



# Council Agenda

Council Chambers  
Windsor Town Hall  
July 5, 2005



## 7:15 PM Public Hearing

To hear a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$320,000 FOR INTERSECTION IMPROVEMENTS ON DAY HILL ROAD IN THE VICINITY OF 1001 DAY HILL ROAD AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$320,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION."

## 7:30 PM Regular Council Meeting

1. ROLL CALL
2. PRAYER – Councilor Walker
3. PLEDGE OF ALLEGIANCE – Councilor Walker
4. PROCLAMATIONS/AWARDS
  - a) Windsor Impact Day (Paul Norris)
5. PUBLIC COMMUNICATIONS AND PETITIONS  
(Three minute limit per speaker)
6. REPORT OF APPOINTED BOARDS AND COMMISSIONS
  - a) Board of Education
  - b) Public Building Commission
7. TOWN MANAGER'S REPORT
8. COMMUNICATIONS FROM COUNCIL MEMBERS
9. REPORTS OF STANDING COMMITTEES
10. ORDINANCES
  - a) \*Approve a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$320,000 FOR INTERSECTION IMPROVEMENTS ON DAY HILL ROAD IN THE VICINITY OF 1001 DAY HILL ROAD AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$320,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manger)
11. UNFINISHED BUSINESS
  - a) \*Discuss and consider approval of the acceptance of gypsum material at Windsor-Bloomfield Landfill (Councilor Simon)



- b) \*Approve a resolution adopting the Redevelopment Area Plan for Mechanic Street Redevelopment Plan (Town Manager)

12. NEW BUSINESS

- a) \*Introduce a bond ordinance entitled, "AN ORDINANCE APPROPRIATING \$830,000 TO PROVIDE FOR AN \$800,000 GRANT TO CIL DEVELOPMENT OF WINDSOR INCORPORATED FOR CERTAIN COSTS OF ENVIRONMENTAL REMEDIATION ACTIVITIES IN FURTHERANCE OF THE MECHANIC STREET REDEVELOPMENT PROJECT AND FOR COSTS RELATING TO THE PROVISION AND FINANCING OF THE GRANT, AND AUTHORIZING THE ISSUE OF \$830,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manager)
- b) Set Public Hearing for August 1, 2005 at 7:15 p.m. (prevailing time) for an ordinance entitled, "AN ORDINANCE APPROPRIATING \$830,000 TO PROVIDE FOR AN \$800,000 GRANT TO CIL DEVELOPMENT OF WINDSOR INCORPORATED FOR CERTAIN COSTS OF ENVIRONMENTAL REMEDIATION ACTIVITIES IN FURTHERANCE OF THE MECHANIC STREET REDEVELOPMENT PROJECT AND FOR COSTS RELATING TO THE PROVISION AND FINANCING OF THE GRANT, AND AUTHORIZING THE ISSUE OF \$830,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manager)
- c) \*Introduce and approve an ordinance entitled, "AN ORDINANCE APPROPRIATING \$90,000 FOR COSTS RELATED TO THE ACQUISITION OF 45 CENTRAL STREET IN WINDSOR FOR MUNICIPAL PURPOSES INCLUDING BUT NOT LIMITED TO THE PROVISION OF PARKING FACILITIES AND PUBLIC ACCESS IN FURTHERANCE OF THE MECHANIC STREET REDEVELOPMENT AREA PLAN, AND AUTHORIZING THE ISSUE OF \$90,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manager)
- d) \*Set a Special Town Meeting for August 1, 2005 at 7:00 p.m. (prevailing time) to act on an ordinance entitled, "AN ORDINANCE APPROPRIATING \$90,000 FOR COSTS RELATED TO THE ACQUISITION OF 45 CENTRAL STREET IN WINDSOR FOR MUNICIPAL PURPOSES INCLUDING BUT NOT LIMITED TO THE PROVISION OF PARKING FACILITIES AND PUBLIC ACCESS IN FURTHERANCE OF THE MECHANIC STREET REDEVELOPMENT AREA PLAN, AND AUTHORIZING THE ISSUE OF \$90,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION." (Town Manager)
- e) \*Approve an extension of the July 2002 Marketing Agreement with the Vintage Radio and Communication Museum (Town Manager)

13. \* RESIGNATIONS AND APPOINTMENTS

14. MINUTES OF PRECEDING MEETINGS

- a) \*Minutes of the June 20, 2005 Regular Town Council Meeting



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15. PUBLIC COMMUNICATIONS AND PETITIONS

(Three minute limit per speaker)

16. EXECUTIVE SESSION

a) Strategy and Negotiations with respect to collective bargaining (UPSEU)

17. ADJOURNMENT

★Back-up included

# PROCLAMATION

*in appreciation of Deloitte IMPACT Day*

**WHEREAS,** Deloitte IMPACT Day is a national day of community service for all Deloitte employees in the United States; and,

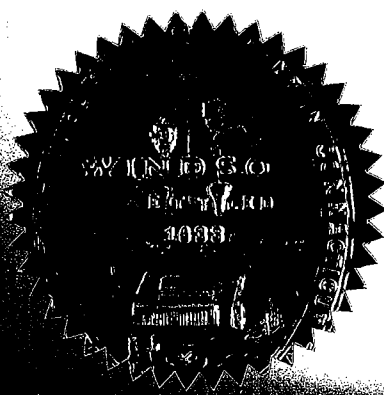
**WHEREAS,** On Friday June 3, 2005 the Hartford office of Deloitte held IMPACT Day in Windsor at the Community Center at 330 Windsor Avenue; and,

**WHEREAS,** Deloitte has shown true community spirit with over 125 volunteers and more than 1000 volunteer hours dedicated to this Windsor project; and,

**WHEREAS,** Deloitte employees painted hallways, activity rooms, planted shrubs, created a patio and picnic area, and completed other renovation projects; and,

**NOW, THEREFORE, BE IT PROCLAIMED BY THE MAYOR OF THE TOWN OF WINDSOR THAT:**

Deloitte employees be honored for their valuable service - and commended, with gratitude, for the work performed for the benefit of the Windsor community.



A handwritten signature in black ink, appearing to read "Donald S. Trinks", is written over a horizontal line.

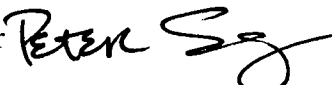
Donald S. Trinks  
Mayor of Windsor  
July 5, 2005

## Agenda Item Summary

Date: July 5, 2005

To: Honorable Mayor and Members of the Town Council

Prepared By: James Burke, Economic Development Director

Reviewed By: Peter Souza, Town Manager 

Subject: Economic Development Incentive Program Request  
Mototown Properties LLC – 1001 Day Hill Road

### Background

Mototown Properties LLC, has requested assistance from the town's Economic Development Incentive Program (EDIP) to design and install a traffic signal and an extended left-turn lane on Day Hill Road at its intersection with the private driveways at 1001 Day Hill Road (see the attached letters from developer). The estimated cost of the project is \$320,000 including bond issuance costs. This estimate includes design costs of \$20,000, signal construction of \$225,000, left-turn lane construction of \$65,000, and \$10,000 issuance costs.

The project will support the development of an indoor motocross facility to be developed by Mototown Properties LLC, an entity formed by Dan Ferraina and Tom Defranzo.

The Town of Windsor adopted an Economic Development Policy in April of 1993 that includes guidelines for the Economic Development Incentive Program (EDIP). The EDIP is designed to encourage development by having the town fund infrastructure improvements in the public right-of-way or public easements that benefit the requester. In exchange for this funding, the town expects to be able to recoup its investment from new tax revenue within an appropriate period of time.

### Discussion/Analysis

As described by the developers, the proposed project includes construction of a metal, block and brick building. The building will consist of a 208,000 SF of indoor track and 110,000 SF of support and associated retail space. The developers propose to complete the building this year. They estimate that the facility will create jobs for more than 100 people.

The installation of a traffic control signal on Day Hill Road at 1001 Day Hill Road and the extension of the west bound left-turn lane at that location is a requirement of the State Traffic Commission certificate for this project. As such, the town building official may not issue a certificate of occupancy until that work is completed or substantially completed.

### Financial Impact

The new annual real estate tax revenue from the proposed motocross facility (excluding any personal property tax revenue) has been estimated by the Town Assessor to be \$317,868. This would permit the town to recover the design and construction cost of \$310,000 within one year following the completion of the building. The estimated cost of annual debt service is approximately \$40,000 based on a 10 year term and 5% interest rate.

Bonding would take place in the spring of 2006 with debt service payments likely structured to commence in FY 2007.

Other Board Action

The Town Planning and Zoning Commission and Inland Wetlands Commission have approved the site plan for this development.

The Economic Development Commission (EDC), at its June 15th special meeting voted unanimously to recommend to the Town Council that up to \$310,000 be appropriated for the public infrastructure improvements associated with the 1001 Day Hill Road project. A report from the EDC is attached.

