

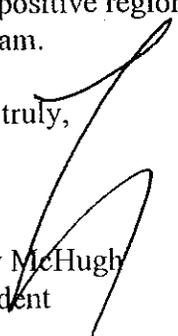
March 18, 2010

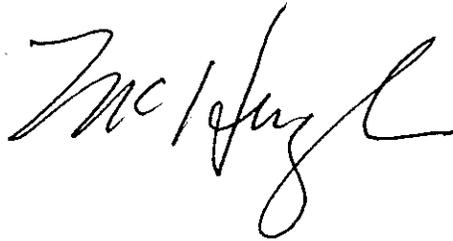
James F. Spallone
Assistant Majority Leader
Legislative Office Building, Rm 2202
Hartford, CT 06106

I would like to express my strong support for the proposed property exchange with Riverhouse Properties and the Goodspeed Opera House. The properties being offered to the State would be valuable and useful acquisitions for the Department of Environmental Protection, and in return the land the State would be giving up is ideal for stimulating economic development in the Haddam-East Haddam area.

The owners of the Riverhouse have already proven they will produce a high quality product with the development of their beautiful facility, while at the same time they have increased property tax revenues from their property by 600% and created more than 50 full and part time jobs. The DEP land has long been targeted by the Town of Haddam for tourism-related economic development, and this is a chance to get this property back on the tax rolls and producing revenue and new jobs, while helping to reinforce the lower Connecticut River Valley as a destination for tourism. The potential development here incorporating a new theater, a hotel, new commercial space, the Valley Railroad, Lady Katherine Cruises and Riverquest Cruises, would have positive regional impact and give a needed boost to existing businesses in Haddam and East Haddam.

Very truly,


Larry McHugh
President



Town of Haddam
Office of the First Selectman



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March 15, 2010

The Honorable James Field Spallone
State Representative, 36th District
Co-Chairman, Government Administration and Elections Committee
Legislative Office Building
Room 2202
Hartford, CT 06106-1591

RE: Connecticut General Assembly Proposed Bill #HB5520, an Act Concerning The
Conveyance of Certain Parcels of State Land.

Dear Representative Spallone:

Please accept this letter as an endorsement for Section 19 of the above proposed legislation.

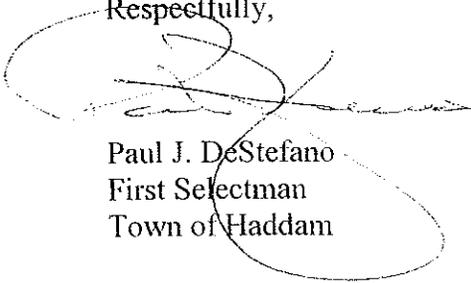
The Town of Haddam, like most small towns in our beautiful State, has been feeling the pressure of providing needed services to our community while balancing the need to address a weakening infrastructure, sluggish economic development, higher educational costs, and unfunded State mandates. Add to this the burden of a stubborn economy that hinders growth, and the increase of environmental challenges that require immediate attention, and you have a formula for financial disaster.

It is, therefore, extremely important for all small town administrators to seek out or embrace every available opportunity that is consistent with our Conservation and Development plan and offers a bridge over these troubled waters and a step to the stairway of the future. I see such an opportunity resulting from the passage of this proposed piece of legislation.

It is not too often that we small towns are able to truly apply the philosophical matrix of regional synergy, and it is not too often that the State has been in the real position of functionally participating in that effort. I, therefore, encourage you to accept Section 19 as a part of the above bill, an action that I truly believe will serve to help enhance our way of life in Haddam.

Thank you for your consideration.

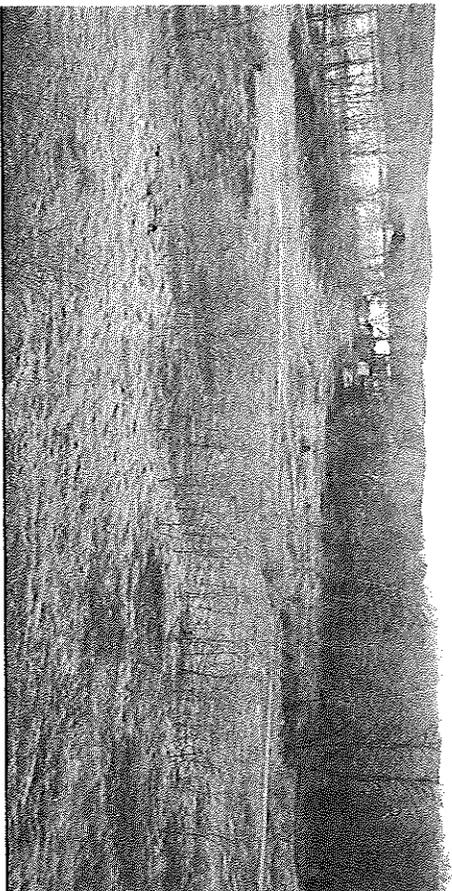
Respectfully,

A handwritten signature in black ink, appearing to read "Paul J. DeStefano", is written over a large, faint circular watermark or stamp.

Paul J. DeStefano
First Selectman
Town of Haddam

PJD/az

Cc: Senator Eileen Dailey
Steve Rocco - Riverhouse ✓
Michael Price – Goodspeed Opera House
Mark Walter, First Selectman – Town of East Haddam
Liz West – Town Planner - Haddam



From the State



To the State

**PROPOSED
PROPERTY
EXCHANGE**

**FOR LAND OF
THE STATE OF
CONNECTICUT,
DEPARTMENT OF
ENVIRONMENTAL
PROTECTION
IN HADDAM, CT**

BACKGROUND AND OVERVIEW

The idea of trading other land for this parcel in Haddam was first suggested by DEP Deputy Commissioner David Leff in 2006. He said to the Riverhouse partners that DEP did not want this Industrial land, which surrounds the Riverhouse on 3 sides, that they had no use for it, and had no budget for it, and if we could find land that was more useful to DEP, they would trade with us.

In June 2007, after the Riverhouse was completed, DEP Commissioner Gina McCarthy visited the DEP land and the Riverhouse, and also suggested creating a trade..

The Riverhouse partners looked for property which would be attractive to DEP, and in 2009 purchased a tract of land which would extend the Cockaponset State forest to Route 81 in Higganum. We proposed exchanging this land with DEP, as well as riverfront land in East Haddam offered by the Goodspeed Opera House. DEP staff walked the property and approved the proposal.

