – ‘sure, they might’. All they would need to do is to direct EPA on what type of use they would want to have there because of the contamination – you can only do certain types of development. If you wanted to do residential, it would cost a lot more in cleaning it up, and you would have to look at how much you could get from the EPA, and the responsible party because the cost would have to be reasonable, otherwise you’d be tied up in court for a while.

John McCommas asked what asked what would the entity’s interest in taking this on?

Representative Johnson responded that non-profits generally do things to help the community. They’re there for philanthropic or educational purposes, and she said she felt that a number of local non-profits function in this way including Joshua Trust, and Whitewater. She added that she felt that the site should be cleaned up to make it safer for the neighbors too, and that it would be nice to cap it.

John McCommas asked what types of contaminants were there. Rep. Johnson answered that there were heavy metals, and things with long names.

Victor asked if you could just pave it over? Rep. Johnson – yes

John McCommas asked about capping – would this be to cover it in concrete? Rep. Johnson – yes that would work

Robert Horrocks asked what the steps would be for a non-profit wants to turn Mill #4 into a parking lot because they see development in the area and the need for additional parking, and because they see that they can rent space to the residents or to the Mills.

Representative Johnson said that she would call the Trustee to work with the non-profit, and he would go to the Judge and get it into the decree. Plus we would need a plan to inspire the EPA what it wants to do, along with the former owner to do the clean up. Then all of the clean up would be the responsibility of the EPA. So in terms of the liability for the superfund work, that would be all of their responsibility.

Robert Horrocks then asked about the access as the bridge is in bad shape as it doesn't look like its healthy enough to handle car traffic.

Representative Johnson agreed and said it's also kind of narrow. She said that someone had suggested that we could get a used bridge – a new bridge would cost about \$2-3 million dollars.

Chairman Hettinger asked about other access points to the Site. Ms. Stahl explained that when the Planning Commission considered the subdivision plan they showed a fifty foot right of way extending from Main St. to the abutting property; so there is potential there and there are areas for potential development. You wouldn't want any development with just one access – especially where there are people involved. She added that she thought that Mr. Briggs had a plan for a parking lot for the site, and that he needed it for his development.

Planner Finger confirmed that Mr. Briggs had a plan for 506 parking spaces of which the Town would have twenty. This would tie in to a secondary access through the Windham Materials property that follows the original right of way, and we've been talking with them about using it.

Representative Johnson re-stated that we need to have an economic development plan for the property as there is a lot of competition from other communities who have Brownfield's; so if we don't have a plan, then we won't get the priority for the clean up. She added that she would also encourage consideration of Freight rail as she has contacts with the P&W.

Chairman Hettinger said that he has walked the site, and there is a lot of land there and some of it could be used for rail.

Previous minutes: Victor Funderburk made a motion to approve the Minutes of April 2, 2012, and John McCommas seconded the motion; all voted in favor to approve. Since the May 7, 2012 minutes were delivered late, action was postponed until the next meeting.

Chairman Hettinger introduced the next topic for meeting with the Planning & Zoning Commission Chair to review the technical aspects of zoning and the Town Plan as it relates to the request from the Windham Mills to allow a mixed use development. He added that the Commission has been supportive of re-zoning other areas of Town such as in North Windham

Paula Stahl, PZC Chair, addressed the Commission of possible zoning changes Plan of Conservation and Development, and possible fiscal benefits. She outlined the PZC's program for zoning changes as they were recommended in the Town Plan that was adopted in 2007.

She explained that the State requires the Plan of Conservation and Development to be updated every ten years. Questions arose about the Windham Mills' proposal to change the zoning of their property to allow residential uses. Ms. Stahl explained that the PZC must carefully evaluate the effect of the change on the Town as they just revised the zoning for the Downtown Business district to allow residential uses by right. She referred the Commission to Section 3 of the POCD for further clarification and that we need to focus on improving the mill rate overall for the Town's benefit.

Victor Funderburk expressed frustration that he felt there was too much focus on the Mill rate, and asserted that we need to focus more on jobs because there are so many people unemployed.

Commissioner Horrocks asked what do we do we do? We have so many empty buildings, stores and empty mills; should we just wait and hope that jobs come or do we fill the mills, and fill the...

Ms. Stahl asserted that she felt that we need to change our zoning which should have been done many years ago; we've been so anti-business for such a long time, and we need to change this to be more pro-business. The number one thing in economic development that she hopes the Commission does, is business retention – actually the top five are business retention.

Victor Funderburk asserted that the biggest problem that he sees is that people don't have the income

Ms. Stahl asked about Brand Rex (BIC Cable) and asked if anyone has contacted them to see how they're doing?

Chairman Hettinger responded that we have talked to most of the major employers, and we've tried to contact them or attempted to talk with the businesses with feet on the street. Chairman Hettinger commented that there's been a loss of businesses to China, or other places overseas – so some of the unemployment is structural – the jobs are not coming back. Businesses in this Town know what it takes to stay here.

John McCommas asserted that he felt that we are sending a bad message that we are not business friendly. We have an owner seeking help to allow him to do something.

Ms. Stahl answered that the PZC has met with them on a couple of occasions, but they haven't fully proposed any changes, they've only proposed that we allow them to convert to residential. She added that the owner hasn't considered some of their suggestions for other commercial uses such as a banquet facility, conference center, and hotel.

John asked why we couldn't just add residential to their existing zoning.

Ms. Stahl explained that it isn't that simple as we have other properties in the M-3 zone that wouldn't be appropriate for residential – such as Moulton Court and where Prime Materials is located on Milk St. – also the old Electro Motive building on South & South Park St where Ernie's Auction house is located.

Chairman Hettinger commented about a site where his relative lives near a mill where they make noise, and mixed uses are located all around the site, and there doesn't seem to be any real harm with either the industrial uses or the homes.

Commissioner Horrocks – 20 year plan?

Victor Funderburk objected to the comment in the newspaper that housing is not economic development as housing will bring people downtown – its feet on the street; and they will buy from the local stores.

Ms. Stahl responded saying that she estimated that there is the potential to add approximately 300 apartments in the upper stories of buildings Downtown now. The Murray building will be renovated very soon with 26 apartments with two commercial tenants on the first floor. Plus the 560 on Main has 84 apartments but is only half full. She expressed the concern that we would be overbuilding apartments and that we could have a surplus of residential. She added that what we need to do to encourage this is to have better lighting, control the traffic, and to change the signalization to allow a more pedestrian friendly environment. All agreed that these are also on the EDC's list of goals.

Another suggestion was to designate the Mills as part of the Incentive Housing Zone. The Planner/Business Liaison commented that the PZC has been working on this, but there are problems with the legislation for some of the areas that we have studied. He explained that our Town would meet the minimum density requirements except for the 25% bonus requirement as our Downtown zoning is not based on the land area.

Representative Johnson said she would be willing to work on any legislative changes that are needed.

Ms. Stahl commented that in an effort to promote economic development, we've been talking with a property owner who owns land along the Rail line, about possible future industrial park development.

Old Business –

- Chairman's report to Council – update on signage
- Marketing / data efforts need to check with CERC for any free stuff
- Business calling program
- Downtown subcommittee activities/reports

Other reports/correspondence/announcements/activities – need to check on the Main St. Investment Fund grant program as a recent news release announced that the funding was available. Chairman directed James to check with CT Office of Policy and Management on the guidelines and for us to get the word out.

Citizens & delegations comments/questions

Adjourn