Recommendations

It is recommended that if the Town Council is in agreement, that the following motions be approved:

1) Waiving of Full Reading

**RESOLVED, that the reading into the minutes of the text of the ordinance entitled “AN ORDINANCE APPROPRIATING \$320,000 FOR INTERSECTION IMPROVEMENTS ON DAY HILL ROAD IN THE VICINITY OF 1001 DAY HILL ROAD AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$320,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION” is hereby waived, the full text of the ordinance having been distributed to each member of the Council and copies being made available to those persons attending this meeting; and that the full text of the ordinance be recorded with the minutes of this meeting.**

2) Adoption of Ordinance

**“MOVE that the following ordinance entitled, “AN ORDINANCE APPROPRIATING \$320,000 FOR INTERSECTION IMPROVEMENTS ON DAY HILL ROAD IN THE VICINITY OF 1001 DAY HILL ROAD AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$320,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION” be approved.**

Attachments

Bond Ordinance

Letters from Dan Ferraina for Mototown Properties, LLC

Engineering estimate of costs

Report of Economic Development Commission

**AN ORDINANCE APPROPRIATING \$320,000 FOR INTERSECTION IMPROVEMENTS ON DAY HILL ROAD IN THE VICINITY OF 1001 DAY HILL ROAD AND RELATED AMENITIES AND IMPROVEMENTS, AND AUTHORIZING THE ISSUE OF \$320,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION**

BE IT HEREBY ORDAINED,

Section 1. That the Town of Windsor appropriate THREE HUNDRED TWENTY THOUSAND DOLLARS (\$320,000) for costs in connection with intersection improvements on Day Hill Road in the vicinity of 1001 Day Hill Road including the installation of a traffic control signal and related controls and equipment, construction of a westbound left turn extension, and other related amenities and improvements. The appropriation may be spent for design, construction and installation costs, equipment, materials, land or easement acquisition (in an amount not to exceed \$10,000), engineering and consultant fees, administrative costs, printing, legal fees, net interest on borrowings and other financing costs, and other expenses related to the project. The Town Engineer is authorized to determine the scope and particulars of the project.

Section 2. That the Town issue bonds or notes in an amount not to exceed THREE HUNDRED TWENTY THOUSAND DOLLARS (\$320,000) to finance the appropriation for the project. The bonds or notes shall be issued pursuant to Section 7-369 of the General Statutes of Connecticut, Revision of 1958, as amended, and any other enabling acts. The bonds or notes shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town.

Section 3. That the Town issue and renew temporary notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the project. The amount of the notes outstanding at any time shall not exceed THREE HUNDRED TWENTY THOUSAND DOLLARS (\$320,000). The notes shall be issued pursuant to Section 7-378 of the General Statutes of Connecticut, Revision of 1958, as amended. The notes shall be general obligations of the Town and shall be secured by the irrevocable pledge of the full faith and credit of the Town. The Town shall comply with the provisions of Section 7-378a of the General Statutes if the notes do not mature within the time permitted by said Section 7-378.

Section 4. That the Town Manager and either the Treasurer or the Director of Finance of the Town shall sign any bonds or notes by their manual or facsimile signatures. The Director of Finance shall keep a record of the bonds and notes. The law firm of Day, Berry & Howard LLP is designated as bond counsel to approve the legality of the bonds or notes. The Town Manager and either the Treasurer or the Director of Finance are authorized to determine the amounts, dates, interest rates, maturities, redemption provisions, form and other details of the bonds or notes; to designate one or more banks or trust companies to be certifying bank, registrar, transfer agent and paying agent for the bonds or notes; to provide for the keeping of a record of the bonds or notes; to designate a financial advisor to the Town in connection with the sale of the bonds or notes; to sell the bonds or notes at public or private sale; to deliver the bonds or notes;

and to perform all other acts which are necessary or appropriate to issue the bonds or notes.

Section 5. That the Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs may be paid from temporary advances of available funds and that (except to the extent reimbursed from grant moneys) the Town reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized above for the project. The Town Manager and either the Treasurer or the Director of Finance are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

Section 6. That the Town Manager and either the Treasurer or the Director of Finance are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or note to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws or rules pertaining to the sale or purchase of such bonds or notes.

Section 7. That the Town Council, the Town Manager, the Treasurer, the Director of Finance, the Town Engineer and other proper officers of the Town are authorized to take all other action which is necessary or desirable to complete the project and to issue bonds, notes or other obligations or to obtain grants to finance the aforesaid appropriation.



APR 18 2005

◆ The Ferraina Company, LLC  
Founded 1964

Thursday, April 14, 2005

Mr. Peter Souza  
Town Manager  
Town of Windsor  
Town Hall  
Windsor, Connecticut 06095

◆ Dan J. Ferraina Interests

Dear Peter:

◆ The Real Group, LLC

We today received State Traffic Commission approval for our facility at 1001 Day Hill Road, officially know as Mototown Properties LLC. There were three conditions put forth, the first being a 200' stacking lane on Day Hill Road, the second being our granting to the Town an easement on Day Hill Road for future widening, and the third being a traffic signal at the intersection of Day Hill Road and the entrance to our facility.

◆ Steady Habits, Inc.

We would appreciate the Town installing the traffic light and providing the stacking lane ( we think the stacking lane is already near 200' ) as a contribution to our facility, which we anticipate will generate approximately \$ 300,000 annually in Town taxes. Further, the new light will not only enhance and provide additional safety measures to our facility but will also contribute to the overall safety of the entire area, which generates traffic from many other sources as well.

◆ Spring Pond Farm

As we will be unable to open our facility as planned this fall, unless the traffic light is first installed, obviously rapid response to this matter is required. We are ready, willing, able and anxious to be of whatever help we can if required by you.

◆ 810 Prospect Hill Road

Windsor, Connecticut

06095-1520

860.688.7519

860.683.8531 fax

djfreeal@aol.com

Sincerely,





◆ The Ferraina Company LLC  
1760 Main Street

Friday, May 13, 2005

Mr. James Burke  
Director, Economic Development Commission  
Town of Windsor  
Town Hall  
Windsor, Connecticut

◆ Dan J. Ferraina President

Dear Jim:

Thanks for the heads up on the next meeting of the Economic Development Commission, this Wednesday, at noon. I will plan on being there. Regarding our two recent requests for the Commission to review I offer the following.

◆ The Real Group LLC

The first proposal is for a 50,000 SF high bay warehouse to be located at 60 Baker Hollow Road, around the corner from a number of our other buildings. The ceiling height will be 32 feet under the joists, and the building will be similar to many of our other award winning buildings consisting of block, brick and glass, and naturally beautifully landscaped. Based on our experience we anticipate the building will employ between 20-35 people, and the tax revenue would be projected between \$40,000 to \$ 60,000 annually. This building will be owned by The Real Group II LLC.

◆ Steady Habits, Inc.

We need to have the water, sewer and roadway on Baker Hollow Road, advanced to our site a distance of only a few hundred feet, and will, I suspect, cost in the neighborhood of \$ 150,000. We are requesting the town support this proposal by absorbing these costs.

◆ Spring Pond Farm

Our second proposal, owned by at different entity, namely Mototown Properties LLC consists of a 312,000 SF building presently being built at 1001 Day Hill Road, for the purpose of an indoor motocross.

◆ 810 Prosper Hill Road  
Windsor, Connecticut  
06095-1520  
860.688.7519  
860 683.8531 fax  
djfreal@aol.com



PAGE TWO  
ECONOMIC DEVELOPMENT COMMISSION

This building will consist of a 208,000 SF indoor motocross track, and 110,000 SF retail and support space. The main building is clear span with height to 60 feet. It will be constructed of metal, steel, block and brick. To convey a sense of size to you, the motocross building is larger than the Hartford Civic Center.

We suspect the entire complex when completed will employ well over 100 people, and generate taxes in excess of \$ 300,000 annually. We are providing water, sewer, gas and electric ourselves and only request the Economic Development Commission authorize the Town to install a stoplight at the intersection of the existing roadway into the motocross, which will certainly benefit the entire area, and also to provide approximately 125 feet for a stacking lane on Day Hill Road. I really have no handle on what stoplights cost, but I suspect the entire request probably represents \$ 200,000.

All Town Planning and Zoning approvals are in place, as well as Wetland approvals for both sites. In addition we have received STC approval, with the requirement for a stoplight at the intersection.

We respectfully request the Commission consider these two matters at their next meeting, and as I have previously indicated, I will plan on attending the meeting to answer any more questions that might arise.

Sincerely,

  
Dan J. Ferraina



## MEMORANDUM

TO: Jim Burke

FROM: Duane J. Martin, P.E.

