

**MANSFIELD DOWNTOWN PARTNERSHIP
BOARD OF DIRECTORS MEETING
Thursday, December 2, 2010**

University of Connecticut Lodewick Visitors Center

4:00 PM

Minutes

Present: Steve Bacon, Tom Callahan, Barry Feldman, Gregg Haddad, Matthew Hart, Dennis Heffley, David Lindsay, Philip Lodewick, Frank McNabb, Christopher Paulhus, Steve Rogers, Kristin Schwab, Bill Simpson, and Antoinette Webster

Staff: Cynthia van Zelm, Lee Cole-Chu, Nick Kepple

1. Call to Order

Philip Lodewick called the meeting to order at 4:13 pm.

2. Opportunity for Public to Comment

There was no public comment.

3. Approval of Minutes

Bill Simpson made a motion to approve the November 4, 2010 Board minutes. Dennis Heffley seconded the motion. The motion was approved unanimously.

4. Overview and Referral to Mansfield Downtown Partnership of Development Agreement for Phases 1A and 1B between the Town of Mansfield, Storrs Center Alliance, LLC (SCA), and Education Realty Trust, Inc. (EDR)

Matt Hart said he presented the draft Development Agreement for Storrs Center Phases 1A and 1B at a special Town Council meeting last night. A public hearing will be held on December 9 at 7 pm.

Mr. Hart said at last night's meeting, the draft Agreement was referred to the Planning and Zoning Commission to see if it complies with the Mansfield Plan of Conservation and Development. The Commission has 35 days to make a recommendation.

The draft Agreement was also referred to the Partnership for consistency with the Partnership's mission for Storrs Center and its agreement with LeylandAlliance.

Mr. Hart passed out copies of his Power Point presentation from last night which also included presentations from Executive Director Cynthia van Zelm, Public

Works Director Lon Hultgren, and the Town's financial advisor Shuprotim Bhaumik. The presentation and the draft Agreement are on the Town's website.

Mr. Hart said the key element of the draft Agreement is that only net revenue from the project will be used to provide an abatement to EDR. The abatement will be provided to reimburse EDR for infrastructure costs related to Phases 1A and 1B.

Mr. Hart said another important element is that the project will be maintained in a first class manner.

Mr. Hart said value engineering will be applied to ensure that the grant dollars cover costs for the Town public infrastructure projects (Storrs Road, Village Street).

Mr. Hart said the Town will not be liable for any environmental costs. SCA/EDR are required to thoroughly investigate and remediate the property. Tom Callahan said the University will assist with costs up to a capped amount.

Mr. Hart referred to draft Article 8 where the Council felt it was important for the developer to build to minimum levels. These levels are close to those proposed for the project by the development team.

There is a restriction against dormitory construction.

The tax abatement is proposed to be \$3M with 8% interest. A tax abatement is allowed under CT state statute. An abatement can be done for a maximum of 7 years. There will be one for Phase 1A and one for Phase 1B. The abatement is only for residential use.

Certain municipal permit fees will be capped for future phases.

Mr. Hart said that EDR agreed to a 98 year lease on the garage and will lease 425 parking spaces for its residential tenants (garage and lot). SCA will manage the parking for the 1st seven years. If there is net operating income, 100 percent will go to SCA to pay for any previous operating deficit. If there is still net operating income after expenses paid, 50 percent will go to SCA, and 50 percent to the Town until the capital reserve is funded; if there is still income left, 100 percent will go to SCA for its compensation to operate the garage.

Mr. Hart said a reserve needs to be created immediately to fund extensive repairs if necessary. The recommendation from the Town's parking consultant, Walker Parking Consultants, is to start with \$50,000 and increase it with the CPI.

Mr. Hart said the garage is being designed for a 40 to 50 year lifespan. The Town has a higher obligation during those years with respect to capital costs. Funds would be obligated from the reserve and other Town funds, if necessary. At the 51st year, liability would be limited to only the funds in the reserve.

Mr. Hart said ownership of the garage during the public garage term, can only be transferred to another public entity. The garage can be leased to a private entity.

Mr. Hart said that parking rates will be set by whichever entity owns the parking.

Mr. Hart said that relocation costs will continue to be paid for on a 50/50 basis with SCA and the Town.

Mr. Hart said there will be a licensing agreement with SCA for use of the Town Square. He said he expected the Town Council will adopt a policy on use of the Town Square in coordination with the Partnership.

Mr. Hart said the University will be going ahead with its water reclamation project with the timing consistent with Phase 1A of Storrs Center.

Mr. Hart said the estimate of net revenues is \$1.3M over 10 years (which includes the abatement).

The estimated number of retail jobs is 165. For every \$1 in Town contribution, \$1.27 is expected in net Town revenues over 10 years. Mr. Hart said typically with a municipal project, there is not return right away. Storrs Center should see return right away.

Mr. Hart said there will be capital improvements needed so the Town would be accepting risk. He said the first phase of the project is creating infrastructure for the entire project which should serve as a catalyst for the downtown.

Mr. Hart said the first two phases will add 4% to the Grand List, making SCA/EDR the largest taxpayers in Mansfield.

Mr. Hart said the Town Council needs to give Mr. Hart the authority to sign the agreement as Town Manager. The Town Council will also need to approve the tax assessment fixing agreements.

Chris Paulhus said the Town team, which included four lawyers, did a great job.

Gregg Haddad said the Town Council met in Executive Session on the draft Agreement many times. He said the goal was to finalize the Agreement this year. He acknowledged that there are continued concerns in the community about water and any students living in the housing. He said it will be helpful to remind people of the vision for downtown.

Mr. Lodewick commended Mr. Hart for his good job on the draft Agreement. The Town's financial obligation is limited and many other towns/cities use tax abatements.

Mr. Lodewick said it will be important for EDR to explain its residential plans for Storrs Center. He noted that EDR is a REIT (Real Estate Investment Trust) which means that it invests for the long-term.

Lee Cole-Chu and the Partnership Board discussed the draft Development Agreement for Phases 1A and 1B between the Town of Mansfield, Storrs Center Alliance, LLC (SCA), and Education Realty Trust, Inc. (EDR) vis a vis the current agreement between the Partnership and SCA. The Board will continue to review the Partnership agreement.

Bill Simpson made a motion to authorize Board President Philip Lodewick to prepare a letter to the Town Council endorsing approval of the Town agreement with SCA and EDR. Steve Bacon seconded the motion. The motion was approved with an abstention by Mr. Hart.

5. Review and Status of Zoning Permit Application for Phases 1A and 1B

Mr. Bacon said the Planning and Design Committee will be looking at revised building plans on December 15. The Committee had met with LeylandAlliance and BL Companies and provided initial comments to the plans.

Tom Callahan made a motion to authorize the Mansfield Downtown Partnership Executive Director to set a public hearing date on the zoning permit application for Phases 1A and 1B. Mr. Haddad seconded the motion. The motion was approved unanimously.

6. Review and Approval of Standing Committees – Descriptions and Charges

Kristin Schwab made a motion to approve the revisions to the Mansfield Downtown Partnership Standing Committees' Descriptions and Charges as of November 18, 2010. Mr. Paulhus seconded the motion. The motion was approve unanimously.

7. Adjourn

Mr. Callahan made a motion to adjourn the meeting. Mr. Paulhus seconded the motion. The motion was approved unanimously and the meeting adjourned at 6:07 pm.

Minutes taken by Cynthia van Zelm.