

EAST HAVEN TOWN COUNCIL
PUBLIC HEARING MINUTES
TUESDAY, SEPTEMBER 5, 2017

Stacy Gruning Cete
TOWN CLERK

In accordance with Chapter III, Section 6 of the East Haven Town Charter, the East Haven Town Council Hearing Committee held a public hearing meeting Tuesday, September 5, 2017, at 7:00PM at the East Haven Senior Center, 91 Taylor Avenue, East Haven, CT 06512.

Chairman Fred Parlato calls the meeting to order at 7:00PM.

Item #1

Roll Call for Hearing Committee-11 present- 3 absent (Palladino, Sand and Butler III).
A quorum is present.

Item #2

To conduct Public Hearing #1 regarding "An Ordinance Approving and Authorizing the Conveyance of a portion of 280 Proto Drive to Mellen Properties, LLC, or its designee, for \$191,789.12."

**AUTHORIZING ORDINANCE OF THE
East Haven Town Council**

**An Ordinance Approving and Authorizing the Conveyance of a Portion of 280
Proto Drive to Mellen Properties, LLC, or its designee, for \$191,789.12**

WHEREAS, the Town of East Haven is desirous of selling a portion of the real property located at 280 Proto Drive in East Haven, Connecticut, better known by the following Map, Block, and Lot Number: "090/0909/001;"

AND WHEREAS, the Town's Planning and Zoning Commission, at its regular meeting on June 7, 2017, issued a favorable 8-24 referral in connection with the proposed the sale of the property;

AND WHEREAS, the Town Council has approved, or will approve concurrently herewith, the waiver of the competitive bidding process in connection with the contemplated sale;

AND WHEREAS, the conveyance of the property is subject to the approval of the Town Council;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of East Haven that the conveyance of a portion of 280 Proto Drive, East Haven, CT 06512 to

Mellen Properties, LLC, or its designee, is hereby approved for a sales price of \$191,789.12 (One Hundred and Ninety-One Thousand Seven-Hundred and Eighty-Nine Dollars and Twelve Cents 12/100);

BE IT FURTHER ORDAINED that the Land Disposition Agreement memorializing said sale is hereby approved in the form substantially as presented to this Council;

BE IT FURTHER ORDAINED that Mayor Joseph Maturo, Jr., or his designee, is authorized to sign the aforementioned Land Disposition Agreement, to enter into any agreements, and to execute any and all related deeds and documents in order to effectuate the contemplated conveyance.

This Ordinance shall be effective in accordance with the provisions of the East Haven Town Charter.

Submitted by:	Danelle Feeley, Council Clerk	Date: _____
Approved by:	Joseph Maturo, Jr., Mayor	Date: _____
Received by:	Stacy Gravino, Town Clerk	Date: _____

Sal Brancati-Director of Administration & Management addresses the Council and explains that they would be conveying this land to Town Fair Tire; Mellen Properties is Town Fair Tire. In order to retain Town Fair Tire and have them expand in East Haven the Town offered them the purchase of 33 acres of land. Everyone may know it better as Uriah Street; it's on the opposite side of the landfill going down towards the airport. There are approximately 10 acres of land that have been soil tested and are not wet and the other 23 acres between the two parcels has wetlands. Town Fair would like the entire parcel transferred to them and they will in turn move their trailers down to that end of Uriah Street following the conveyance of this property. In addition to moving the trailers, they will construct an addition on their building of approximately 20,000 sq. ft. and eventually the goal is to have them close another facility they have and have one complete facility and no longer have their west campus. They arrived at a sale price of \$191,782.12 for the land, an appraisal was done about a year ago on unimproved property in the industrial park, it's really based on the 10 acres not the 33 acres in total because 23 acres would have little to no value and Town Fair has accepted the responsibility.

Council comment:

- Councilman William Richardson asks about the additional 20,000 sq. ft. and additional trailers, what affect will it have on our tax base.
- Mr. Brancati says he doesn't know off the top of his head but it will increase the grand list. Right now they have approximately 210 trailers, he doesn't think there will be a tremendous increase but there will be a few, they will be moving trailers from the other location onto this sight plus lighting and power will be put in.
- Chairman Parlato says it's his understanding that every trailer that is parked there is on the tax rolls so they will basically shift them from one area to another so it won't increase the tax base.
- Mr. Brancati says the 33 acres will now be on the grand list, taxable. The 20,000 sq. ft. addition will be on the grand list and taxable.