RE: Proposed Intersection Improvements – Day Hill Road at Two Private Driveways  
Tommy D's MotoTown USA

DATE: May 12, 2005

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My estimate for the proposed Engineering and Design is as follows:

Costs associated with the Traffic Signal Installation

Engineering Design Fees:	\$10,000
<u>Traffic Signal Installation:</u>	<u>\$225,000</u>
<b>Total Cost:</b>	<b>\$235,000</b>

Costs associated with the Day Hill Road westbound left turn lane extension

Engineering Design Fees:	\$10,000
<u>Left Turn Lane Construction:</u>	<u>\$65,000</u>
<b>Total Cost:</b>	<b>\$75,000</b>

**Total cost of both: \$310,000.**

**MEMORANDUM**

Date: June 15, 2005

To: Peter Souza, Town Manager

From: David Earley, Chair, Economic Development Commission

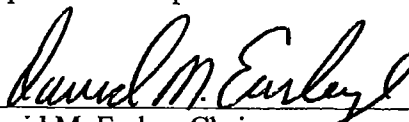
Subject: Economic Development Incentive Program (EDIP)  
Mototown Properties, LLC (Ferraina/Defranzo) – 1001 Day Hill Road

On June 15, 2005, the Economic Development Commission passed the following motion:

*That the Economic Development Commission recommends to the Town Council the expenditure of up to \$310,000 for costs related to the installation of a traffic control signal and westbound left-turn lane extension on Day Hill Road at the driveway to 1001 Day Hill Road in support of the development of an indoor motocross facility by Mototown Properties, LLC.*

This vote followed discussion and evaluation of the benefits of this project. The key factors in this decision included:

1. The quality of the proposed development.
2. The long and successful track record of one of the development's principals, Dan Ferraina.
3. The developer's estimate of job creation for more than 100.
4. The anticipated tax revenue of \$317,000 per year, which would provide for a repayment of the Town's investment within a one-year period.
5. The proposed project meets all the guidelines of the Economic Development Incentive Program.
6. The Commission noted that the proposed signal and turn lane extension will also benefit a number of surrounding businesses as well as the travelling public. These improvements may actually benefit others to a greater extent based on the fact that the motocross facility is most likely to operate at non-peak hours and on weekends.


  
David M. Earley, Chairman

## Agenda Item Summary

Date: June 20, 2005

To: Honorable Mayor and Members of the Town Council

Prepared By: Brian Funk, Director of Public Works

Prepared By: Peter Souza, Town Manager 

Subject: Acceptance of gypsum material at Windsor-Bloomfield Landfill

### Background

On November 1, 2004, the Town Council passed a motion banning the acceptance of gypsum at the Windsor/Bloomfield landfill with the intent of revisiting the issue at a later date. As we move to within 30 months of the Town Council's stated closure date it is appropriate to highlight the Council's stated policy objectives regarding the landfill. The primary objectives include:

- Closing the Landfill meeting environmental requirements
- Close the Landfill with adequate funds in place to meet closure and post closure obligations
- Close the Landfill in December 2007 or when it reaches the permitted elevation which ever is sooner

### Discussion/Analysis

Staff has refined information regarding acceptance of gypsum and has recommended the Town Council consider a proposed plan that strives to balance the goals of mitigating neighborhood impacts, meeting environmental requirements and closing the landfill in a fiscally responsible manner.

The recommended plan consists of the following:

- Reversion of the ban on gypsum, except for construction demolition material originating from transfer and processing facilities that do not have the ability to pre-sort gypsum containing materials.
- Allow pre-sorted construction demolition material (significant majority of gypsum removed) to be accepted.

The primary reasons supporting this recommendation include:

- The gas collection system is operable and has significantly reduced the number of odor complaints.
- Provides residents, local businesses and construction projects a convenient and cost competitive disposal site.
- The pre-sorted material is generally absent of gypsum and is a significantly different C&D material than previously received.

- Assuming an adequate "stream" of the pre-sorted C&D material can be maintained over the next 2+ years, the desired landform in the Bulky Waste Cell and in the "wedge" to adequately manage stormwater can be reached by December 2007.

#### Financial Impact

Following the June 28<sup>th</sup> Finance Committee we have developed four models regarding the potential receipt of gypsum-containing materials.

Model 1 assumes that the ban on gypsum continues and the C&D waste materials are received at the current rates of filling. This Model shows that the Landfill will not reach capacity in the Bulky Waste Cell and the "wedge" prior to the end of 2007. These areas of the Landfill would not reach capacity for another 3.5 years following 2007, assuming that the Landfill remained open past that date. Under this model there would be approximately 63,000 cubic yards of bulky waste airspace unused at the end of 2007. Estimated lost revenue if the bulky waste airspace is not utilized is \$1,870,000.

Model 2 assumes that the ban on gypsum is removed, except for C&D waste from transfer facilities without the ability to presort waste. This model shows that sufficient waste would be received prior to the end of 2007 to fill the Bulky Waste Cell and the "wedge".

Model 3 assumes the ban remains in place through November 2005. At that time the ban on gypsum is removed, except for C&D waste from transfer facilities without the ability to presort waste. This model shows there is not sufficient waste received prior to the end of 2007 to fill Bulky Waste Cell and the "wedge" to the approved landform. Under this model there would be approximately 11,800 cubic yards of bulky waste airspace unused at the end of 2007. Estimated lost revenue if the bulky waste airspace is not utilized is \$290,000. Bulky waste would need to be accepted at least four months beyond December 2007 to meet the approved landform.

Model 4 assumes the continuation of the gypsum ban and current bulky waste in-take rates remain the same. It also assumes the "wedge" and bulky waste cell are filled to meet the minimum 4% slope DEP requires not the approved land form. The estimated lost airspace for bulky waste equals approximately 112,000 tons. This translates into nearly \$2.8 million dollars of loss revenue utilizing an average \$45/ ton tipping fee. It must be noted there will be a loss of MSW airspace and revenue due to the need to reengineer the area where bulky waste and MSW meet.

#### Other Board Action

Finance Committee met on June 28<sup>th</sup> to review and discuss the alternatives. The committee made no recommendation that evening. The Chairman requested the item be placed on the July 5<sup>th</sup> Council agenda for further discussion and potential consideration.

#### Recommendations

The following motion relates to the original recommendation submitted June 20<sup>th</sup> for consideration and action by the Town Council:

**"MOVE to rescind the ban on receiving construction and demolition materials containing gypsum at the Windsor-Bloomfield Landfill except for processed construction and**

**demolition material from transfer facilities which do not have the ability to presort gypsum from the waste.”**

Attachment

THE FOLLOWING ITEMS WILL BE TRANSMITTED UNDER SEPARATE COVER

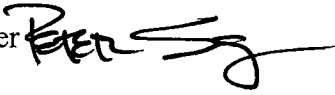
Comparison of Revised C&D Models  
Town of Windsor Investment Guidelines

## Agenda Item Summary

Date: July 5, 2005

To: Honorable Mayor and Members of the Town Council

Prepared By: James Burke, Economic Development Director

Reviewed By: Peter Souza, Town Manager 

Subject: Redevelopment Area Plan  
Mechanic Street Redevelopment Project

### Background

The Town of Windsor has been working on the redevelopment of the former Rappaport Building at 33 Mechanic Street for a number of years. In December of 2002, this property was included on a list of Priority Redevelopment Properties adopted by the Town Council. In the document creating the list, it was noted that:

- There are certain vacant or underutilized sites in Windsor that need focused attention from the town government. A number of these sites are in Windsor Center and the Wilson neighborhood and are therefore crucial to the future of our community. Many of these sites play into the public's perception about the community.
- There is a window of opportunity to attract investment to these sites. In addition, when opportunities arise, it is important to have programs in place so the town can act quickly.
- It is in the public's interest to encourage a timely and appropriate redevelopment of these properties.

The policy goes on to say:

- Inclusion of a property on this list does not confer any right to any incentive program. It does establish which properties are eligible to apply for certain programs including the Tax Increment Financing Policy. After a property is listed, each development proposal must be reviewed and approved according to the particular program requirements.

A developer, CIL Development of Windsor, Inc, has recently proposed to reuse the 33 Mechanic Street building for 50 condominium units. This market rate project will rejuvenate the largest building in the town center, along with bringing 50 households and over \$2 million of household income to the center. The property is presently owned by a not-for-profit organization and does not generate property tax revenue for the town. Upon completion, the proposed development is expected to generate approximately \$175,000 in annual real estate taxes.

The developer's site plans were approved by the Inland Wetlands Commission in December and the Town Planning and Zoning Commission in March.

In order for the project to move forward, however, there are two issues that must be addressed. The site does not have adequate access on a public street and the cost of environmental remediation makes the project unfeasible without financial support. To help with these issues, it has been proposed that a redevelopment plan be established for the area. This would allow the town to use tax increment financing and to provide direct financial assistance to the developer.

The procedure for adopting a redevelopment plan is set forth in Section 8-127 of the Connecticut General Statutes. Briefly, it provides that a town may approve a redevelopment plan provided that: 1) it has obtained a written opinion regarding the plan from the local planning commission; 2) if residential development is proposed, it has obtained approval from the local housing authority; 3) a public hearing on the plan has been held by the redevelopment agency following two published notices; and 4) the redevelopment agency has made specific findings as provided in the Section 8-127.

#### Discussion/Analysis

The Windsor Redevelopment Agency has unanimously approved a redevelopment plan for the Mechanic Street project. Attached is a copy of their resolution describing the procedures followed, the required findings and the redevelopment plan.

The Mechanic Street Redevelopment Project Area consists of approximately 3.45 acres and includes the properties commonly known as 33 Mechanic Street and 45 Central Street in Windsor Center.

