EAST LYME BOARD OF SELECTMEN

SPECIAL MEETING OF AUGUST 29, 2023

EAST LYME TOWN HALL UPPER MEETING ROOM

Zoom Meeting

<https://us02web.zoom.us/j/81965899937?pwd=K0pzbmJyc1BJRzBvYINMRGhyWldwdz09>

Meeting ID 819 6589 9937

Passcode 314418

7:00 p.m.

**Present:** Kevin Seery, First Selectman, Anne Santoro, Bill Weber, Dan Cunningham, Rose Ann Hardy and Ann Cicchiello (by Zoom)

**Also Present:** Gary Goeschel, Town Planner, Attorney Block and Attorney Sisley

1. **Call to Order & Pledge of Allegiance**

The meeting was called to order at 7:00 and the pledge was recited.

1. **Delegations**-none
2. **Discussion and Possible Action-Authorize the First Selectman to enter into a contract with the East Lyme Land Trust for the purchase of the Specified properties at Hathaway Farms, Oswegatchie Hills, and Brainard Road.**

K. Seery said the Town has been discussing buying the Hathaway Property for the last year and a half. The property was a top priority for open space in the most recent Plan of Conservation and Development (POCD). The East Lyme Land Trust (ELLT) bought the property in September 2022 and put Oswegatchie Hills and Brainard Road properties as collateral for the purchase.

The town has an opportunity to purchase all three properties: Oswegatchie Hills, (119.6 acres), Hathaway Farms (114 acres), and Brainard Road (22.2 acres).

K. Seery described the Hathaway Farms property as located in the northwest corner of Pattagansett Lake. The ELLT purchased the property for approximately $2.3 million, September 2022.

The recent history of the purchases of the Hathaway property was presented. The original property has been subdivided over the last several years, some of which can be developed.

The Oswegatchie Hills property consists of several pieces of property owned by the ELLT. One piece was donated by Norm Peck Jr. and the deed specifically states the land is to be held as open space in perpetuity. The largest piece does not specifically say in the deed that it needs to be saved as open space, although the property card describes it as open space. The land would be difficult to develop due to its topography.

The parcel which abuts Damon Heights has a conservation easement so it cannot be developed.

The remaining parcels are landlocked and cannot be developed.

There are numerous hiking trails and an ELLT management plan that calls out the natural, historical, aesthetic, watershed, or biological significance of the property.

The property was used as collateral for the Hathaway property.

The Brainard Road property is 22 acres and deeded to the ELLT for open space but there is nothing in the document that states it has to be used for open space. This property was also used as collateral for the purchase of the Hathaway Property.

Brainard Road has numerous trails which can be accessed by Giants Neck Beach and Giants Neck Heights. According to the appraisal the property could have a new road into the property which could open it up for development, making it more valuable.

The three properties were appraised at:

* Hathaway Farms LLC Parcel $1,595,000
* Oswegatchie Hills Parcels $ 575,000
* Brainerd Road Property $ 125,000

Subtotal $2,295,000

The estimated purchase price with closing expenses is $2,250,000. The funds to offset the purchase are the $400,000 DEEP Grant currently held by the ELLT which would be required to be transferred to the town. There is $220,000 in the town’s open space fund balance account. The amount to be funded is $1,750,000.

Kevin Gervais, Finance Director explained the options for financing the purchase:

* Take from the General Fund Unassigned Fund Balance
* Borrow from General Fund Unassigned Fund Balance
* Short term note (roll into bonding next year)
* Pay out of Bonded/CNR and replenish next year.
* Pay for purchase out of Bond Fund (or CNR) and reimburse the fund next year when bonds are issued.

He explained the pros and cons of each option.

K. Gervais estimated that the final amount to be funded would include approximately $100,000 in closing costs.

The funding options were thoroughly discussed with the auditors. K. Gervais said the bond ratings usually look at the General Fund when they rate.

Attorney Block informed the members that he has had informal discussions with the ELLT and he is confident that the price will not change.