- Chairman Parlato says last meeting there was a difference in the sales price because of a sewer line that was put in years ago that they paid for. This item was removed from the Agenda last month. He asks Mr. Brancati to explain.
- Mr. Brancati says in 2007 there was a need for a sewer drainpipe to be put under Town Fair's property and according to the letter it was the Town's responsibility to construct the pipe. The Town couldn't do it at the time for some reason so there was an agreement signed by Mr. DeSorbo and Town Fair Tire that if they install the pipe, the Town would reimburse them for the cost of the drainpipe. The cost was \$86, 789.00. At the meeting he and corp. counsel had, Mr. Mellen presented the letter and the Town agreed we would net that amount off the sales prices so the net price for this is \$105,000.

Public comment:

- Donna Richo-67 Charnes Drive, East Haven, CT- Ms. Richo says this is going to be less than the \$191,000 which if they expand it will be good. But going forward, are we going to adjust the assessment of the property and give them a larger tax break?
- Town Attorney Joseph Zullo says they are only entitled to a tax break if they perform over \$500,000 in improvements right away, he doesn't foresee them doing those improvements.
- Ms. Richo says it's assessed at \$443,000 so they are going to tax it at \$443,000 not the \$191,000 less the \$86,000.
- Mr. Brancati says the sale price is the \$191,000, because the Town owes that \$86,000 has no bearing on the value.
- Ms. Richo says she just wants to make sure we aren't going to adjust the assessment of the property to the sales price, she wants to see going forward, the property taxed at it's assessed value.
- Mr. Brancati says currently right now the assessor puts value on properties that are not necessarily the market value when it is Town owned. He doesn't disagree that it should stay assessed at the \$443,000 as long as the assessor can justify that value. On the existing property on Proto Drive, when they add the 200,000 sq. ft. that will be taxed.
- Ms. Richo says that was her concern that we aren't giving away a tax base.

Council comment:

- Councilman Santino says years ago the Town had permits to fill in that area but the Town let the permits lapse and it's impossible to get the permits to do it and that would have been Phase II of our Industrial Park so this is useless to us they are going to have to fight to do what they want to do. It is swampland and he would like to see it on the tax rolls. He would like to ask the assessor what he plans on assessing that as.
- Mr. Brancati says that would be determined after the improvements are done there.
- Councilman Santino says obviously when they do the improvements the assessment will go up to which Mr. Brancati says that is correct.
- Chairman Parlato mentions the paving on Proto Drive to which Mr. Brancati says that is also their responsibility.

Item #3

Adjournment of Public Hearing #1.

Councilman Richardson makes a motion.

Councilwoman Hennessey seconds the motion.

Voice vote: all in favor-none oppose-none abstain. Motion carries.

Item #4

To conduct Public Hearing #2 regarding "An Ordinance Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to execute Schedule No. 19 to an existing Master Lease Agreement with Apple, Inc. to fund technology projects for FY 2017-2018."

An Ordinance Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to execute Schedule No. 19 to an existing Master Lease Agreement with Apple, Inc. to fund technology projects through FY 2019-2020

WHEREAS, the East Haven Board of Education and the Town of East Haven are parties to an existing Lease Agreement with Apple, Inc. and Wells Fargo Vendor Financial Services, LLC for computer technology;

AND WHEREAS, the East Haven Board of Education and the Town of East Haven wish to amend the current lease to provide for the leasing of new computer technology for an additional year through FY 2019-2020 for the Board of Education at a cost of \$262,000.00, net of applicable taxes;

AND WHEREAS, Chapter 6, Section 4(C) of the East Haven Town Charter contains bidding requirements for certain expenditures;

AND WHEREAS, the Town Charter's bidding requirements may be waived by two-thirds of the members present and voting;

NOW THEREFORE, be it **ORDAINED** by the Town Council of the Town of East Haven that the Town of East Haven and the Board of Education, acting by their duly authorized agents, are authorized to amend and extend an existing Lease Agreement with Apple, Inc. and/or Wells Fargo Vendor Financial Services, LLC to fund technology projects for FY 2019-2020 and to obligate the Town and Board of Education for the payment of \$262,000.00 (net of applicable taxes) in furtherance of this extension; and

BE IT FURTHER ORDAINED, that any bidding requirements associated with said transaction are hereby waived.

This Ordinance shall be effective in accordance with the provisions of the East Haven Town Charter.