This proposal represents “Smart Growth” because we would develop a tourism destination at a former Industrial site, while a 54 acre tract of virgin forest would be preserved rather than developed into 36 homes with 60 to 80 school children.

The tax revenue from the development of this property would add hundreds of thousand of dollars in property taxes, business and sales taxes.

Many construction and permanent jobs could be created by the potential development which has been conceptually discussed.

PROPERTY EXCHANGE PROPOSAL

Offered to the State:

54 acres of Higganum forest land, adjacent to Cockaponset State Forest and Haddam Land Trust property, with frontage and access on Rt.81, owned by the partners of Riverhouse Properties.

A portion of a 2.7 acre lot on the Connecticut River owned by the Goodspeed Opera House.

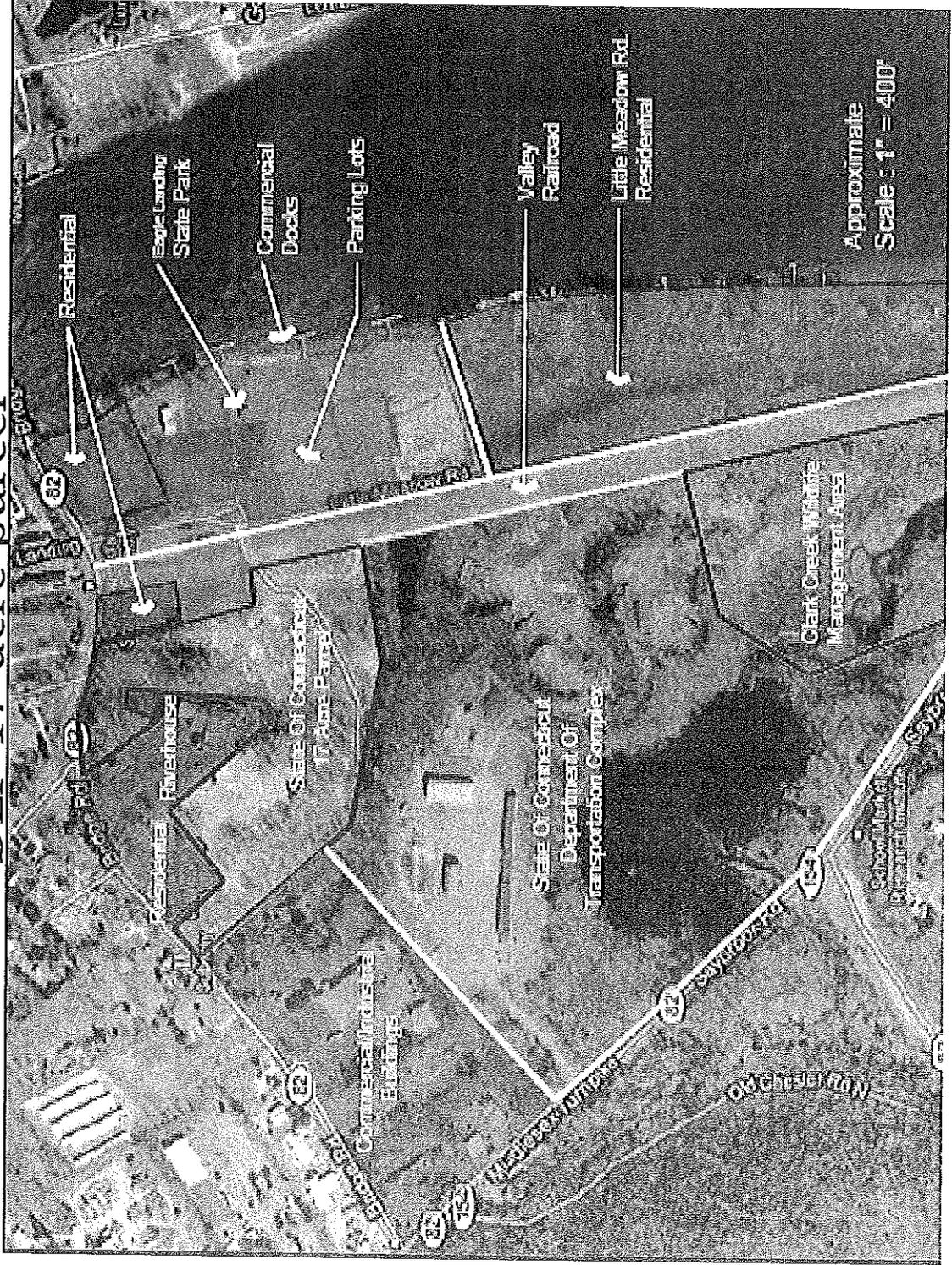
Land to be received from the State:

17 acres in Tylerville section of Haddam owned by State of Connecticut, Department of Environmental Protection, surrounds the Riverhouse on 3 sides and reaches to the Valley Railroad tracks; this lot is a depleted sand and gravel pit, zoned for Industrial uses by the town.

- Eagle Landing State Park, fronting on the river, is not involved.
- The DEP parcel is bordered primarily by fully developed industrial and commercial land, the sprawling DOT complex and the 14 acre parking lot of Eagle Landing State Park, formerly of Camelot Cruises.

We believe that the 54 acre forest land and the riverfront lot are ideal for preservation while the DEP land is better suited for tourism-related economic development, as called for in the Haddam Economic Development Plan.

Properties and land uses in the vicinity of the DEP 17 acre parcel



The State property to be conveyed:

