

FARMINGTON VILLAGE CENTER PRESENTATION



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****Working Draft****

Mission Statement

In order to control the development of a key commercial property located in the gateway of the Farmington Village Center, the Town Council is pursuing the purchase of the former Parson's property from the State of Connecticut DOT, subject to a full environmental review and all other due diligence.

SUMMARY OF NEXT STEPS

1. Identify various pathways to purchase the property from the State of CT in the most expeditious and cost effective manner.
2. Conduct the due diligence environmental assessment of the Brownfield liability on the property.
3. After a pathway and environmental assessment is complete, the committee will make a recommendation to the Town Council if acquiring the property is still in the best interest of the Town.



Acquire the property

- The Town will seek liability relief from DEEP
- The committee will conduct a process to identify a preferred developer to partner with the Town. The preferred developer will develop the Parsons property in a manner which complements the historic buildings and the historic district and defines the most prominent entry into Farmington as a place of high quality, beauty, and character.
- The committee will recommend the preferred Developer to the Town Council for approval. Based on that approval the preferred developer will work with the Committee on the Proposal which would then proceed through the land use process and subsequently be approved by the necessary land use Commission(s).

Not acquire the property

- State to offer the property to the highest bidder
- Town may or may not match highest bidder

CHALLENGES

If we acquire the property:

- Dealing/negotiating with DOT is a long and difficult process – outcomes are unknown and lack of access to DOT's environmental information leaves the Town of Farmington in the dark.
- At this time, there are limited State grants available for the assessment and clean-up of the property.
- Based on our due diligence to date, environmental contamination is thought to be minimal, however this increases the purchase price of the property. A Town referendum may be required to purchase the property.
- Regardless of the path we choose, developers may not be interested in the property.

If we don't acquire the property:

- A developer can develop the property to their specifications, as long as they meet requirements from TPZ and other government agencies.

BIGGEST CHALLENGES

- Time frame to complete the project!
- Uncertainties= risk
There are unknowns throughout the process!
- Staff time!

WHY DO WE WANT TO DO THIS?

- To succeed in our collective vision:
An appropriately scaled mixed use commercial development that provides vitality to the Village Center and reflects Farmington's brand as a community that is committed to maintaining a balance between preservation and innovation.

QUESTIONS?

PARSONS PROPERTY: CHOOSING THE PREFERRED PATH

WHAT ARE THE PRIMARY OPTIONS?

PATH #1

NEGOTIATE WITH STATE ON THE ASKING PRICE; TOWN CONDUCTS ENVIRONMENTAL WORK AND SEEKS STATE GRANTS

PATH #2

PURCHASE FROM STATE FOR ASKING PRICE; TOWN CONDUCTS ENVIRONMENTAL WORK AND SEEKS NO GRANTS

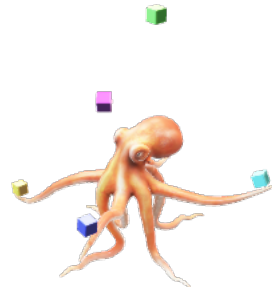
PATH #3

NEGOTIATE WITH THE STATE ON ASKING PRICE; DEVELOPER CONDUCTS ENVIRONMENTAL WORK

PATH #4

ALLOW THE STATE TO OFFER THE PROPERTY TO THE HIGHEST BIDDER

CHOICES, CHOICES!



**PATH 1 – NEGOTIATE WITH THE STATE ON ASKING PRICE
TOWN CONDUCTS ENVIRONMENTAL WORK AND SEEKS STATE GRANTS
ORIGINAL PATHWAY**

- Apply for Brownfields liability relief from DEEP.
- Town to apply for and obtain grants for Environmental Assessment and cleanup costs – 2 rounds.
- Town to conduct an environmental assessment of property (Environmental Phase 1, 2, 3 with grants).
- Negotiate the purchase price of the property with the DOT, minus the clean up cost.
- Town cleans the property (with grants)
- Solicit preferred developers
- Choose and negotiate with developer whose proposal most closely matches our objectives/vision
- Sell property to developer based on negotiated agreement.
- Developer options the property while obtaining approval from TPZ.