Submitted by:	Danelle Feeley, Council Clerk	Date: _____
Approved by:	Joseph Maturo, Jr., Mayor	Date: _____
Received by:	Stacy Gravino, Town Clerk	Date: _____

Randel Osborne and acting Superintendent of Schools Erica Forti come before the Council and Mr. Osborne explains that tonight they are requesting an extension to the capital lease for another year to fund technology purchases for 2017-2018. Just like last year he would like to ask the Town Council to enter into the lease because of the Town's favorable rate. The Board of Education will fund the lease payments from the line items in their current operating budget. The lease rate is 2.99% and they would be leasing approximately \$244,000 in equipment and making payments of \$262,000. He says that Attorney Zullo asked him to put together a brief history of the lease and he has provided the Council members with some of the information. He says the technology purchases for the Town happens through the lease and through grant funding. He summarizes some of the enhancements they have made over 10 years from 2007-2017 including network speed, data movement and access, additional items included on the data network, improvements in infrastructure, data servers. In 2007 they had about 500 lab and classroom devices and now they have 3,000+ chromebook portable devices. For grades 3-12 every child has a chromebook, grades pre-k-2 they have classroom sets and are working to expand those. Teachers had desktops and now 10 years later they have chromebooks in the hands of every classroom teacher. They also moved from 60+ printing devices to now trending to network photo copying which are most cost effective on a per page basis and require less toner.

Council comment:

- Chairman Parlato says it has come up that we seem to be losing population in the schools but it is costing us the same amount of money. He wanted everyone to understand that keeping up with the technology changes it does cost so he wanted to make everyone aware since expenditures are tight they want to make sure monies are being spent efficiently and he has all the confidence in Randel.
- Councilman Richardson asks how many chromebooks are in the schools.
- Mr. Osborne says they have over 3,000 chromebooks district wide between staff and students. They also do a lot of depot repair so when a chromebook is taken out of service they take it apart and use it for parts to service the chromebooks in stock so they have a revolving mechanism of keeping them going.
- Councilman Richardson asks what equipment they will be purchasing with the lease.
- Mr. Osborne says this year they hope to purchase 622 chromebooks for students in grades 9 and 10 replacing first generation chromebooks from 2012, 60 tablet

chromebooks for pre-k-2nd grade, replace 16 computers in the East Haven High School graphics lab replacing them from 2009, augment some of their staff chromebooks that they purchased in 2013 and buy some additional parts such as batteries which have a finite usage and can't be parted out.

- Councilwoman Letizia Lettieri-Morales asks for clarification on the dates of the lease, the packet says 2017-2018 and the Ordinance said 2019-2019.
- Attorney Zullo says it is the lease we are in now which is a 3-year lease so we are extending it through 2019-2020.
- Chairman Parlato asks what the mortality rate is on these as far as damage to them in the course of a year.
- Mr. Osborne says he is very stingy and hates throwing things away so when a machine gets damaged, which happens because they are hand-held and they get dropped, they offer insurance for parents but if they break they get parted out. Typically, when he purchases he purchases 3% overage so there is a 3% contingency that in the event of failure he can use those and put them into place. Next year they are buying 328 chromebooks for grade 9 and he will get 10 spares.
- Chairman Parlato asks if they have a serial number and do we inventory it/track it and how often. He says he would worry about some of the graduating classes leaving with their chromebooks.
- Mr. Osborne says they do have a serial number/local tag and there is a piece of software that allows them to understand where they are and what they have done so they have recovered chromebooks from well beyond East Haven Public Schools and have a good record of getting them back. They pay under \$200 per chromebook but buy lots of them. It's ultimately his responsibility to inventory them and an inventory of sorts are done every day and at least twice a year they do a physical inventory. They have not had any problems to date with chromebooks and graduations.
- Councilman Parente asks if there are any other companies out there that do this with a lease situation.
- Mr. Osborne says he's sure there are and our lease actually started with Apple then merged into GE Capital and is now administered by Wells Fargo so we have had 3 companies involved. Our lease rate at 2.99% is really quite aggressive so he hasn't spent too much time exploring other options.
- Councilman Parente says so he doesn't shop product, he shops lease agreement prices?
- Mr. Osborne says ultimately he shops the devices they purchase with the lease.

Item #5

Adjournment of Public Hearing #2.

Councilman Santino makes a motion.

Councilman Parente seconds the motion.

Voice vote: all in favor-none oppose-none abstain. Motion carries.

Item #6

To conduct Public Hearing #3 regarding "An Ordinance Approving and Authorizing the Conveyance of 1408 North High Street to Xtreme Property Management Group, LLC, or its designee, for \$220,000.00."