He said that once the authorization from the Board for the First Selectman to sign the contract has been made, he can sign immediately. The contract is subject to the terms of the resolution. If any of those terms were to fail, the contract would be null and void. The Town will be negotiating with the ELLT.

K. Seery gave the members the timeline for the property acquisition which includes:

* Planning Commission review 8-24
* Presentation to the Board of Finance
* Board of Selectmen set date for Public Hearing
* Public Hearing
* The Board of Selectmen requests Board of Finance approve appropriation to purchase properties and sets a date for referendum by ballot.
* Board of Finance acts on Board of Selectmen request
* Referendum by ballot

The referendum is currently scheduled for October 17, 2023. K. Seery has been assured by the Registrars of Voters that the date will not interfere with the General Election.

**MOTION: (Santoro/Cunningham) Resolution for First Selectman to Enter into Purchase and Sale Agreement with the East Lyme Land Trust, Inc.**

**WHEREAS, the Town of East Lyme has an opportunity to acquire property known as the Hathaway Farm Parcel, the Oswegatchie Hills Parcel and the Brainard Road Parcel from the East Lyme Land Trust, Inc.; and**

**WHEREAS the Charter of the Town of East Lyme grants the power to the Board of Selectmen to acquire land subject to approval at a Town referendum and approval of financing from the Board of Finance; and**

**WHEREAS, the Board of Selectmen, in consultation with Special Town Counsel and evaluation by an independent appraiser, have determined that the acquisition of the property known as the Hathaway Farm Parcel, the Oswegatchie Hills Parcel and the Brainard Road Parcel from the East Lyme Land Trust, Inc. is necessary to preserve the property as open space and to preserve the Town’s trail system and that the terms of the purchase are fair and reasonable; and**

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SELECTMEN OF THE TOWN OF EAST LYME:**

1. **The Town of East Lyme acting by its First Selectman, execute a Purchase and Sale Agreement for the purchase of certain property known as Hathaway Farms Parcel (Map 35/Lot23), Oswegatchie Hills Parcels (Map 21.2/Lot22, Map 21.2/Lot 45, Map 26/Lot 5, Map 26/Lot 6-1, Map 26/Lot 6-2 and a 15.24 acre conservation easement from Mount Tabor, LLC) and Brainard Road Parcel (Map 7.4/Lot 22), collectively the “Properties”) from the East Lyme Land Trust, Inc. for the purchase price of Two Million, Two Hundred Fifty Thousand ($2, 250,000.00) Dollars, which purchase and sale agreement shall contain the following conditions:**
	1. **The price is contingent upon the Seller being able to assign the Four Hundred Thousand ($400,000) Dollar Grant from DEEP to the Town of East Lyme;**
	2. **Confirmation from Buyer’s Title Company that the Lost Deed Affidavit/Replacement Deed is valid and the East Lyme Land Trust, Inc. holds valid Title to the Properties;**
	3. **Title must be free and clear except for conservation restrictions- releases to be provided for all mortgages and other encumbrances including but not limited to any land swap agreements, reversion rights etc. whether said encumbrances are recorded or unrecorded;**
	4. **Taxes to be brought current on the Properties on or before the closing date; and**
	5. **Such other provisions that the First Selectman with the advice of Special Counsel deems necessary to protect the interests of the Town of East Lyme.**

**2. Any such Purchase and Sale Agreement shall be subject to the approval of the Board of Finance, the Planning Commission finding the purchase is consistent with the Plan of Conservation and Development and all necessary approvals at a Town referendum.**

**3. That the First Selectman be authorized to close on the purchase of the Properties subject to the terms and conditions of the Purchase and Sale Agreement, as approved by the Board of Finance and at a Town referendum.**

**Vote: APPROVED unanimously.**

1. **Public Comment-none**
2. **Adjourn**

**MOTION: (Santoro/Weber) to adjourn at 7:50. Vote: APPROVED unanimously**

Respectfully submitted.

Sue Spang

Recording Secretary