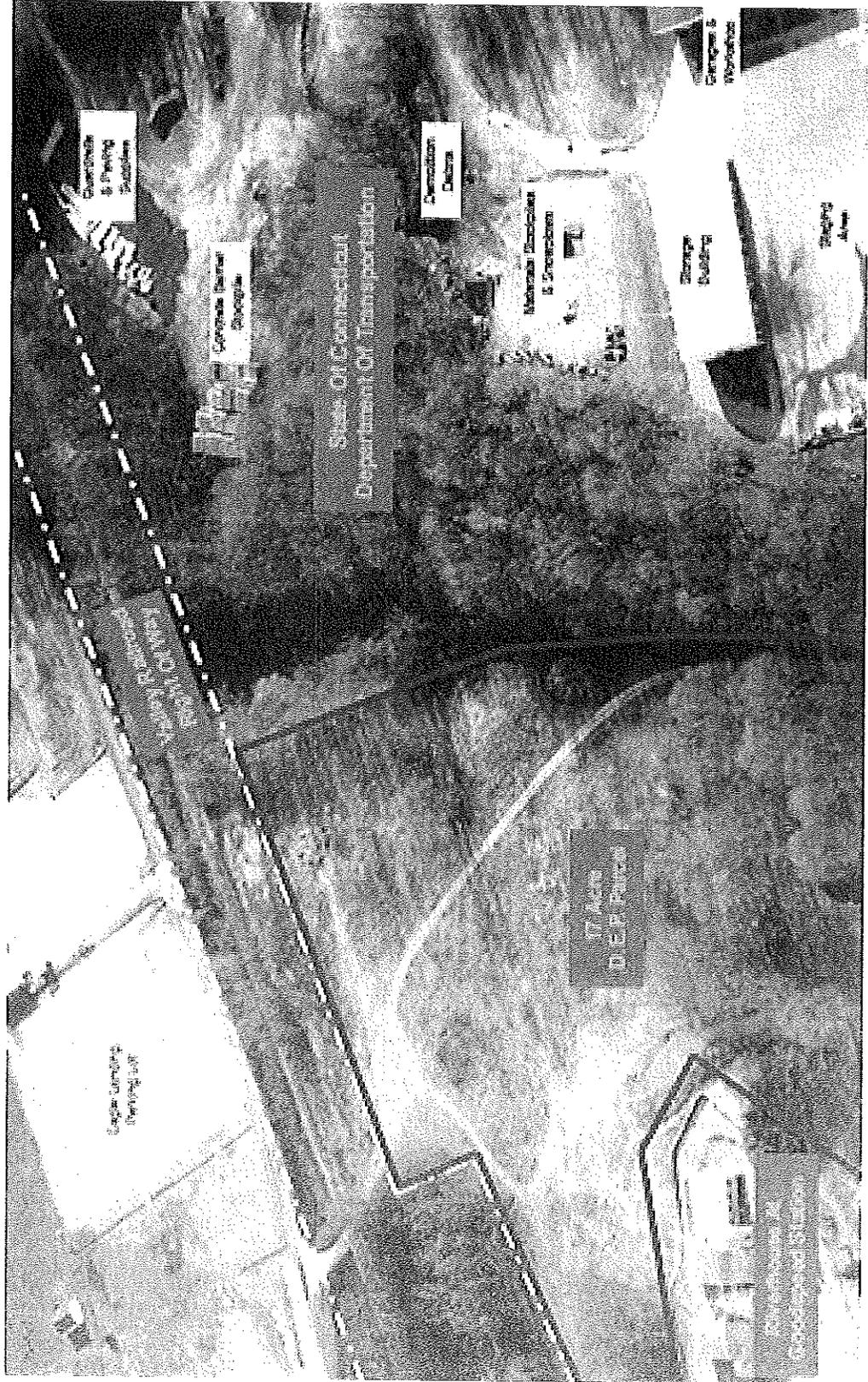
The majority of the 17 acre parcel is a depleted sand and gravel pit, stripped of topsoil and native vegetation, now primarily covered with invasive plant species.

It is zoned by Haddam for Industrial uses, as are the neighboring properties south of Bridge Road.

It is bordered by railroad tracks and the Camelot Cruises 14 acre parking lot to east, the 52 acre DOT complex to south, commercial and industrial properties to the west, and the Riverhouse Banquet & Conference Center occupies the center of the area.

The 17.4 acres were acquired by State in 2003 as part of 33.6 acre purchase from the Camelot Cruises owner. The 16.2 acres on the river, the target of the purchase, became Eagle Landing State Park, and is not a part of this proposal.

DOT complex and Eagle Landing parking lots adjacent to the 17 acre DEP land



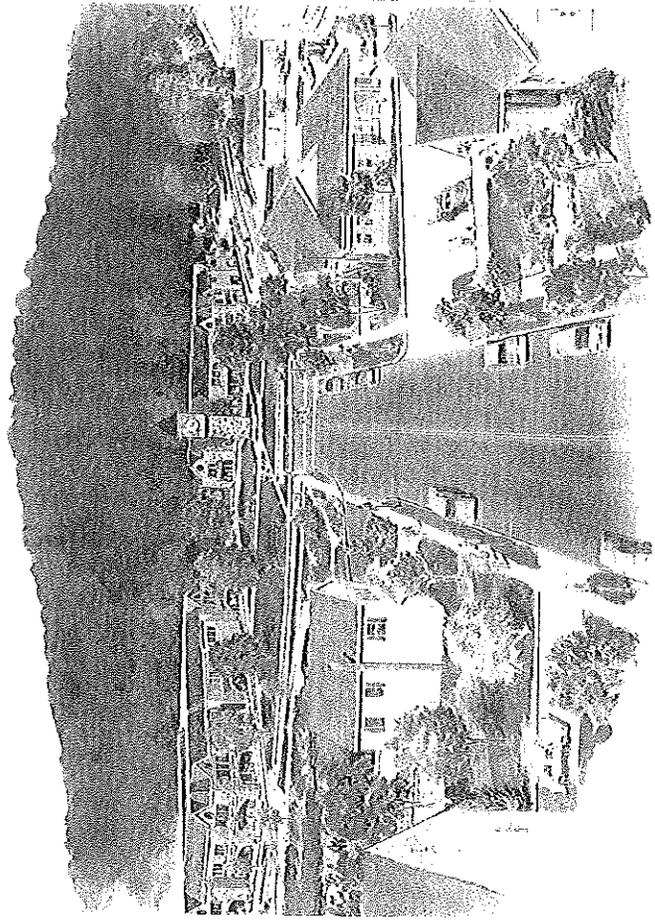
The 2 properties being offered to the State have an appraised value which exceeds the appraised value of the State parcel, \$1.2 million. The appraisals were done by a State approved commercial appraisal company in March 2009.

The State land would be divided into two lots. Riverhouse Properties would get 68% of the land and would have to provide property valued at a minimum of 68% of the total, which equates to \$820,000. The Riverhouse has proposed to give property valued at \$900,000. The value of the Goodspeed Opera House proposal will meet or exceed \$380,000.

This land, purchased by

DEP in 2003, was identified in a 1999 study by the Haddam Economic Development

Commission as the single property having the most potential for economic development in Haddam because of its proximity to the Valley Railroad, the Connecticut River and its commercial docks, and the Goodspeed Opera House.