The objectives of the proposed Redevelopment Plan are to create new, market-rate residential units in Windsor Center, eliminate hazardous environmental conditions in the project area, and reinforce and stimulate additional development in Windsor Center. To achieve these objectives, the Redevelopment Plan proposes that the Town of Windsor undertake certain public purpose activities including the provision of grants for environmental remediation, acquisition of property to provide access, and enforcement of applicable laws. The Redevelopment Plan also proposes that the Town of Windsor will utilize tax increment financing or the issuance of general obligation bonds or notes to pay for its public purpose activities.

#### Financial Impact

The proposed redevelopment plan (found on page 4 under "G. Financing Activities") states that the town is prepared to provide financial assistance to qualified developers through the making of grants and through the use of tax increment financing under Chapter 130 of the Connecticut General Statutes or the issuance of general obligation bonds and notes. Further in the same section on page 5, it includes an estimate of the budget required for the public purpose activities in the amount of \$84,000 for land acquisition and \$800,000 for an environmental remediation grant.

Town staff, financial advisors and bond counsel have been analyzing financing alternatives for the proposed plan. Two primary financing vehicles, general obligation bonds and revenue bonds, have been examined relative to the environmental grant. The overall issuance and financing costs is substantially less for a general obligation bond in comparison to a revenue bond (see attached comparison). A general obligation bond is the recommended financing mechanism for the land acquisition.

A draft grant agreement is being negotiated and will be executed between the town and the developer. This agreement will set out how the funds will be used, not to exceed grant amount,

disbursement of funds, along with performance requirements of the developer. It is anticipated that the grant agreement will be presented to the Town Council for consideration and adoption in August (see attached outline).

#### Other Board Action

The Windsor Redevelopment Agency and the Windsor Housing Authority have approved the redevelopment plan. The Town Planning & Zoning Commission has found that the redevelopment plan is consistent with the town's 2004 Plan of Conservation and Development.

The Town Finance Committee met on June 28<sup>th</sup> to consider the proposed Redevelopment Plan. After receiving a presentation regarding the proposed project and the Plan along with discussing the financing activities, the Committee voted unanimously to recommend Town Council approval of the Redevelopment Plan.

#### Recommendation

It is recommended that the Town Council approve the Redevelopment Area Plan for the Mechanic Street Redevelopment Project. If the Town Council is in agreement, the following motion would be appropriate:

**“MOVE that the attached resolution approving the “Redevelopment Area Plan Mechanic Street Redevelopment Project” be approved.”**

#### Attachments

Redevelopment Plan  
Proposed Town Council Resolution  
Windsor Redevelopment Agency Resolution  
Financing Comparisons  
Outline of Grant Agreement Provisions

AS APPROVED AND RECOMMENDED BY WINDSOR REDEVELOPMENT AGENCY

## **REDEVELOPMENT AREA PLAN**

# **MECHANIC STREET REDEVELOPMENT PROJECT**

Town of Windsor, Connecticut

WINDSOR REDEVELOPMENT AGENCY

JUNE 2005

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REDEVELOPMENT AREA PLAN  
**MECHANIC STREET PROJECT**  
TOWN OF WINDSOR, CT

**A. INTRODUCTION**

The 2004 Plan of Conservation and Development for Windsor (August 24, 2004) designates the area east of the railroad tracks in Windsor Center as a Redevelopment Area. (See Windsor Center Plan map included as Attachment 1) Among its recommended strategies to enhance Windsor Center, the Plan of Conservation and Development proposes that the Town of Windsor should continue to target key parcels for redevelopment.

In accord with the recommended strategy, this Redevelopment Area Plan (the "Plan") has been prepared to stimulate redevelopment within the Mechanic Street Project Area (the "Project Area") through the commitment of public actions as specified herein.

To achieve this objective, the Town of Windsor shall undertake the redevelopment actions specified in this Plan, pursuant to the powers granted to it under Chapter 130 of the Connecticut General Statutes.

**B. OBJECTIVES OF THE PLAN**

The primary objectives of the Plan for the redevelopment of the Project Area are to:

1. Create new, market-rate residential units in Windsor Town Center;
2. Eliminate hazardous environmental conditions in the Project Area; and
3. Reinforce and stimulate additional development in Windsor Center.

**C. PROJECT AREA DESCRIPTION**

1. Boundary Description.

The Project Area is located within the Town of Windsor, County of Hartford, State of Connecticut. The Project Area shall consist of the real property commonly known as 33 Mechanic Street and 45 Central Street. This area contains 3.45 acres and is legally described in Schedule A (Attachment 2).

The boundaries of the Redevelopment Project Area are delineated on the Project Area Map (Attachment 3).

The Town of Windsor reserves the right to modify the boundaries of the Project Area at some future date. Any amendments to the Plan will be completed in accordance with Chapter 130 of the Connecticut General Statutes.

## 2. Present Use, Type and Conditions of Structures and Site.

The Project Area contains one principal and one accessory structure. The principal structure is a complex of three, attached, 3-story brick and concrete industrial buildings containing approximately 80,000 square feet. The accessory building is a single story wood frame garage structure of approximately 1,200 square feet.

The principal structure is in a deteriorating condition. It has been unheated and without adequate bathroom facilities for more than three years. Missing and detached downspouts in many locations have resulted in severe damage to the brick exterior. Leaks have developed in the roof. The newest portion of the structure contains a significant amount of asbestos floor tile and lead paint has been found in other sections.

The parking lot pavement is broken or absent in most locations. The accessory garage structure is missing some siding and is leaning.

Environmental assessments of the site have determined that soil under a portion of the parking lot is contaminated with hazardous substances.

## 3. Present Land Use and Zoning.

The Project Area is currently occupied in part by a museum and parking area. The Project Area is presently zoned L-1 Industrial (33 Mechanic Street) and NZ Public or Quasi-Public Zone (45 Mechanic Street). On March 8, 2005, the Windsor Town Planning and Zoning Commission approved a Design Development for the Project Area that permits a 50 unit residential condominium development subject to a specific Final Development Plan.

## 4. Location of Streets and Utilities.

Central Street and Mechanic Street are located along the southwesterly boundary of the Project Area. The portion of the Project Area known as 33 Mechanic Street does not

front on a public street.

The Project Area is served by Metropolitan District Commission sewer and water mains. The sanitary sewer line is located along the easterly boundary and the water main is located on the westerly boundary. Electric power is available along the westerly boundary and natural gas is available from a gas line located to the east of the Project Area.

#### **D. PUBLIC PURPOSE ACTIVITIES**

To meet the objectives of this Plan, the Town of Windsor is prepared to initiate and support redevelopment of the Project Area through, among other things, the following public purpose activities:

1. Grants to qualified developers for purposes of remediating environmental conditions in the Project Area in accordance with a remediation plan approved by the Connecticut Department of Environmental Protection:
2. Acquisition of property in the Project Area to provide necessary access: and
3. Enforcement of applicable local, state and federal laws, statutes and regulations.

All public purpose activities shall be conditioned upon and shall meet the restrictions and limitations placed upon the Project Area by the Plan.

#### **E. REDEVELOPMENT REQUIREMENTS**

The land use and planning and design criteria set forth herein shall apply to any and all Project Area properties the redevelopment of which is assisted by the Town through any of the public purpose activities listed above.

1. Land Use

The intent of this Plan is to promote the redevelopment of the Project Area for a fifty-unit residential condominium development . All uses shall be regulated by the Design Development Plan approved by the Town Planning and Zoning Commission for the property on March 8, 2005 and any amendment thereto..

2. Planning and Design Criteria

The planning criteria to be used to guide the physical redevelopment of the Project

Area are those standards and guidelines contained within the approved Design Development Plan, the Town of Windsor's Zoning Ordinance and other applicable local, state and federal statutes and ordinances.

## **F. LAND ACQUISITION AND DISPLACEMENT**

### 1. Land Acquisition

The Town intends to acquire the single parcel of land depicted on the Land Acquisition Map (Attachment 4) by negotiated purchase. The time period within which the real property located in the Project Area will be acquired is within twelve (12) months after the approval of the Plan by the Windsor Town Council.

### 2. Displacement

No households or businesses will be displaced. The current owner, the Vintage Radio and Communications Museum of Connecticut, will be moving its collections from the building to another site near Windsor Center.

## **G. FINANCING ACTIVITIES**

To meet the objectives of this Plan and to encourage the redevelopment of the Project Area and private investment therein, the Town of Windsor is prepared to provide financial assistance to qualified developers through the making of grants and through the use of tax increment financing under Chapter 130 of the Connecticut General Statutes or the issuance of general obligation bonds and notes.

The Town of Windsor is prepared to utilize tax increment financing as a means of financing eligible costs incurred to implement the Public Purpose Activities identified in Part D of this Plan. Bonds or notes may be issued by the Town under the authority of the Connecticut General Statutes (tax increment revenue bonds) or (general obligation bonds).

Public financing will provide a long-term payback in overall increased tax base for the Town. The initial public investment required to generate new private investment will ultimately increase the taxable value of the Project Area well beyond its existing base value.

