

LAND USE SUBCOMMITTEE MEETING OF THE PROSPECT TOWN COUNCIL

THURSDAY, FEBRUARY 25, 2021 4:30PM

This meeting was held via the global.gotomeeting platform and was recorded.

MINUTES (Unapproved)

Meeting called to order at 4:34pm by T. Graveline, Chair.

Pledge of Allegiance recited by all in attendance: T. Graveline, M.Patchkofsky, J. Slapikas

Discussion of Connecticut Water Company (CWC) property – Parcel ID 1.7

T. Graveline related details of her conversation with Jessica Demar of CWC who provided a copy of the full email from CWC to Town of Prospect dated 12/2/2020 and a map of the area.

- J. Demar noted the parcel is very rural, was never developed and there is a 'body of water' on the property, but the map provided does not show that clearly. It may be a seasonal water collection site.
- Access to the property is unclear – there seems to be a "paper road" or logging road on the map, which would have to be investigated further by CWC or Town. J.Demar advised she would check on this with her team.
- If Town intended to establish a trail system through the property, the CWC would be amenable to allowing continuation of those trails onto CWC owned property as long as the Town would accept responsibility for trail maintenance.
- CWC's Estimated Market Value of the property is \$165,000. An appraisal of this property along with several others has been ordered by CWC. Reports are expected by mid-April.
- If the Town wanted to acquire for conservation only, the sales price could be considerably less than the market value.
- Target date for a plan of acquisition by the Town of Prospect is 04/27/2021, but CWC can grant an extension if the parties are in the process of establishing a plan.
- Attachment A of the 12/2/20 email details the hierarchy for acquisition of water company lands as well as the open space or recreational uses and conservation restrictions. The Town of Prospect is # 2 on the hierarchy list, second only to another water company. *In order for the Town to meet criteria for #2, "not more than 15% of the land can be used for any purpose other than open space or recreational purposes or the right to acquire would fall to item #5."* Since the parcel is approximately 15 acres, 15 % would be approximately 2.25 acres. Subcommittee members discussed possibility of relocating the

shooting range to this area from its current location near the Public Works garage on Rt. 68, other passive recreational purposes allowed, and other potential future uses.

- If the Town intended to acquire the property and then re-sell, the Town would drop to # 5 on the acquisition priority list.

- J. Demar is willing to meet with Land Use Subcommittee members via virtual platform and offered to walk the property with members also.

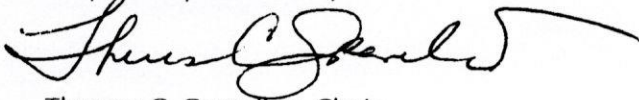
Subcommittee members are not aware of any current plans by the Board of Recreation to establish a trail system. M. Patchkofsky noted that "Rails to Trails" and other Recreational Trail grants do exist and may be available.

Motion made by J. Slapikas, seconded by M. Patchkofsky to authorize T. Graveline to contact President of Prospect Gun Club regarding possible relocation, space requirements and J. Demar of CWC to get further info on road access, topography, possible uses, and available dates for meeting with subcommittee. **All in favor.**

T. Graveline will report information obtained via these conversations to subcommittee members via email, then the next meeting will be scheduled.

Meeting adjourned by Chair at 5:08pm.

Respectfully submitted,



Theresa C. Graveline, Chair

Town Council Land Use Subcommittee

Correspondence:

Connecticut Water Company letter dated 12/2/2020 w/ Attachment A

Subject property map

Connecticut Water Company
93 West Main Street
Clinton, CT 06413-1600
Customer Service: 800.286.5700



VIA EMAIL

December 2, 2020

Robert J. Chatfield, Mayor
Town of Prospect
36 Center St
Prospect, CT 06712

Re: CT Water Company Parcel of Interest #1.7

Mr. Chatfield,

The Connecticut Water Company (CWC) received written notice from the Town of Prospect (the Town) consistent with the Memorandum of Agreement (the "Agreement") between CWC and Save the Sound (formerly CT Fund for the Environment). The letter from the Town dated September 25, 2020 expressed your interest in acquiring property #1.7 as described in the CWC's invitation letter, dated April 3, 2020.

Plan Submission Deadline Extension

Per the Agreement, the Town had 180 days from the date of your initial notification of interest to submit a Plan to secure the parcel(s), including identifying a means and timeline for financing the acquisition (the "Plan"), provided the Company agrees it would be prepared to dispose of such property within three years of receipt of such notice of interest.

The original 180 days would end on March 24, 2021, however, this letter is to notify you that the CWC has extended that deadline for submittal of a Plan to April 27, 2021, to provide you with additional information to assist in developing that Plan.

CWC Readiness to Sell Subject Parcel

The CWC has considered the Town's intent to pursue the acquisition of parcel #1.7 and would be prepared to dispose of that parcel within three years.