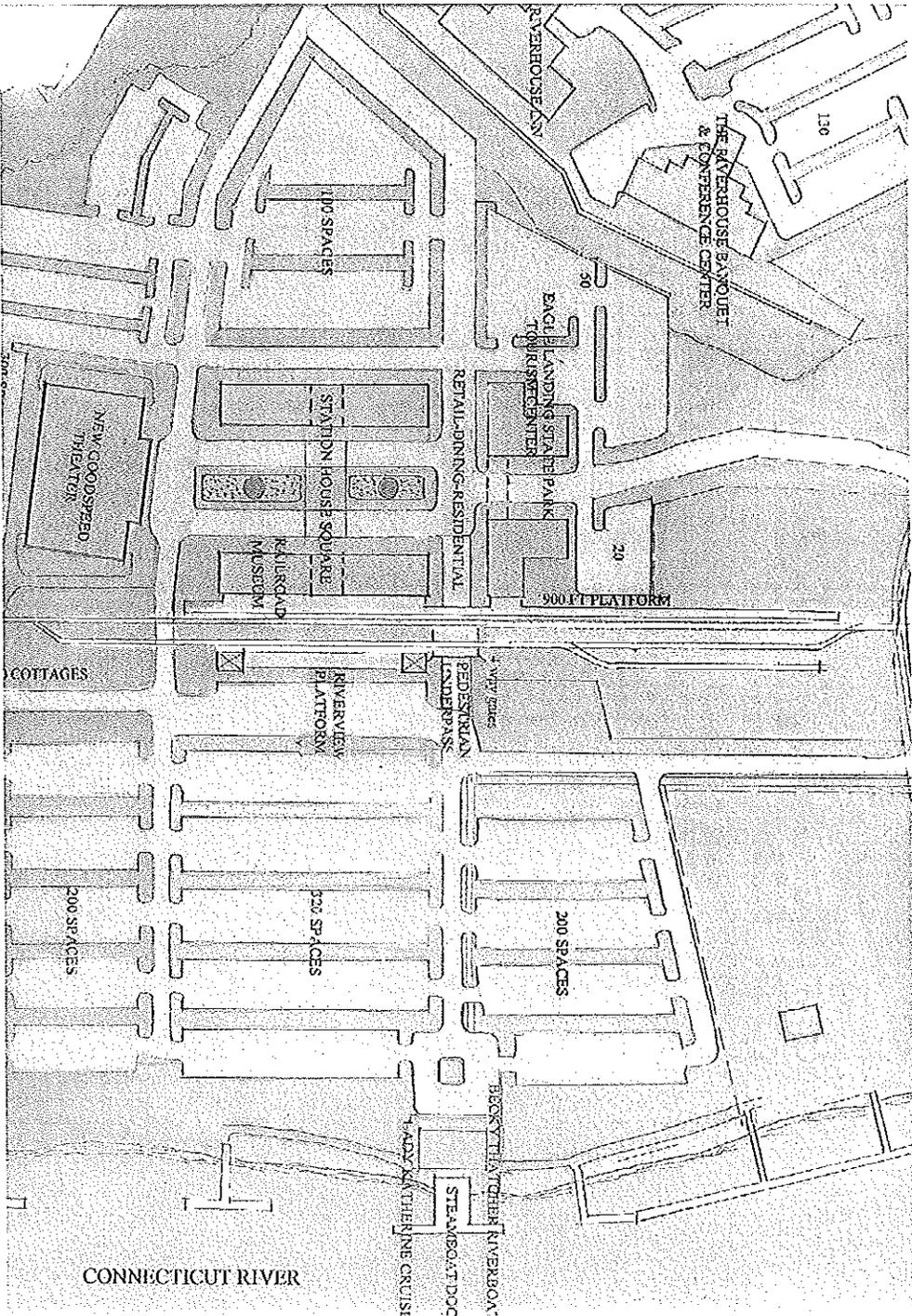


Higganum Center

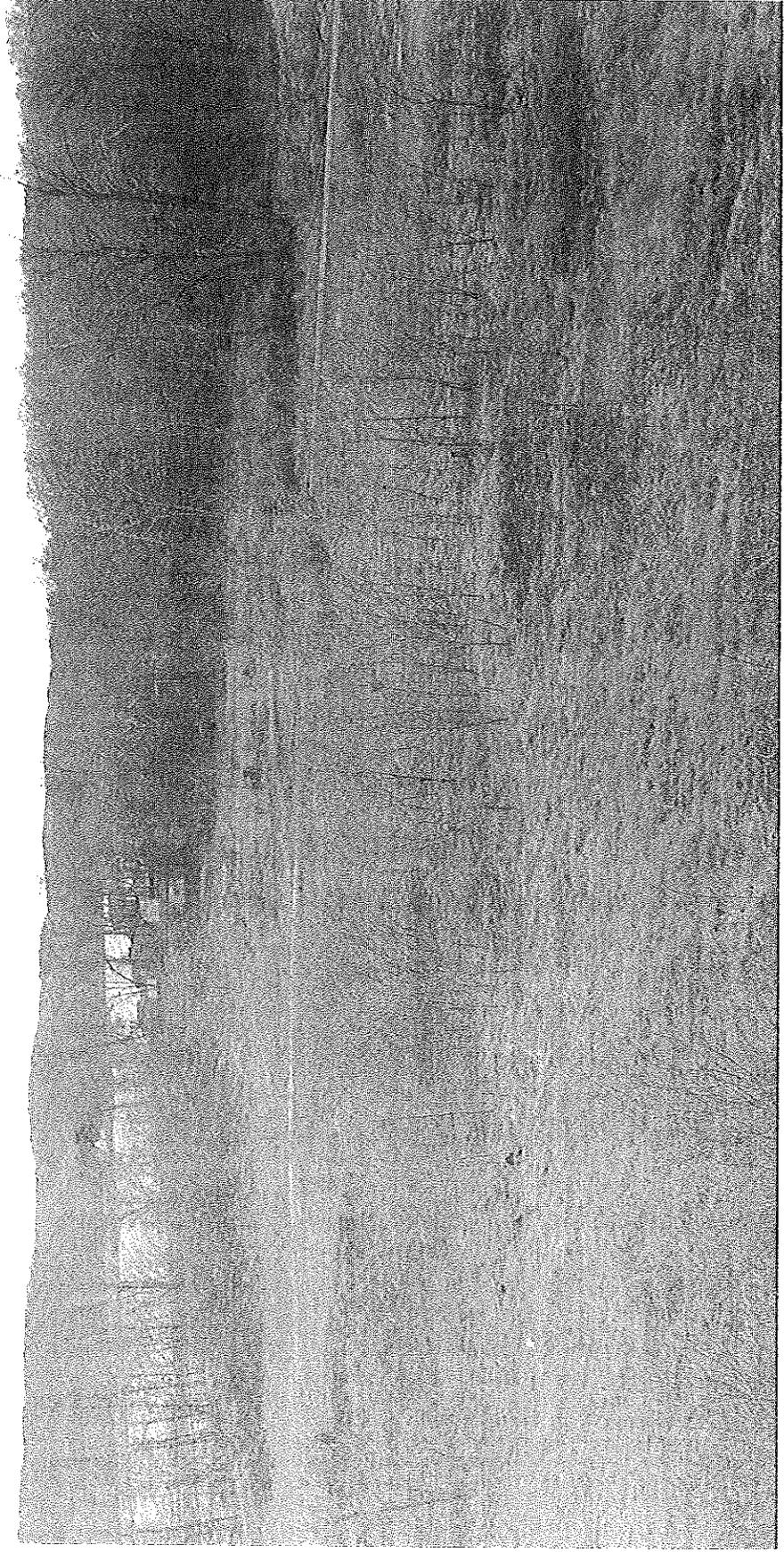
PLANNING FOR ECONOMIC DEVELOPMENT

TOWN OF HADDAM
BOARD OF SELECTMEN
ECONOMIC DEVELOPMENT COMMISSION
September 1999