AUTHORIZING ORDINANCE OF THE East Haven Town Council

An Ordinance Approving and Authorizing the Conveyance of 1408 North High Street to Xtreme Property Management Group, LLC for \$220,000.00

WHEREAS, the Town of East Haven is desirous of selling a portion of the real property located at 280 Proto Drive in East Haven, Connecticut, better known by the following Map, Block, and Lot Number: "470/5933/001;"

AND WHEREAS, the Town's Planning and Zoning Commission, at its regular meeting on October 5, 2016, issued a favorable 8-24 referral in connection with the proposed the sale of the property;

AND WHEREAS, the Town Council has approved, or will approve concurrently herewith, the waiver of the competitive bidding process in connection with the contemplated sale;

AND WHEREAS, the conveyance of the property is subject to the approval of the Town Council;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of East Haven that the conveyance of 1408 North High Street, East Haven, CT 06512 to Xtreme Property Management Group, LLC, is hereby approved for a sales price of \$220,000.00 (Two Hundred and Twenty Thousand Dollars and Zero Cents 00/100);

BE IT FURTHER ORDAINED that the Land Disposition Agreement memorializing said sale is hereby approved in the form substantially as presented to this Council;

BE IT FURTHER ORDAINED that Mayor Joseph Maturo, Jr., or his designee, is authorized to sign the aforementioned Land Disposition Agreement, to enter into any agreements, and to execute any and all related deeds and documents in order to effectuate the contemplated conveyance.

This Ordinance shall be effective in accordance with the provisions of the East Haven Town Charter.

Submitted by:	Danelle Feeley, Council Clerk	Date: _____
Approved by:	Joseph Maturo, Jr., Mayor	Date: _____
Received by:	Stacy Gravino, Town Clerk	Date: _____

- Sal Brancati-Director of Administration & Management addresses the Council and explains that he knows there has been some controversy over the sale of this property that he has heard over the last few weeks. First, we advertised this property in September of 2016 in the register and they asked necessary questions such as proof of liability and asked anyone interested in this property to put a proposal together for the reuse. There were two proposals submitted to the Town after the ad was placed in the Register; one was for offices and one was for housing. The office component had an offer on the property of \$150,000; the housing offer came in at \$220,000. In review of what the assessor indicated they would get the most taxes from the decision was made to look at the housing development rather than the office development because it was \$70,000 higher for a purchase price and 8 1-bedroom apartments made sense for that area. It does front some in a residential zone and some in a commercial zone, the zone for that area is residential not commercial. They looked over the proposals and he understands there was concern about the roof on the building last year and windows were changed a number of years ago totaling about \$86,000 that was spent on the property. He says he did bring the appraiser here tonight to substantiate how he arrived at the value of \$220,000. He understands some folks have looked at the field card on the property. He explains that the field card shows the value by our assessor of \$830,000 but he wants to be clear when you assess Town property, it is not done on fair market value it is done solely on the cost approach. If that building were to fall into the earth today and you wanted to rebuild it with all of the same material that was used in 1926 when it was built, it would cost approximately \$830,000 to rebuild that building. It does not mean that is what the building is worth from a fair market value approach meaning reuse of that building. To reuse it as a school is extremely unlikely; that's what it is assessed at and he doesn't think it will ever be a school again. The appraisal was done to determine the highest and best use and at the time the appraiser determined it might be office space and he determined a value on it of \$230,000. He says the assessor's card showing the \$830,000 does not reflect fair market value of that property and he turns it over to Mr. Perrelli to explain the appraisal.
- Mr. Perrelli says he is a commercial real estate appraiser in the State of CT and in 2016 the Town of East Haven authorized him to undertake an appraisal of 1408 North High Street, which he did. He valued it at \$230,000, which equates to \$50 per sq. ft. above grade, which is a unit of measurement that has to be focused on in this type of appraisal. You can forget about whether its \$230,000 or \$1,230,000, it's what it is sold for on a per square foot basis because the comparable sales are measured upon per square footage. This property has 1.05 acres of land, about 200 ft. of frontage on Route 80 and 200 ft. of frontage on North High Street and the entrance is off of North High Street. Paving is in fair to