Estimated Value of Subject Parcel

The CWC has obtained a Cost Market Analysis (CMA) for parcel #1.7 as a means to provide the Town with a rough estimate of the current market value. This figure is not based on a formal appraisal and is only an estimate, intended to give you a starting point for determining your

interest and developing your Plan. The estimated value from the CMA is provided in the table below:

Parcel ID	Location	Acres	Estimated Market Value
#1.7	N of Moody Reservoir Prospect	15	\$165,000

The Regulatory Process and Right to Acquire Water Company Land

Disposition of water company lands are subject to various requirements of the Connecticut Department of Public Health (DPH) and the Public Utilities Regulatory Authority (PURA). The regulatory requirements are in addition to the provisions of the Agreement, which is a specific process established by CWC for eligible entities to express interest and identify a means to secure certain properties. Any water company land that CWC would agree to sell to an eligible entity pursuant to the Agreement would require further review and approval under the existing regulatory framework, which includes priority standing for certain entities to acquire such lands. Please see Attachment A for additional details on the statutory priority for acquisitions and how water supply, open space or municipal use is considered in that process. Any land transaction that does not meet the statutory criteria for items for water supply, open space or municipal use would be open for sale at fair market value to any other purchaser in the market.

Donation or Bargain Sale

There are a number of incentives in place in Connecticut to support/encourage conservation of water company lands by a conservation buyer. These include state open space funding programs, tax credits and shareholder allocation benefits according to percentage of land conserved.

These incentives typically require the buyer to place a conservation restriction on the land, thereby limiting activities to open space or recreational uses, or for the case of a municipality, educational uses as described in the Attachment.

If you determine that you are still interested in the property after you have considered the estimated value, we can further explore opportunities for the transaction. The CWC can consider the potential to enter into a bargain sale, based on the availability of tax credits and statutory incentives for conservation and municipal sales. To the extent that a transaction is structured in a way that can provide comparable economic benefits for the company, its shareholders, and its ratepayers as would a fair market value sale, the CWC will give priority to such a transaction structure. Unfortunately, we cannot commit at this time the extent to which a bargain sale might be an option for the Town for these parcels as we need to understand the interest of all the eligible entities and determine if any such opportunities will be available

based on our tax status and, if so, how best to allocate any such economic benefits between entities.

You may also want to explore the Open Space and Watershed Land Acquisition (OSWA) Grant Program, offered by the CT Department of Energy and Environmental Protection, which provides financial assistance to municipalities and nonprofit land conservation organizations to acquire land for open space. Please visit <https://portal.ct.gov/DEEP/Open-Space> for more information.

Next Steps

If after reviewing the estimated market value provided here and any other relevant information, the Town is still interested in pursuing parcel #1.7, please notify the CWC in writing prior to December 31, 2020. CWC can then order an appraisal of the property to formally establish the fair market value and help you as you further develop your approach.

The Town has until April 27, 2021 to submit a Plan that identifies a means and timeline for financing the acquisition and a proposal for the structure of the sale. Within 180 days of receiving the Plan, the CWC will review the Plan to determine if it is reasonable, practical, and meets the intent of the Agreement, and approve or reject the Plan. If a Plan is approved, the process under the Agreement will continue, allowing at least 24 months for the Town to execute the Plan and secure the parcel.

Please contact Jessica Demar at 860-664-6190 or jdemar@ctwater.com with any questions. We look forward to developing partnerships to preserve additional open space land in Connecticut.

Sincerely,



Jessica Demar
Environmental & Regulatory Compliance Coordinator

Attachment A

Connecticut General Statutes Regarding Right to Acquire Water Company Lands

Per CGS section 16-50(d)(f), if more than one entity gives notice of a desire to acquire water company lands, the right to acquire is subject to the following order:

1. Water company for use for water supply purposes
2. Municipality for water supply, open space, or recreational purposes
3. State for open space or recreational purposes
4. Land trust for open space or recreational purposes
5. Municipality for any public purpose, including educational use
6. State for any public purpose
7. Any other purchaser