The following is an estimate of the budget required to implement the Public Purpose Activities of this Plan:

Acquisition of Amtrak Parcel for Access	\$ 84,000
Grant for Environmental Remediation	
Environmental Testing	\$180,000
Asbestos Remediation	\$110,000
Lead Paint Abatement	\$ 25,000
Soil Remediation	\$460,000
Contingency	<u>\$ 25,000</u>
Total Grant for Remediation	<u>\$800,000</u>
Total Public Purpose Activity Expense	\$884,000

The grant for environmental remediation proposed for this project shall be made to a qualified developer in accordance with a redevelopment project grant agreement to be approved by the Windsor Town Council. This agreement shall contain the terms and conditions under which funds will be released to the developer to ensure that the objectives of this Plan are achieved and that the site is remediated in accordance with Federal, state and local law.

#### **H. STATE AND LOCAL REQUIREMENTS**

All provisions necessary to conform with state and local laws have been complied with by the Town of Windsor in the implementation of this Plan and its supporting documents.

#### **I. DURATION OF APPROVED REDEVELOPMENT PLAN**

This Plan shall continue in effect until terminated by the Town Council.

The Redevelopment Requirements established, or as amended from time to time by the Town of Windsor Zoning Ordinance, shall remain in effect in perpetuity.

#### **J. SEVERABILITY**

In the event one or more provisions contained in this Plan shall be held for any reason to be invalid, illegal, unauthorized or unenforceable in any respect, such invalidity, illegality, lack of authorization or unenforceability shall not affect any other provision of

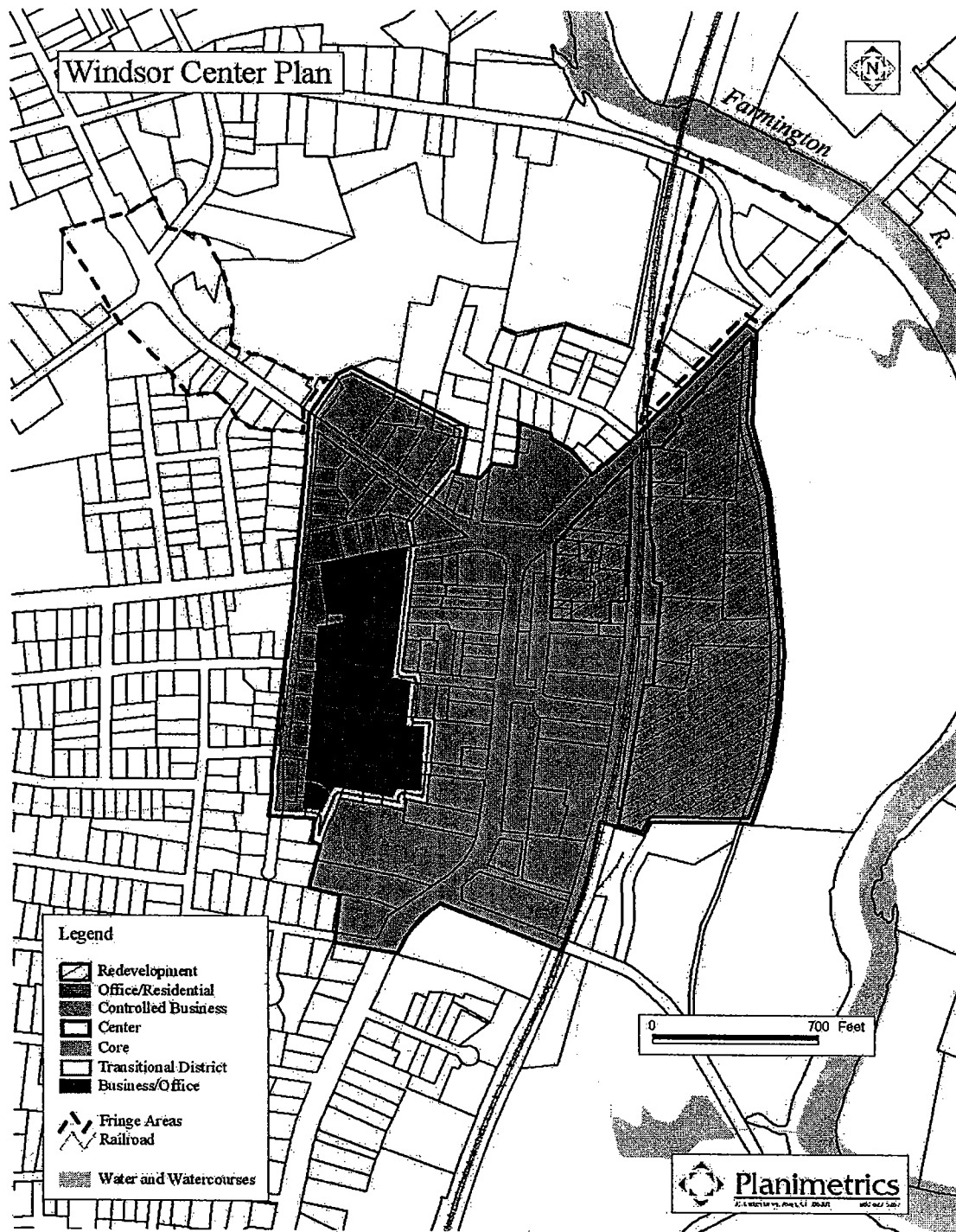
this Plan and this Redevelopment Plan shall be construed and implemented as if such provision had never been contained herein.

#### **K. AMENDMENT OF APPROVED REDEVELOPMENT PLAN**

This Plan may be amended from time to time to respond to development opportunities. Any such amendment shall conform to the requirements of Chapter 130 of the Connecticut General Statutes. Any change effecting any property or contractual right can be effectuated only in accordance with applicable state and local law.

#### **L. ATTACHMENTS**

- 1 Windsor Center Plan Map from 2004 Plan of Conservation and Development for Windsor
- 2 Schedule A Legal Description of Project Area
- 3 Redevelopment Project Area Map
- 4 Land Acquisition Map



- Legend**
- Redevelopment
  - Office/Residential
  - Controlled Business
  - Center
  - Core
  - Transitional District
  - Business/Office
  - Fringe Areas
  - Railroad
  - Water and Watercourses

0 700 Feet

**Planimetrics**  
PLANNING AND DESIGN

**Schedule A**

**Legal Description of Properties in the  
Mechanic Street Redevelopment Project Area:**

Parcel One – Commonly known as 45 Central Street

Beginning at a point location 16.50 feet East of the Railroad Center Line monument P.T. Sta. 2239 + 39.67;

Thence running North 2 degrees, 07 minutes, 44 seconds East a distance of 150.00 feet to a point;

Thence running South 87 degrees, 52 minutes, 16 seconds East a distance of 30.32 feet to a point;

Thence running South 8 degrees, 14 minutes, 27 seconds East a distance of 22.53 feet to a point;

Thence running South 28 degrees, 12 minutes, 22 seconds East a distance of 25.99 feet to a point;

Thence running South 1 degree, 48 minutes, 45 seconds West a distance of 150.00 feet to a point;

Thence running South 87 degrees, 43 minutes, 05 seconds East a distance of 34.00 feet to a point;

The previous four courses being along land now or formerly of Vintage Radio and Communications Museum of Connecticut, Inc.;

Thence running southerly on an arc deflecting to the right with a delta angle of 1 degree, 48 minutes, 28 seconds, a radius of 5814.60 feet and a distance of 183.47 feet to a point;

The previous course being along lands now or formerly of Vintage Radio and Communication Museum of Connecticut and WPI Properties;

Thence running North 86 degrees, 36 minutes, 21 seconds West a distance of 82.51 feet to a point;

Thence running northerly on an arc deflecting to the left having a delta angle of 2 degrees, 15 minutes, 44 seconds, a radius of 5732.10 feet and a distance of 226.32 feet to the point and place of beginning.

Parcel 2 – Commonly known as 33 Mechanic Street

One certain piece or parcel of land together with the improvements thereon and all appurtenances thereto, known as 33 Mechanic Street in the Town of Windsor, County of Hartford, State of Connecticut, described herein as two tracts, being more particularly bounded and described as follows:

**First Tract:**

Beginning at a point in the east line of the Second Tract, which point is two hundred two (202) feet one (1) inch southerly from the northeasterly corner of the Second Tract;

Thence proceeding southerly in the same line produced, along land now or formerly of the Stanley B. Loucks Co., nineteen (19) feet eight (8) inches, more or less, to a point marked by a pin;

Thence easterly in a line making an inside angle with the line last described of ninety-four (94) degrees fifty-two (52) minutes a distance of five and five one-hundredths (5.05) feet to a point marked with a pin;

Thence southerly in a line making an inside angle with the line last described of ninety-three (93) degrees fifty (50) minutes, nineteen (19) feet eight (8) inches, more or less, to a point;

Thence in a westerly direction in a straight line making an inside angle with the line last described of eighty-six (86) degrees ten (10) minutes, one hundred sixty (160) feet nine (9) inches, more or less, to a point;

Thence in a northerly direction making an inside angle with the line above described of ninety-five (95) degrees, thirty-nine (39) feet four (4) inches, more or less, to a point;

Thence from said last named point easterly in a straight line making an inside angle with the line last above described of eighty-five (85) degrees, one hundred fifty-five (155) feet nine (9) inches to the point of beginning.