poor condition, the building is 4,640 sq. ft. and it is an oddly configured building with 4,640 sq. ft. upstairs and another 1,860 sq. ft. in the lower level. The upper level is divided into 3 rooms all of which in between runs a 10 ft. wide hallway then if you go down 12 stairs or 18 stairs depending on which stairway you take there's access to the bathrooms on the lower level. There is a 6-fixture girl's bathroom and 10-fixture boys bathroom and also a small kitchen, dining area and three small utility rooms. In this area is another 10 ft. wide hallway so if you take the two hallways and compute their square footage, it's 2,000 sq. ft. and you then take the entry vestibule, the bathrooms, utility rooms and add that it's up to 50% of the building being non-usable. This building is as dysfunctional as you can get in today's environment and it doesn't come close to meeting the requirements of the Americans with Disabilities Act; he doesn't know how it was being used as a Community Center because nobody with a wheelchair or crutches could get in and out of this place. This minimizes the value of the property significantly, the structure itself is in average condition; preserving the roof and windows he thought was a wise move because the question would be how much it cost to demolish the building and get the residual value of the land. He then had the task of finding comparable sales, which were very few and far between, and none were in East Haven. He decided to take unique properties, ones that are dysfunctional like this and he found two halls. The first was in Meriden that sold for \$395,000 or \$52 per sq. ft. with the same format of upstairs and downstairs with a little better finishes. The second was in Hamden on 20 Columbus Street that sold for \$350,000 but it was 10,000 sq. ft. up and down completely finished which is \$30 per sq. ft. He then took a property in East Haven because it's sometimes easier to understand what a property is not rather than what it is. He looked at 199 Saltonstall Parkway, a strip center that is 7,186 sq. ft. that has three tenants rented out of four so 75% occupied with .75 acres of land on a busy roadway and it sold for \$62 per sq. ft. In the world of appraisal, he had a ceiling, he knows the building is not worth \$62 per sq. ft. otherwise it could be a strip center and much more functional. Then he went back and since the former use was a school, he looked at sales of school buildings on a per square foot basis throughout the State and he found 7 that were pertinent. He mentions 100 Prospect Street in Naugatuck, which is 38,000 sq. ft. on 1.1 acres of land and sold for \$8 per sq. ft., built in 1955 and ours was built in 1929. 19 Alden Avenue in Enfield built in 1958, 28,000 sq. ft. converted to 20 apartments and sold for \$5 per sq. ft. 459R Wallingford Road in Durham sold for \$24 per square foot and is 72,500 sq. ft. on 51 acres of land. 120 Cedar Grove in Wallingford built in 1962, 3.3 acres 30,486 sq. ft. sold for \$20 per sq. ft. 462 Alling Street in Berlin built in 1910 1.85 acres 31,000 sq. ft. sold for \$19 per sq. ft. So, now he has a ceiling of \$62 and a floor of \$20 give or take so the value of this building is somewhere in between. His appraisal was conditional upon the Town authorizing either a rezoning or special exception or whatever it took to get it off an R-3 zone because in an R-3 they can build a single family house which he's sure everyone agrees is not an ideal location for or the Town can use it for whatever they wanted to use it for. In order to achieve its highest and best use this site really wants to be commercial or multi-family as another developer saw and that is how you maximize the value. If you don't change the zone for an alternate use, the value is much less than he appraised it for at \$230,000.

Public Comment:

- Joan Adamczyk-123 Hellstrom Road, East Haven, CT- Ms. Adamczyk says the dollars don't make a difference because once it sells the Town can't get it back. \$220,000 she thinks is just giving it away especially after putting \$60,000 in it for a new roof. As far as it being disastrous or whatever he said, the Foxon Recreation League was in it for 50 years and never had a problem. Civic organizations used those rooms nightly, weekly, and monthly and never had an issue. As far as mentioning converting the three classrooms, they are empty rooms. The sheet from Town hall had a market value of \$839,000 and the assessment was \$587,000 so she asks Sal if the Town assessment is wrong.
- Mr. Brancati says when the assessor puts municipal buildings on the assessment grand list, it has no market value in the Town. He can put \$5 million if he wanted to, but it doesn't generate 10 cents worth of income for this Town. For example, 200 Tyler Street, he asks her if she would pay \$6 million dollars for the building because that is what it's on the grand list for, he asks if she would pay \$4 million for DC Moore because that's what its on the grand list for. It's the replacement cost of the building it has nothing to do with market value; it's only replacement cost.
- Ms. Adamczyk says she thinks by selling it for \$220,000 they are giving it away, the Town should think ahead because Foxon is growing and it can be kept for the Fire Department. Once the land is gone, it's gone. Another thing is a bid was made for \$220,000 by Extreme Property Management LLC business address 15 Beecher Place, New Haven, Principal manager Matthew Michael Martino. There is a second LLC Extreme Home Improvements with the same agent Matthew Michael Martino with the business address listed at 7 Farm River Road East Haven and this address is a Councilman's address. She says she's sure there is a valid explanation as to why this is, but all she is worried about is transparency. For a bid to come in right below what the appraisal is, to her that is not transparency to her that is someone getting an unfair advantage.
- Mr. Brancati says the other proposal had an offer price of \$150,000 and he explained why he would pay \$150,000 because of the cost of conversion and it requires bathrooms, etc.
- Ms. Adamczyk says she isn't opposed to selling it or the Town keeping it for the Fire Department.
- Mr. Brancati says they talked to the Fire Department and they don't have an interest in it.
- Ms. Adamczyk says she hopes the Town Council votes this down because she doesn't think 8 one bedroom apartments is a big reason to do this, she thinks something isn't right here and she thinks the person who bid on it got an unfair advantage. She says she or anyone else would have bought it for \$220,000.
- Chairman Parlato thanks Mr. Perelli for his professional presentation and he explained a lot of things and he knows a lot of Towns give away buildings for \$1. He says to Ms. Adamczyk that this is only one part of the process and he will bring out more explanation in the Regular Meeting.
- Donna Richo-67 Charnes Drive, East Haven, CT- Ms. Richo asks if he thinks there is 2,000 sq. ft. of usable space.