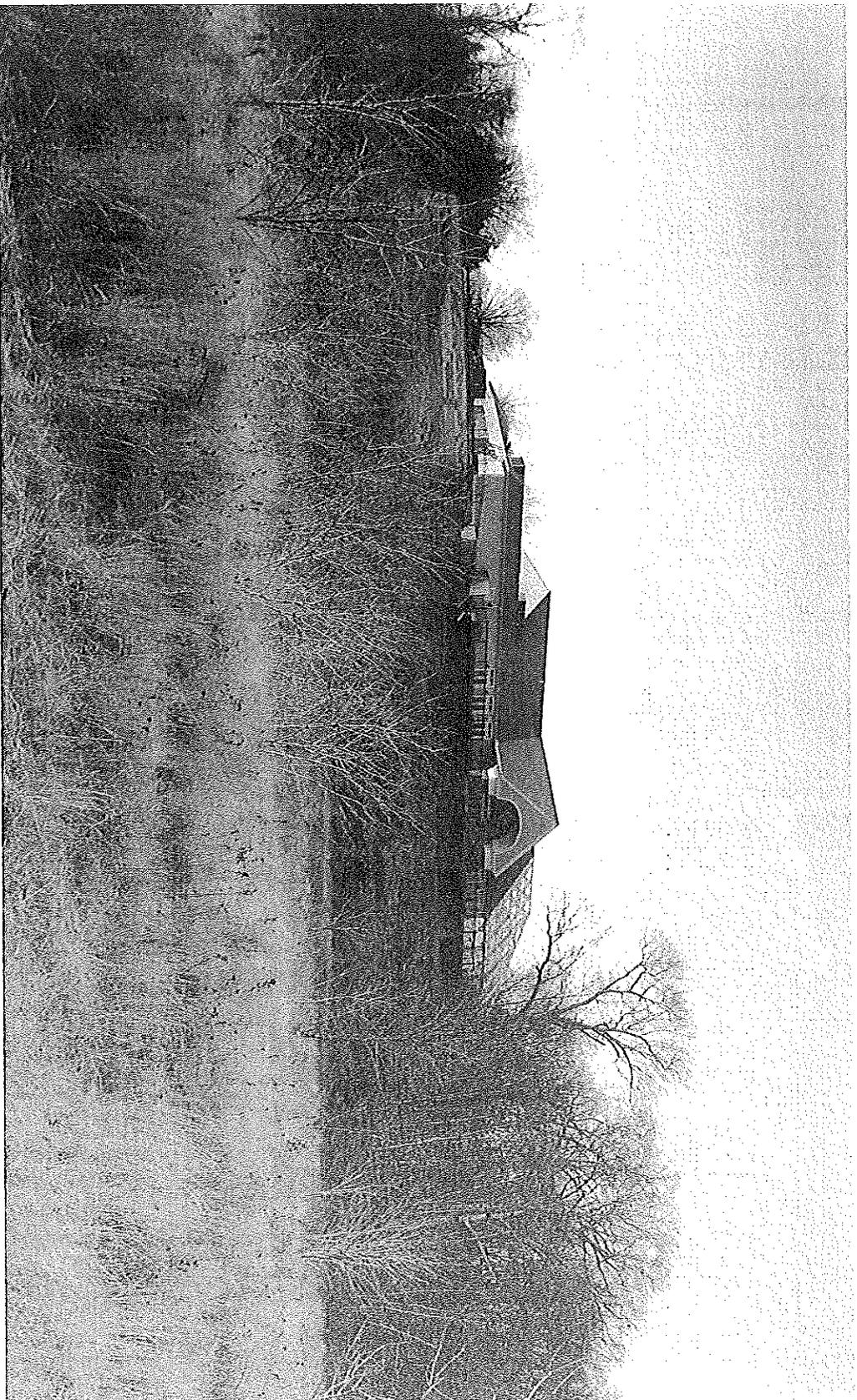
A 1999 plan done for prospective buyers of the 34 acres before it was purchased by the State, showing the “village square” concept with theater and RR station