#### Second Tract:

Beginning at the northwesterly corner of this Second Tract hereby conveyed at a point in the easterly line of a private way known as Mechanic Street, which point is further defined to be eighteen (18) feet easterly at right angles from the boundary line of land of the New York, New Haven & Hartford Railroad Company and one hundred ninety-nine (199) feet and four inches northerly in the line of said private way from the center of an old now discontinued highway, which center point is marked by an iron pin;

Thence running easterly from the point first described as an angle of ninety (90) degrees with the easterly line of said right of way one hundred forty-eight (148) and nine and one-half (9 ½) inches to a point marked by a pin indicating the northwesterly corner of premises formerly owned by E.B. Rowland;

Thence deflecting to the left eight (8) minutes and continuing easterly a distance of one hundred fifty-five (155) feet and nine (9) inches to a point marked by a pin driven in the ground;

Thence in a southerly direction at an inside angle with the line last described of ninety-one (91) degrees eight (8) minutes a distance of two hundred two (202) feet and one (1) inch to a point;

Thence deflecting to the right ninety-four (94) degrees fifty-two (52) minutes and running westerly in a straight line one hundred fifty-five (155) feet nine (9) inches; thence southerly in a line making an inside angle with the line last described of eighty-five (85) degrees, thirty-nine (39) feet and four (4) inches, more or less, to a point;

Thence easterly in a straight line making an inside angle with the line last described of ninety-five (95) degrees, one hundred sixty (160) feet and nine (9) inches, more or less, to a point on the easterly boundary line of land of this Second Tract and the Westerly boundary of land now or formerly of one Snelgrove;

Thence southerly in a straight line making an inside angle with the line last described of ninety-three (93) degrees fifty (50) minutes, one hundred ninety-one (191) feet and two (2) inches, more or less, to a point marked by a pin;

Thence westerly in a straight line at right angles with the line last above-described, about two hundred sixty-six (266) feet to a point in the westerly line of land of the New York, New Haven & Hartford Railroad Company, which point is marked by a pin;

Thence northerly in a straight line sixty (60) feet and six (6) inches to a point;

Thence westerly in a straight line thirty-four (34) feet to a point marked by an iron pin;

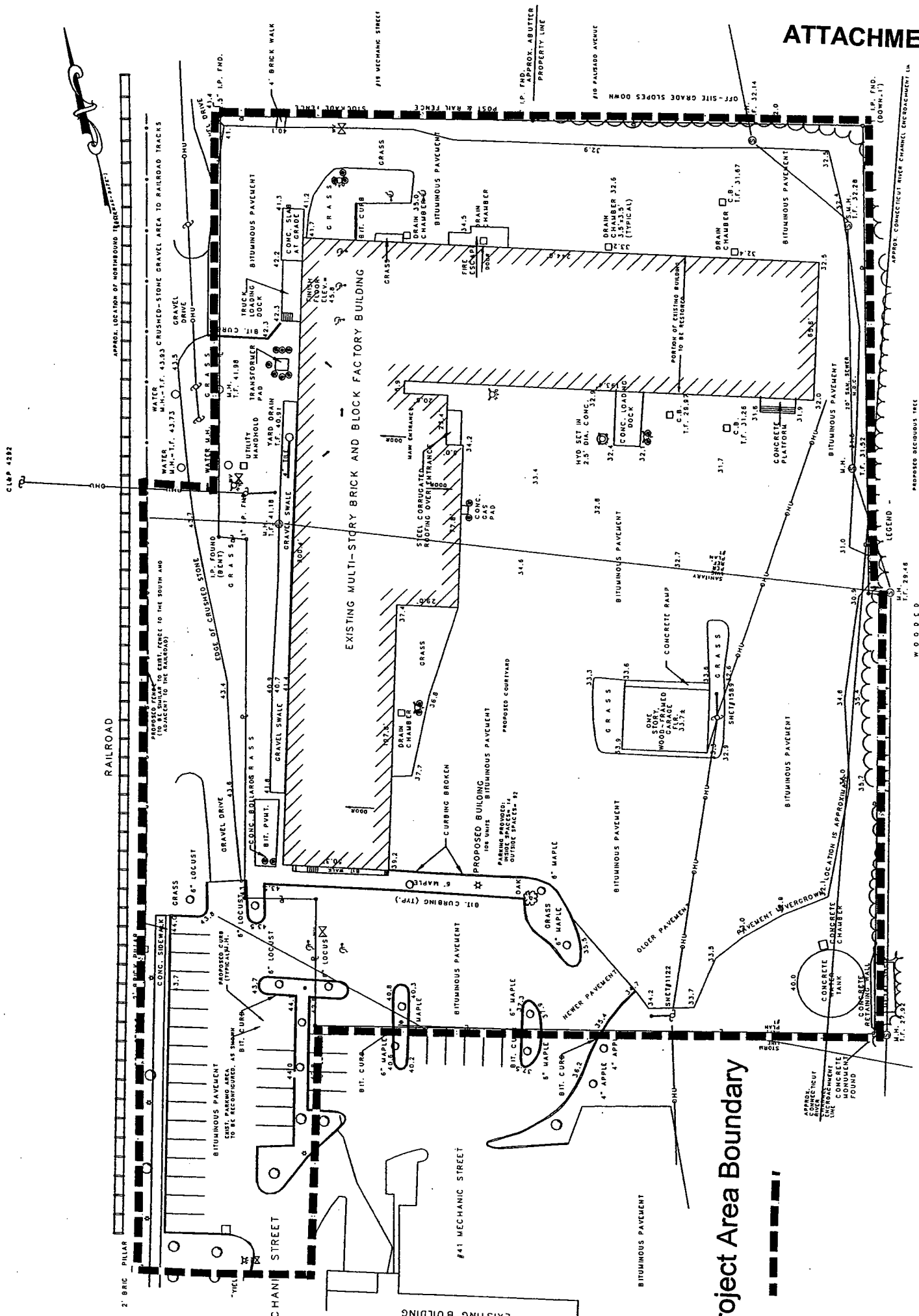
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Thence northerly in a straight line from said point last described, one hundred fifty (150) feet to a point marked by a pin;

Thence continuing northerly in the same line twenty-two (22) feet and six (6) inches to a point;

Thence westerly in a straight line thirteen (13) feet to a point marked by and iron pin;

Thence northerly in a straight line, which line is also the easterly line of a private way one hundred ninety-nine (199) feet and four (4) inches to the point of beginning.



Project Area Boundary

Mechanic Street Redevelopment Project  
Project Area Map

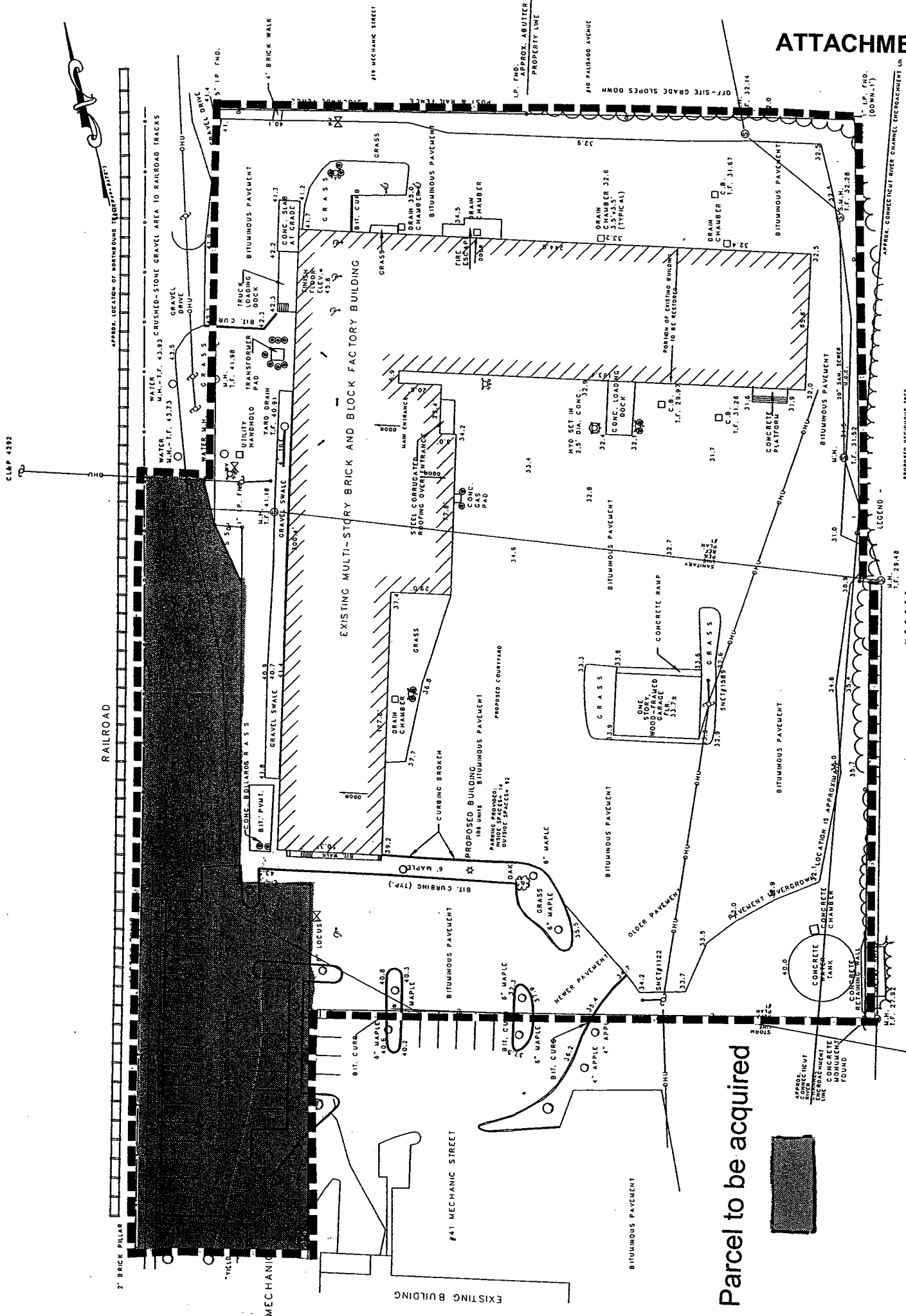
TOWN OF WINDSOR

- PROPOSED DECIDUOUS TREE
- PROPOSED FLOWERING TREE
- PROPOSED EVERGREEN
- PROPOSED SHRUB
- PROPOSED BENCH

APPROX. CONNECTICUT RIVER CHANNEL ENCROACHMENT (1940)