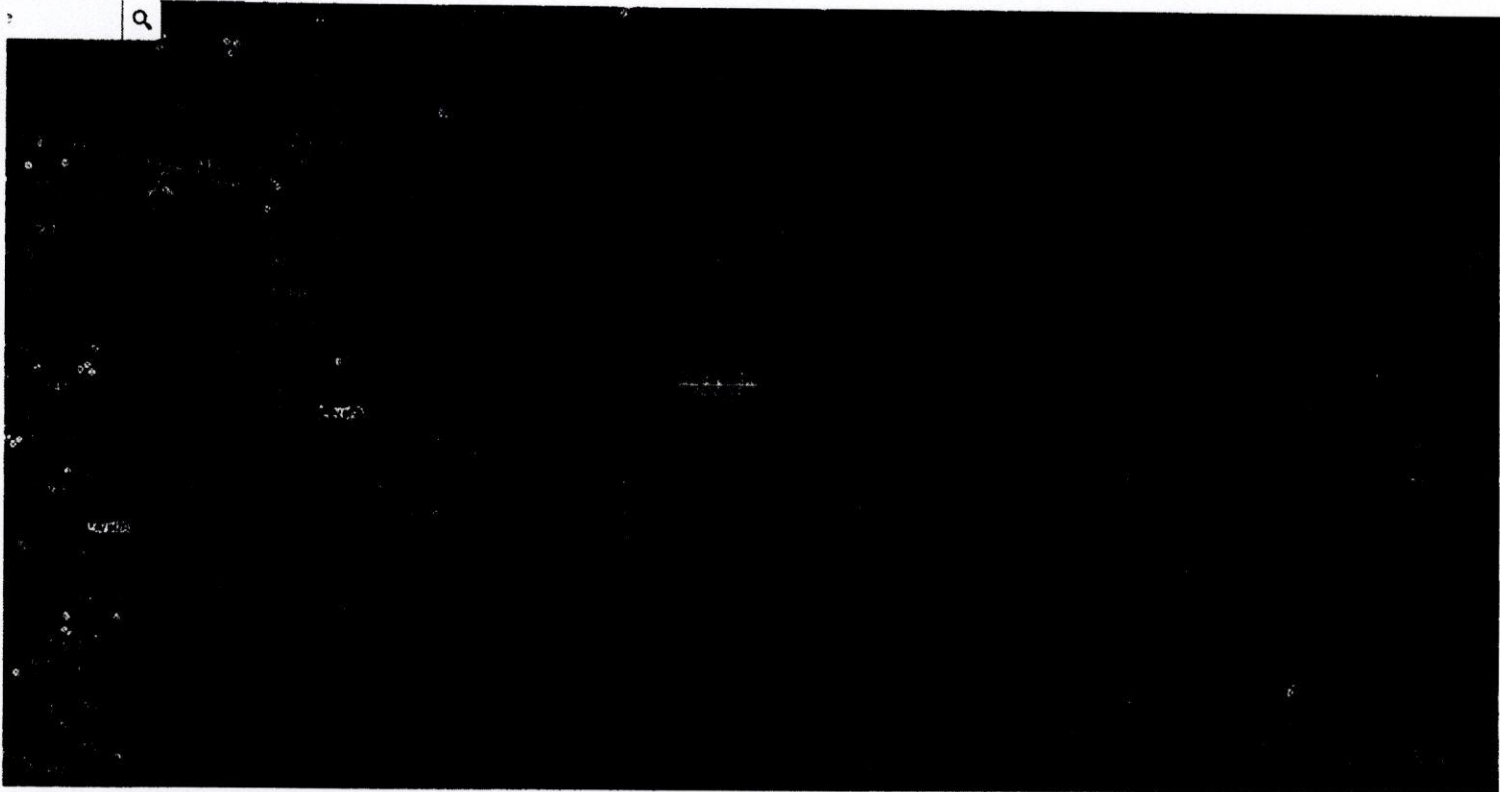
For the purposes here, "open space or recreational purposes" means use of lands for agriculture, parks, natural areas, forests, camping, fishing, wetlands preservation, wildlife habitat, reservoirs, hunting, golfing, boating, swimming and hiking.

Any properties to be acquired for open space or recreational purposes must have appropriate conservation restrictions in place at the time of conveyance to permanently protect the land for open space or recreational purposes.

Per CGS section 47-42a, "conservation restriction" means a limitation, whether or not stated in the form of a restriction, easement, covenant or condition, in any deed, will or other instrument executed by or on behalf of the owner of the land described therein, including, but not limited to, the state or any political subdivision of the state, or in any order of taking such land whose purpose is to retain land or water areas predominantly in their natural, scenic or open condition or in agricultural, farming, forest or open space use. For a municipality to meet the criteria for item #2, not more than 15% of the land can be used for any purpose other than open space or recreational purposes or the right to acquire would fall to item #5.

Per item #5, "educational use" means the use by any town, city or borough, whether consolidated or unconsolidated, and any school district or regional school district, for the purposes of schools and related facilities.

Any land transaction that does not meet the statutory criteria for items #1 through #6 above would be open for sale to any other purchaser in the market at fair market value.



Connecticut Water Company
Parcel ID: #1.7
15 acres N. of Moody Reservoir
Prospect, CT

PROSPECT, CONN
TOWN CLERKS OFFICE
RECEIVED FOR RECORD

2021 FEB 25 AM 9: 04

Margaret L. Anderson
TOWN CLERK