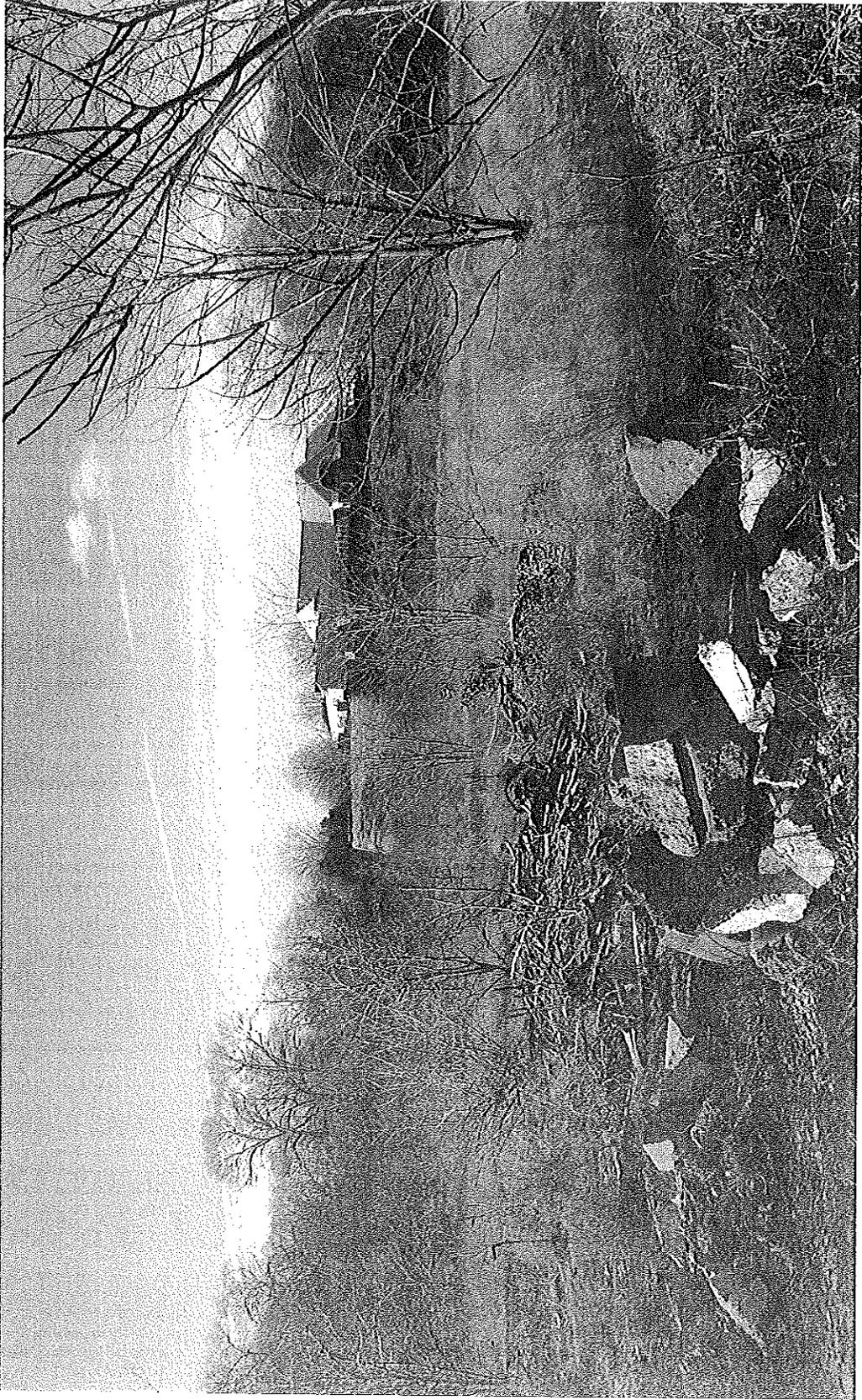
DEP 17 acre subject parcel
former sand and gravel pit
currently zoned "Industrial"



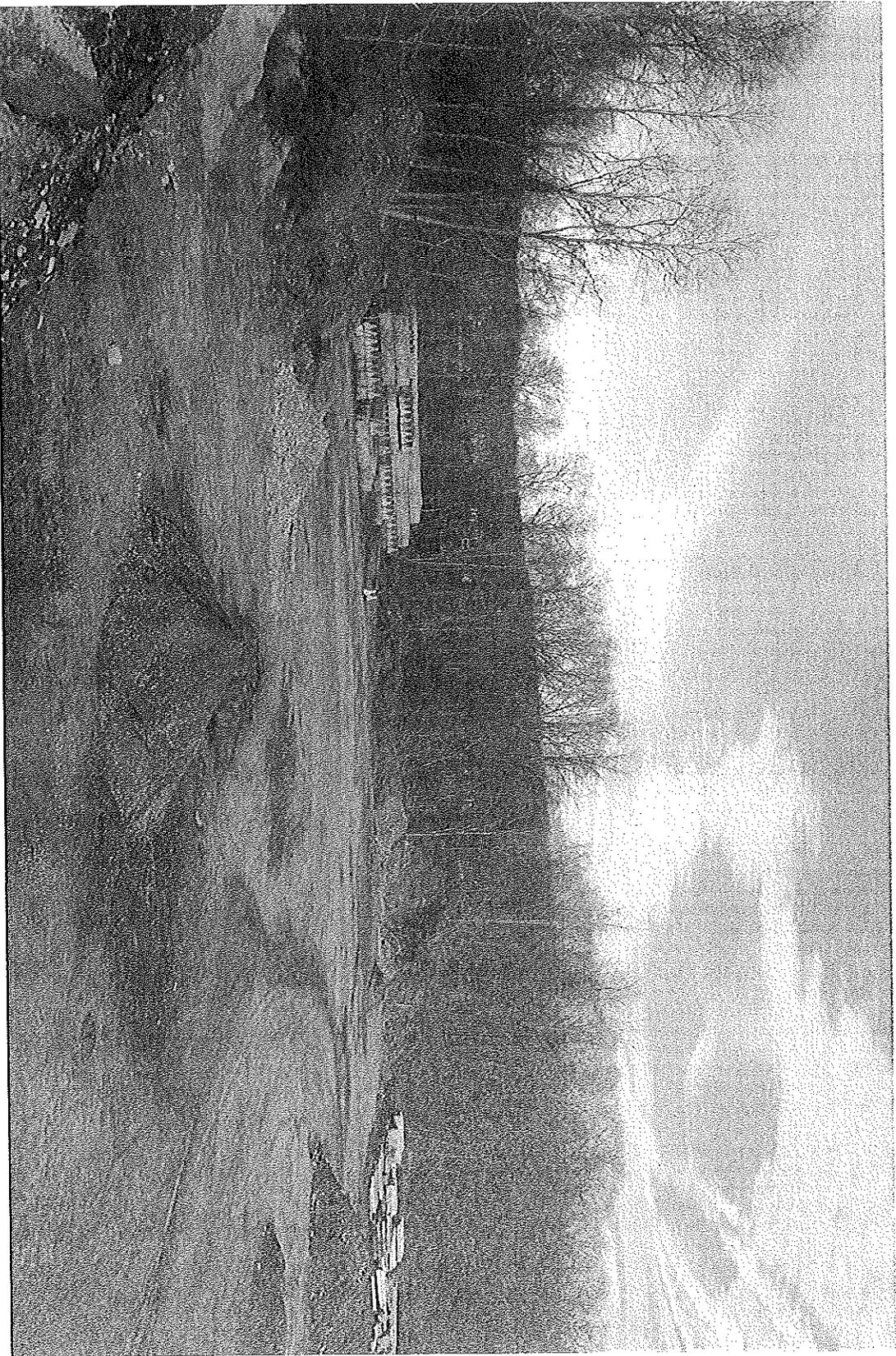
Invasive plant species
dominate the sandy field of the DEP land