- Mr. Perrelli says no, 2,000 sq. ft. is the amount from the two hallways. This comes out of the usable space, because you can't rent that space. There are about 3,000 usable sq. ft.
- Ms. Richo asks if he thinks they can do 8 one-bedroom units with 3,000 sq. ft.
- Mr. Perrelli says the developer who comes in would reconfigure the hallways; he isn't going to leave them as a hallway that will all become usable.
- Ms. Richo says so anyone that develops it could have all of the usable space. She asks if Xtreme Properties is a developer or a seller. She agrees that the Town shouldn't give up the building.
- Carol Massaro- 26 Damen Drive, East Haven, CT- Ms. Massaro says to Mr. Brancati that he bid the property in September and he said Planning and Zoning authorized the sale in October, why would the property go out to bid before Planning and Zoning authorized the sale.
- Mr. Brancati says Planning and Zoning did the 8-24, they advertised in September of 2016 and they would go get a referral from Planning and Zoning.
- Ms. Massaro asks who made the decision to put it out to bid.
- Mr. Brancati says he did.
- Ms. Massaro says so it was his decision to sell the property and put it out to bid?
- Mr. Brancati says it was the Administration's decision to which Ms. Massaro asks who he means when he says the Administration. Mr. Brancati says himself, our Town counsel and they sat around to discuss it because at the time they were given two schools from the Board of Education; Hays School and DC Moore School. They needed to find a location for Foxon Rec, Historical Society, Teen Center, and groups using 200 Tyler Street. The Reggie Hatch roof was leaking and there was asbestos in the building so the decision was made to offer Hays School to all of those organizations to relocate there. The decision was to sell Reggie Hatch and keep Hays School and at the time DC Moore.
- Ms. Massaro says so the authorization came from the Town Council to sell it? Who is the administration?
- Mr. Brancati says no, the Town Council needs to approve the disposition but the decision to sell it comes from the Administration which is the Mayor, himself, Frank Gentilesco and they make recommendations that ultimately go to the Council for final disposition so they vote either to sell something or not.
- Attorney Zullo explains that when the buildings were turned over to the Town, the Town didn't necessarily know what to do with them so the Administration put an administrative staff meeting together and held a meeting he believes it was the Mayor, Sal, Frank Gentilesco, Mike Milici and there may have been members of the Council present he doesn't recall and they had several meetings to discuss what to do with these buildings. They reviewed environmental reports from DC Moore School, building quality reports, etc. and determined that the best uses for the properties were to relocate all of those community groups to Hays and to sell DC Moore and Reggie Hatch. But before they went and actually pursued it, they did a soft bid like they did with 200 Tyler where they advertised a request for proposals and offers, once the offers came back the Town saw there was potential value in a resale market so then they pursued an 8-24 referral at Planning and Zoning. That's why it was soft bid before it was presented because

there is no sense going to Planning and Zoning and asking for an approval if there is no use for it.