LEGEND

WOOD



Parcel to be acquired



# Mechanic Street Redevelopment Project

## Land Acquisition Map

TOWN OF WINDSOR

- PROPOSED DECIDUOUS TREE
- PROPOSED FLOWERING TREE
- PROPOSED EVERGREEN
- PROPOSED SHRUBS
- PROPOSED BUNCH

LEGEND

W O O D S

**RESOLUTION APPROVING THE REDEVELOPMENT AREA PLAN  
MECHANIC STREET REDEVELOPMENT PROJECT**

WHEREAS, the Windsor Redevelopment Agency has prepared a proposed redevelopment plan for the Mechanic Street Redevelopment Project (the "Plan") in accordance with Section 8-127 of the Connecticut General Statutes; and

WHEREAS, the Plan was transmitted to the Planning and Zoning Commission of the Town of Windsor with a request for a written opinion, which written opinion has been received by the Windsor Redevelopment Agency, in accordance with Section 8-127 of the Connecticut General Statutes; and

WHEREAS, the Plan was also transmitted to the Windsor Housing Authority for review and approval, which approval was granted, in accordance with Section 8-127 of the Connecticut General Statutes; and

WHEREAS, a duly noticed public hearing on the Plan was held by the Redevelopment Agency on June 15, 2005, in accordance with Section 8-127 of the Connecticut General Statutes of the Connecticut General Statutes; and

WHEREAS, following said public hearing, by resolution adopted at meeting held June 15, 2005, the Windsor Redevelopment Agency: (1) made the following findings with regard to the Plan:

- a. The area in which the proposed redevelopment is to be located is a redevelopment area as defined by Section 8-125 CGS;
- b. The carrying out of the Plan will result in materially improving conditions in the redevelopment area;
- c. No families will be displaced by the proposed redevelopment activities;
- d. The Plan is satisfactory as to site planning and is in conformity with the comprehensive plan for the municipality and the Town Planning and Zoning Commission concurs with this finding; and
- e. The Plan is for a project which consists predominantly of residential facilities and the local housing authority has approved the Plan;

(2) approved the Plan; and (3) forwarded the Plan to the Windsor Town Council with a recommendation for approval;

NOW, THEREFORE, BE IT RESOLVED by the Windsor Town Council that the redevelopment plan for the Mechanic Street Redevelopment Project titled "Redevelopment Area Plan, Mechanic Street Redevelopment Project, Town of Windsor, Connecticut", as presented to this meeting, is hereby approved in accordance with Section 8-127 of the Connecticut General Statutes, and a copy of the redevelopment plan shall be recorded with the minutes of this meeting.

**WINDSOR REDEVELOPMENT AGENCY**

**RESOLUTION NO. 1-2005  
RESOLUTION APPROVING THE REDEVELOPMENT AREA PLAN  
MECHANIC STREET REDEVELOPMENT PROJECT**

WHEREAS, the Windsor Redevelopment Agency has prepared a proposed Redevelopment Plan for the Mechanic Street Redevelopment Project ("Plan"); and

WHEREAS, the Plan was transmitted to the planning agency of the Town of Windsor with a request for a written opinion per Sec 8-127 CGS; and

WHEREAS, the Plan was also transmitted to the Windsor Housing Authority for review and approval as provided by Sec 8-127 CGS; and

WHEREAS, the publication and posting of notice of a public hearing on the Plan was provided as required by Sec 8-127 CGS; and

WHEREAS, a public hearing was held on June 15, 2005 to receive comments regarding the Plan; and

WHEREAS, the Windsor Redevelopment Agency has considered the communications received from the planning agency and Housing Authority and the comments received at the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Windsor Redevelopment Agency as follows:

Section 1. That the Windsor Redevelopment Agency hereby makes the following findings with regard to the Plan:

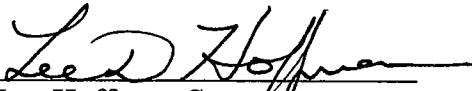
- a. The area in which the proposed redevelopment is to be located is a redevelopment area as defined by Section 8-125 CGS;
- b. The carrying out of the Plan will result in materially improving conditions in the redevelopment area;
- c. No families will be displaced by the proposed redevelopment activities;
- d. The Plan is satisfactory as to site planning and is in conformity with the comprehensive plan for the municipality and the Town Planning and Zoning Commission concurs with this finding; and
- e. The Plan is for a project which consists predominantly of residential facilities and the local housing authority has approved the Plan.

Section 2. That the Plan is hereby approved.

Section 3. That the Plan be forwarded to the Windsor Town Council with a recommendation for approval.

PASSED, APPROVED AND ADOPTED this 15<sup>TH</sup> day of June, 2005.

  
Eric Judge, Chair

Attest:   
Lee Hoffman, Secretary

## MECHANIC STREET REDEVELOPMENT

### RECAP OF GENERAL OBLIGATION BONDS VS. REVENUE BONDS

	<u>G.O.</u>	<u>REV</u>	
INTEREST RATE - ASSUMPTION	3.65%	5.14%	
LENGTH OF BOND	10 YEARS	10 YEARS	
REMEDICATION COSTS	800,000	800,000	
ISSUANCE COSTS	30,000	180,000	
RESERVE FUND	-	108,000	
BOND AMOUNT	<hr/> 830,000	<hr/> 1,088,000	
EST. TOTAL INTEREST PAYMENTS	165,162	304,487	
PROJECTED TOTAL DEBT SERVICE	995,162	1,384,487	
EST. TAX REVENUE - 10 YEAR PERIOD	1,750,000	1,750,000	
ESTIMATED NET TAX REVENUE	754,838	365,513	389,325

REDEVELOPMENT PROJECT GRANT AGREEMENT  
Between the Town of Windsor and CIL Development of Windsor, Inc.

Key provisions of the grant agreement:

Grant Amount.

- Not to exceed \$800,000

Purpose

- to fund a portion of the environmental remediation costs
- specific list of actions based on LEP plan

Payment of the Grant.

- installments payments, not upfront sum
- subject to documentation of actual costs
- three to four payments following important project milestones, such as
  - completion of remediation work
  - C.O.s for Building A units
  - Completion of core improvements to Buildings B and C
  - Final certification by LEP

Requirements of the developer.


- use of funds for listed actions only
- timing of completion of environmental work – 12 months
- timing of completion of the entire project – 24 months
- prohibition on transfer to tax-exempt entity
- remediation according to LEP plan
- indemnification of Town

## Agenda Item Summary

Date: July 5, 2005

To: Honorable Mayor and Members of the Town Council

Prepared By: James Burke, Economic Development Director

Reviewed By: Peter Souza, Town Manager 

Subject: Bond Ordinance – 33 Mechanic Street Redevelopment

### Background

The Town of Windsor has been working on the redevelopment of the former Rappaport Building at 33 Mechanic Street for a number of years. In December of 2002, this property was included on a list of Priority Redevelopment Properties adopted by the Town Council.

A developer, CIL Development of Windsor, Inc, has recently proposed to reuse the 33 Mechanic Street building for 50 condominium units. This market rate project will rejuvenate the largest building in the town center, along with bringing 50 households and over \$2 million of household income to the center. The property is presently owned by a not-for-profit organization and does not generate property tax revenue for the town. Upon completion, the proposed development is expected to generate approximately \$175,000 in annual real estate taxes.

The developer's site plans were approved by the Inland Wetlands Commission in December and the Town Planning and Zoning Commission in March.

### Discussion/Analysis

In order for the project to move forward, there are two issues that must be addressed. The site does not have adequate access on a public street and the cost of environmental remediation makes the project unfeasible without financial support. To help with these issues, it has been proposed that a redevelopment plan be established for the area. This would allow the town to use tax increment financing and to provide direct financial assistance to the developer.