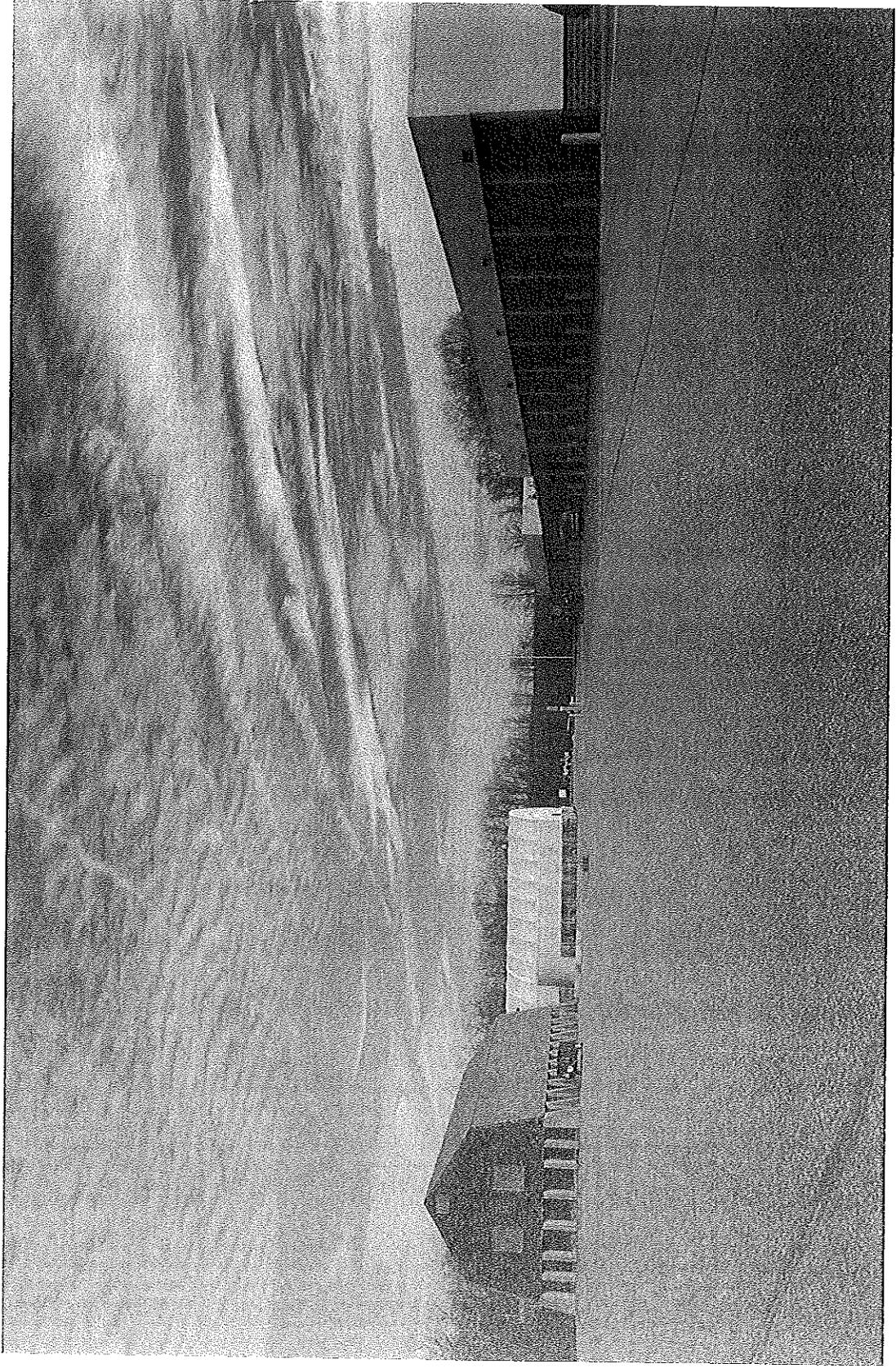
The DEP parcel has been used regularly for illegal dumping; there is no staff or budget to take care of it.