- Ms. Massaro says looking at future use, it is adjacent to the Fire Department and we all know there is extreme growth in the north end. There's going to be need for expansion and a large firehouse they can use it for storage and other uses for the Town and hold the land. She understands we are spending money to lease a space to store vehicles and equipment in the center of Town so why can't they do it there. Why give away the property for that amount of money when coming down the road in the future we may need the property.
- Attorney Zullo says that committee looked at several areas in Town and there is quite a bit of property left in Town. Re-purposing the property may not be the highest and best use but the group got together knowing the Town is currently foreclosing on property along Mclay, Laurel and Garrup which is actually the geographic center of the Town, it is tens of acres and suitable for the public safety complex she is talking about which is one of the considerations the committee talked about.
- Ms. Massaro says that would be moving it further toward the other end of Town, the north end is where the growth is.
- Attorney Zullo says but that is the geographic center of the Town, you wouldn't necessarily want it alienated on one side of Town. As far as storage goes, we could end that lease for \$9,000 a year and give up \$19,000 a year in tax revenue so it's a net loss of \$10,000 to use it for storage never mind the heating, cooling and utilities which was a consideration that was discussed. He thinks the appraiser said it's best; it's a unique and difficult property.
- Ms. Massaro asks if R-3 is residential, how can we have a bank and community building next door?
- Attorney Zullo says it is residential and if you look along Main Street and several districts around Town where you see an R1 and then light industrial or commercials because there have been variances and zone changes.
- Ms. Massaro asks if it would possibly fall into a zone change because it sits between two commercial properties.
- Attorney Zullo says any developer no matter what is going to have to assume the risk of getting a variance and doing something with it. In his mind that is one of the contributing factors of why it may not have value, the developer is taking the risk as far as being able to do something with the property and then may not get a variance or zone change. He emphasized that Mr. Perrelli does all of the commercial appraisals for our tax assessment appeals, anyone who brings an appeal against the Town has to go up against his wisdom.
- Mr. Perrelli says he has performed about 50-60 appraisals for the Town and some things for the Industrial Park plus a countless number of informal opinions.
- Attorney Zullo wants to emphasize this isn't someone they hired to present in favor of the Towns presentation, they use him for everything they do, they put him on the witness stand when there is a contested matter in court so the Town relies greatly on his opinion.
- Ms. Massaro asks if the Council authorizes the sale and since they did a soft bid, does it go out to another bid or is the Council authorizing the sale for that.

- Chairman Parlato says part of the Agenda is to waive the bid so there are two parts, selling the property and waiving the bid, which are the two actions tonight. It will end tonight one way or another either they sell the property or not. The Council makes their opinion based on what is presented to them. Is it wise to take action at this present time, maybe it isn't. Is it wise to get more info and look at other means, maybe it is. Everyone on the Council will make their own decision, which is why they are voted into office.
- George Smith- 8 Maplevale Road, East Haven CT- Mr. Smith says Joe and Sal were in the meeting and part of the decision to sell the Rec Center and keep Hays. Looking at it now and the money spent on Hays to still have a building that is barely usable with tar all over the place and it smells, they just spent \$150,000 on a roof. If they had just sold Hays and put a little money into the Rec Center, he asks if they think that was the best decision then.
- Chairman Parlato says Hays school was rebuilt in the 80's. If you look at the two structures, Hays is one level and they have to take into consideration in order to maintain the Reggie Hatch, as it exists today they have to comply with ADA requirements and the amount of money would be phenomenal; we couldn't afford it. You have to say we have a building here that has been rebuilt years ago, it's one level and can be adapted to anyone that wants to use it. Reggie Hatch was built in the 20's has asbestos, it's a masonry building, it's more than one level there are things that have to be addressed in that building he doesn't doubt if you did any digging in the lot you'd find contamination. Many people sat down and discussed all of the options and concerns.
- Mr. Smith says the roof was never properly fixed when it started dripping; it was patched over and over again. He mentions the \$220,000 that was discussed and says the land will be worth a lot more in 5 years when they put 3, 4, or 5 senior housing complex's up on Sperry Lane, we don't want the Fire Department further away from the elderly population.
- Councilman Anania adds that there was another proposal for this building that failed to be mentioned by the East Haven Rotary Club. He is currently the President of the East Haven Rotary Club and three years ago the Rotary sat down and put in for a grant to re-do the Reggie Hatch center at no cost to the Town, only the roof. The Town said good idea and they would do the roof as a condition on getting the grant. While the Town was in the process of doing the roof, the committee members put together the grant, submitted it and Rotary International accepted it and the Town of East Haven was going to get money to re-do the Reggie Hatch center and the monies were coming from the local chapter and internationally; there was monies coming in from India. They were then told not to do it because the building was being sold just like that. He was offended, he and other Rotarians put in a lot of time and work to go through the grant process and even on the international level so now East Haven is a laughing stock. He wanted everyone to know that was an option that was out there and it was taken away from the Rotary.
- Councilman Richardson says he lives in Foxon and drives by the parcel a few times a day and went to school there so he knows it well. He asks about the land because it borders North High Street and Rt. 80 and we know the value of land is dependent upon how much traffic goes by and thousands go by every day. Looking at an 8,000 sq. ft. property on Englewood Drive in Foxon sold for