Pros:

- Control of the property
- Site is clean and shovel ready
- Knowing the environmental risks before we purchase the property
- Intend to use grant funds instead of Town funds
- Less costly

Cons:

- Take the MOST amount of time
- Unknown grant availability
- Negotiating with the State
- Potential to recoup more of our cost
- Unknown developer interest

Timeline:

- Negotiate with the State on the price – 6-12 months
- Environmental – assessment and clean-up with grants – 3-4 years (Town)
- Select Developer/TPZ approvals – 12 months (Town)
- Develop property – 1-2 years (Developer)

Total: 7-8 years

PATH 2 – PURCHASE FROM STATE FOR THE ASKING PRICE TOWN CONDUCTS ENVIRONMENTAL WORK AND SEEKS NO GRANTS

- Apply for Brownfields liability relief from DEEP.
- Purchase the property from the State DOT at their appraised value of \$2 million dollars.
- Town conduct an environmental assessment of property (Environmental Phase 1, 2, 3 without any grants.)
- Town cleans the property (no grants)
- Solicit preferred developers
- Choose and negotiate with developer whose proposal most closely matches our objectives/vision
- Sell property to developer based on negotiated agreement.
- Developer options the property while obtaining approval from TPZ

Pros:

- Take the least amount of time
- Immediate control
- No state bureaucracy
- Site is clean and shovel ready

Cons:

- High costs- no grants, no DOT negotiations , perceived as fiscally irresponsible
- Environmental risk – cost of clean-up unknown
- Limited opportunity with developer to recoup our costs.
- Unknown developer interest

Timeline:

- Environmental – assessment and clean-up – 2 years (Town)
- Select developer/TPZ approvals – 12 months (Town)
- Develop property – 1-2 years (Developer)

TOTAL: 4-5 years

PATH 3 – NEGOTIATE WITH STATE ON ASKING PRICE DEVELOPER CONDUCTS ENVIRONMENTAL WORK

- Apply for Brownfields liability relief from DEEP.
- Continue to work with the Town's LEP consultant to determine conditions and cost to clean up the property.
- Negotiate the purchase price of the property with the DOT, minus the clean up cost.
- Solicit preferred developers
- Choose and negotiate with developer whose proposal most closely matches our objectives/vision
- Sell property to developer based on negotiated agreement. (Reminder: the property is not "clean")
- Developer cleans the property.
- Developer options the property while obtaining approval from TPZ.

Pros:

- Control of project
- Timeline is shortened
- Less State bureaucracy

Cons:

- Costly
- Negotiating with the State
- Limited opportunity with developer to recoup our costs
- Unknown developer interest

Timeline:

- Select developer – 12 months (Town)
- Environmental assessment and clean-up – 2 years (Developer)
- Developer/TPZ approvals – 12 months (Developer/Town)
- Develop property – 1-3 years (Developer)

TOTAL: 6-7 years

PATH 4 – ALLOW THE STATE TO OFFER THE PROPERTY TO THE HIGHEST BIDDER

- Continue to work with Town's LEP consultant to determine conditions and the cost to clean up property.
- Match the highest bidder's offer.
- Apply for Brownfields liability relief from DEEP.
- Negotiate the purchase price of the property with the DOT, minus the clean up cost.
- Solicit preferred developers
- Choose and negotiate with developer whose proposal most closely matches our objectives/vision
- Sell property to developer based on negotiated agreement. (Reminder: the property is not "clean")
- Developer cleans the property.
- Developer options the property while obtaining approval from TPZ.

Pros:

- Potentially reduced purchase price
- Could recoup more of our costs, if bid is lower than State price
- There is developer interest in the property

Cons:

- The highest bid is greater than State appraisal / we can't match, hence not buy property
- Money spent conducting due diligence and we may not match price, hence not buy property
- We lose control- the developer has no obligation to develop in accordance with the preferred concept

Timeline:

- Unknown – depends upon high bid for the property