The Windsor Redevelopment Agency has unanimously approved a redevelopment plan for the Mechanic Street project. The project area consists of approximately 3.45 acres and includes the properties commonly known as 33 Mechanic Street and 45 Central Street in Windsor Center.

The objectives of the proposed Redevelopment Plan are to create new, market-rate residential units in Windsor Center, eliminate hazardous environmental conditions in the project area, and reinforce and stimulate additional development in Windsor Center. To achieve these objectives, the Redevelopment Plan proposes that the Town of Windsor undertake certain public purpose activities including the provision of grants for environmental remediation and acquisition of property to provide access. The Redevelopment Plan also proposes the Town of Windsor will utilize tax increment financing or the issuance of general obligation bonds or notes to pay for its public purpose activities.

The proposed redevelopment plan includes an estimate of the budget required for the public purpose activities in the amount \$800,000 for an environmental remediation grant. The environmental work includes asbestos and PCB abatement, lead paint abatement, soil remediation, along with testing and monitoring.

Town staff, financial advisors and bond counsel have been analyzing financing alternatives for the proposed plan. Two primary financing vehicles, general obligation bonds and revenue bonds, have been examined relative to the environmental grant. The overall issuance and financing costs are substantially less for a general obligation bond in comparison to a revenue bond (see attached comparison).

#### Financial Impact

The property is currently owned by a tax-exempt organization that does not generate property taxes. Upon completion, the proposed development is expected to generate approximately \$175,000 in annual real estate taxes. Please see attached tax increment analysis.

It is proposed that a general obligation bond in the amount of \$830,000 be authorized to fund remediation efforts and related bond issuance costs. The estimated cost of the annual debt service on a 10 year general obligation bond is approximately \$100,000. This is \$40,000 less than the estimated annual debt service for a revenue bond. The primary reasons for the revenue bond's higher cost are: 1) greater issuance costs, 2) need for reserve account and 3) higher interest rate.

#### Other Board Action

The Redevelopment Agency has held a public hearing on the Redevelopment Plan and unanimously approved the plan and recommends favorable action by the Town Council.

The Town Finance Committee met on June 28<sup>th</sup> to consider the proposed Redevelopment Plan. A presentation was made regarding the proposed project, public purposes, as well as the financing activities. The Committee voted unanimously to recommend Town Council approval of the Redevelopment Plan.

#### Recommendations

It is recommended that if the Town Council is in agreement, that the following motions be approved:

##### 1) Waiving of Full Reading

**“RESOLVED, that the reading into the minutes of the text of the ordinance entitled “AN ORDINANCE APPROPRIATING \$830,000 TO PROVIDE FOR AN \$800,000 GRANT TO CIL DEVELOPMENT OF WINDSOR INCORPORATED FOR CERTAIN COSTS OF ENVIRONMENTAL REMEDIATION ACTIVITIES IN FURTHERANCE OF THE MECHANIC STREET REDEVELOPMENT PROJECT AND FOR COSTS RELATING TO THE PROVISION AND FINANCING OF THE GRANT, AND AUTHORIZING THE ISSUE OF \$830,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION” is hereby waived, the full text of the ordinance having been distributed to each member of the Council and copies being made available to those persons attending this meeting; and that the full text of the ordinance be recorded with the minutes of this meeting.”**

2) Introduction of Ordinance

**“MOVE to introduce an ordinance entitled, “AN ORDINANCE APPROPRIATING \$830,000 TO PROVIDE FOR AN \$800,000 GRANT TO CIL DEVELOPMENT OF WINDSOR INCORPORATED FOR CERTAIN COSTS OF ENVIRONMENTAL REMEDIATION ACTIVITIES IN FURTHERANCE OF THE MECHANIC STREET REDEVELOPMENT PROJECT AND FOR COSTS RELATING TO THE PROVISION AND FINANCING OF THE GRANT, AND AUTHORIZING THE ISSUE OF \$830,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION.”**

3) Set Public Hearing

**“RESOLVED, that a Public Hearing be held at the Windsor Town Hall on Monday, August 1, 2005 at 7:15 p.m. (prevailing time) to approve or disapprove the foregoing ordinance entitled:**

**“AN ORDINANCE APPROPRIATING \$830,000 TO PROVIDE FOR AN \$800,000 GRANT TO CIL DEVELOPMENT OF WINDSOR INCORPORATED FOR CERTAIN COSTS OF ENVIRONMENTAL REMEDIATION ACTIVITIES IN FURTHERANCE OF THE MECHANIC STREET REDEVELOPMENT PROJECT AND FOR COSTS RELATING TO THE PROVISION AND FINANCING OF THE GRANT, AND AUTHORIZING THE ISSUE OF \$830,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION.”**

**And**

**Be it FURTHER RESOLVED, that the Town Clerk is authorized and directed to post and publish notice of said Public Hearing.**

Attachments

Bond Ordinance

**TAX INCREMENT ANALYSIS**

**33 Mechanic Street**

<u>Current Value</u>	
Fair Market Value Oct 2003	955,200
Assessed Value 70%	668,640
Taxes at 28.73 mills	19,210 (Property currently owned by non-profit entity. No taxes paid)
<u>Projected Value</u>	
Market Value	8,721,000 (Based on 95% of the projected sales value of 50 units)
Assessed Value	6,104,700
Taxes at 28.73 mills	175,388
<u>Increment</u>	
Tax Increment	156,178 (Equals difference between current assessed value and improved value)
85% of Increment	132,751 (Assumes current owner paid taxes)
85% of True Increment	149,080 (85% of projected increase in taxes over current taxes paid)

## MECHANIC STREET REDEVELOPMENT

### RECAP OF GENERAL OBLIGATION BONDS VS. REVENUE BONDS

	<u>G.O.</u>	<u>REV</u>	
INTEREST RATE - ASSUMPTION	3.65%	5.14%	
LENGTH OF BOND	10 YEARS	10 YEARS	
REMEDICATION COSTS	800,000	800,000	
ISSUANCE COSTS	30,000	180,000	
RESERVE FUND	-	108,000	
BOND AMOUNT	<u>830,000</u>	<u>1,088,000</u>	
EST. TOTAL INTEREST PAYMENTS	165,162	304,487	
PROJECTED TOTAL DEBT SERVICE	995,162	1,384,487	
EST. TAX REVENUE - 10 YEAR PERIOD	1,750,000	1,750,000	
ESTIMATED NET TAX REVENUE	754,838	365,513	389,325

**AN ORDINANCE APPROPRIATING \$830,000 TO PROVIDE FOR AN \$800,000 GRANT TO CIL DEVELOPMENT OF WINDSOR INCORPORATED FOR CERTAIN COSTS OF ENVIRONMENTAL REMEDIATION ACTIVITIES IN FURTHERANCE OF THE MECHANIC STREET REDEVELOPMENT PROJECT AND FOR COSTS RELATING TO THE PROVISION AND FINANCING OF THE GRANT, AND AUTHORIZING THE ISSUE OF \$830,000 BONDS AND NOTES TO FINANCE THE APPROPRIATION**

WHEREAS, the Town of Windsor (the "Town") is empowered under Part I of Chapter 130 of the General Statutes of Connecticut, Revision of 1958, as amended (the "General Statutes") to appropriate and apply funds to assist any redevelopment project located within the area in which it is authorized to act and to issue its bonds, notes or other obligations to obtain such funds, the Connecticut General Assembly having determined the necessity in the public interest for the undertaking of such projects; and

WHEREAS, the Town, by resolution adopted by its Town Council on July 5, 2005 following various proceedings held in accordance with said provisions of the General Statutes, has approved a redevelopment plan entitled "Redevelopment Area Plan, Mechanic Street Redevelopment Project, Town of Windsor, Connecticut" (the "Redevelopment Plan"); and

WHEREAS, CIL Development of Windsor Incorporated ("CIL Development of Windsor") proposes to undertake a project (the "Redevelopment Project") on certain real property located within the redevelopment area described in the Redevelopment Plan and known as 33 Mechanic Street in the Town of Windsor (the "Redevelopment Property") consisting generally of the rehabilitation and improvement of such property and the buildings and other improvements thereon to provide for residential condominium units in furtherance of and consistent with the Redevelopment Plan, and has entered into a contract of purchase with respect to the Redevelopment Property; and

WHEREAS, the CIL Development of Windsor has made application to the Town for financial assistance in the amount of \$800,000 with respect to the Redevelopment Project, and as part of such application has demonstrated to the satisfaction of the Town that such Redevelopment Project is unlikely to proceed without such assistance due to the financing constraints on the Redevelopment Project; and

WHEREAS, the Town desires to provide assistance with respect to the Redevelopment Project by making a grant to the CIL Development of Windsor in an amount not to exceed \$800,000 to be used for certain costs with respect to environmental remediation of the Redevelopment Property and to finance such grant and costs related thereto through the issuance of its bonds, notes or other obligations;

**NOW, THEREFORE, BE IT HEREBY ORDAINED,**

Section 1. That the Town of Windsor appropriate EIGHT HUNDRED THIRTY THOUSAND DOLLARS (\$830,000) to provide for: (a) a grant to CIL Development of Windsor Incorporated in an amount not to exceed \$800,000 to be applied to defray certain costs with respect to the environmental remediation of real property located within the redevelopment area