\$40,000. Looking at 40,000 sq. ft. with all of the traffic it has to be worth \$400,000 with the amount of traffic that goes by. He doesn't understand how we can come up with \$220,000 for the property with a building when the land alone should be worth more.

- Mr. Perrelli says you have a building that sits on the parcel, someone would have to come in and demolish the building there is asbestos in it. It is no longer a cost of acquiring land; it's the cost of acquiring the land less the cost of demolition. He adds that there is not a whole lot going on over there. Rt. 80 has seen some development with ShopRite coming in, but it also has the highest vacancy rate over most of New Haven County. How long did it take ShopRite to come in, that area was vacant for years and across from there is still vacant and it sold for \$1,000,000.
- Councilman Richardson says he's not saying that it's worth \$400,000 what he is saying is it has to be worth at least \$200,000 and the fact that we are putting 500 units on Sperry Lane for senior housing it would be a prime spot for doctors offices and professional offices.
- Mr. Perrelli says again he is talking about the land, but this has a building and the building is a burden to the land. Could the land sell for \$200,000 if the building wasn't on it, there is potential it could. He just had a 1.5-acre site on Washington Ave in North Haven when you get off Exit 12 and look at the Best Western right next to it the lot sold for \$460,000 for 1.5 acres.
- Councilman McKay says he goes by the old high school and thinks back to the committee saying to hold onto it, but for what to watch it rot away? The Administration moved Foxon Rec to a better location because they are right across from the field now, what can be better? He knows people grew attached to it, he went to school there but he doesn't think the Town wants another burden on its hands right now. Mr. Brancati put it out for proposals in 2016, he didn't put it out as a building for sale he put it out for proposals to see who would look at the building and do something with it. The Reggie Hatch is outdated, he couldn't go up the stairs when he had a walker and the doors don't meet the standards. He doesn't think the Town did anything wrong by looking for proposals, maybe if people want to put it out to bid again because they think something was done underhanded they can talk about it and make a decision. He doesn't think the Town wants to be a landlord either.
- Councilman Santino says he has an issue with deducting the price to demo the building because who is to say someone isn't going to come in and utilize it the way that it is.
- Mr. Perrelli says he was responding to the comment about land value.
- Councilman Santino says with the price of \$220,000 he mentioned they could only use certain space but who knows what someone is going to come in and use it for it may be worth \$400,000. He would take a shot at it and put it on the market, he thinks \$220,000 is too low for the building.
- Councilman DePalma says can we change it to commercial down the road?
- Chairman Parlato says the Town isn't in the real estate business; their job tonight is to decide whether to keep it or sell it. We can probably come up with 1,000 uses.

- Councilman DePalma says with East Haven growing he questioned having more residential on Rt. 80; maybe it could be used for a restaurant.
- Chairman Parlato says they can discuss these things during the regular meeting discussion.

Item #7

Adjournment of Public Hearing #3.

Councilman Santino makes a motion.

Councilman Anania seconds the motion.

Voice vote: all in favor-none oppose-none abstain. Motion carries.

Item #8

Hearing Committee report to the full Town Council and recommendation of action on Public Hearings #1 and #2

Councilman Santino makes a motion.

Councilman Richardson seconds the motion.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Item #9

Adjournment of Hearing Committee.

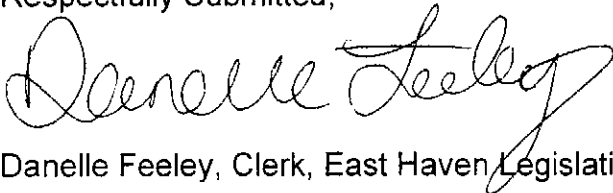
Councilman Parente makes a motion.

Councilman McKay seconds the motion.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Meeting is adjourned at 8:13PM.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Danelle Feeley". The signature is written in black ink and is positioned above the printed name of the signatory.

Danelle Feeley, Clerk, East Haven Legislative Town Council