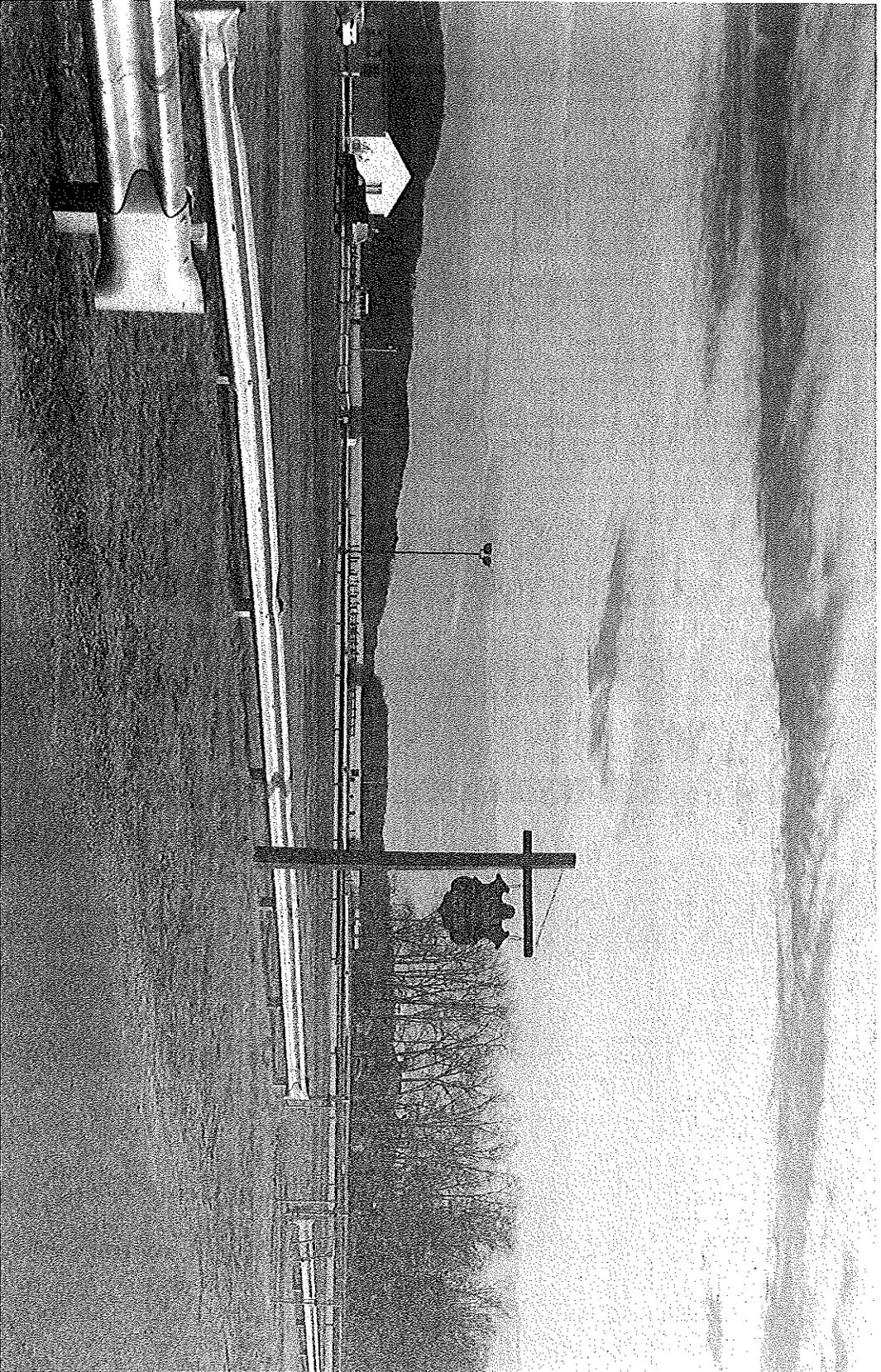
The DOT complex adjacent to the DEP parcel, which is just beyond concrete barriers



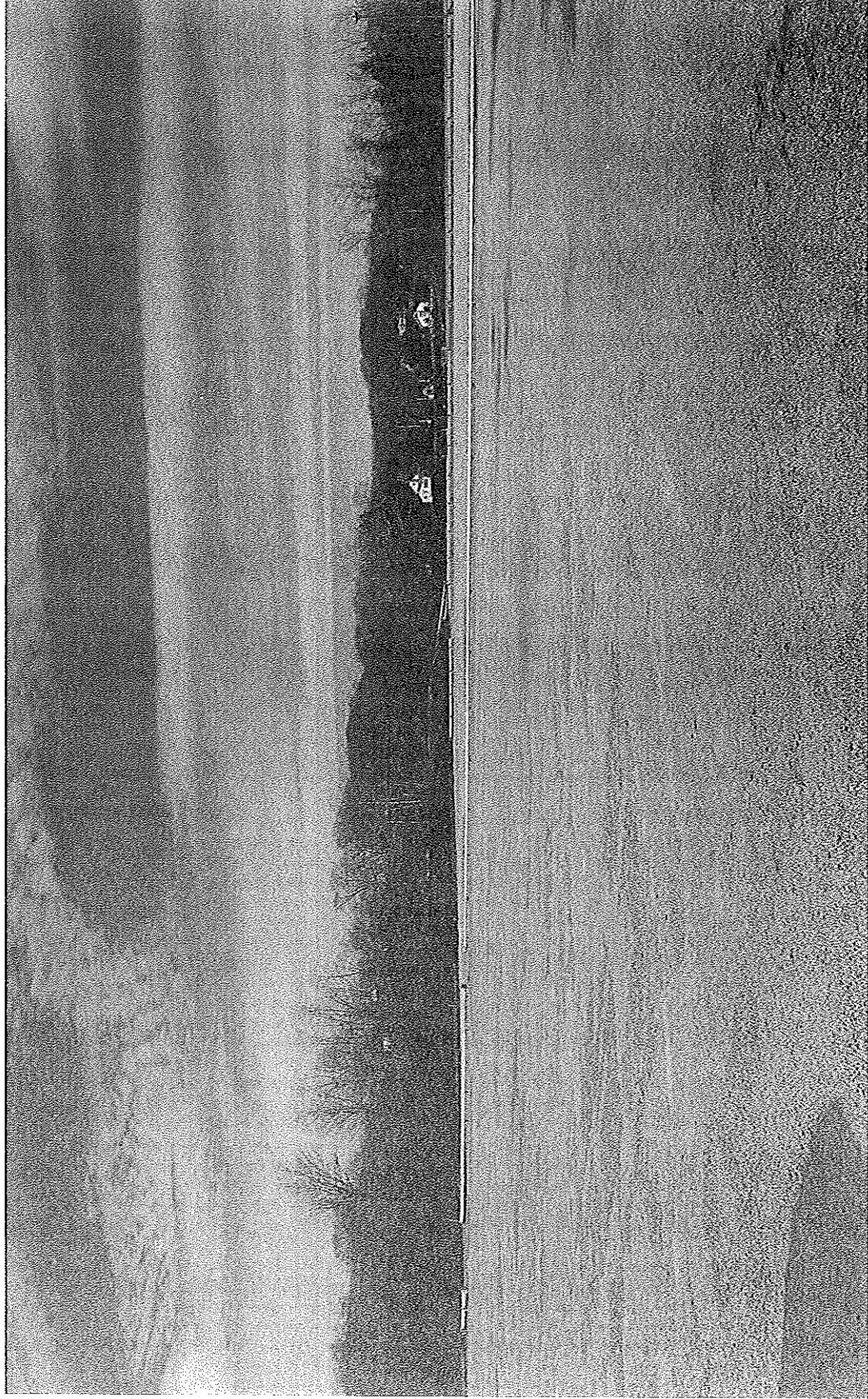
DOT staging area near the boundary of the
DEP land, just to the left.



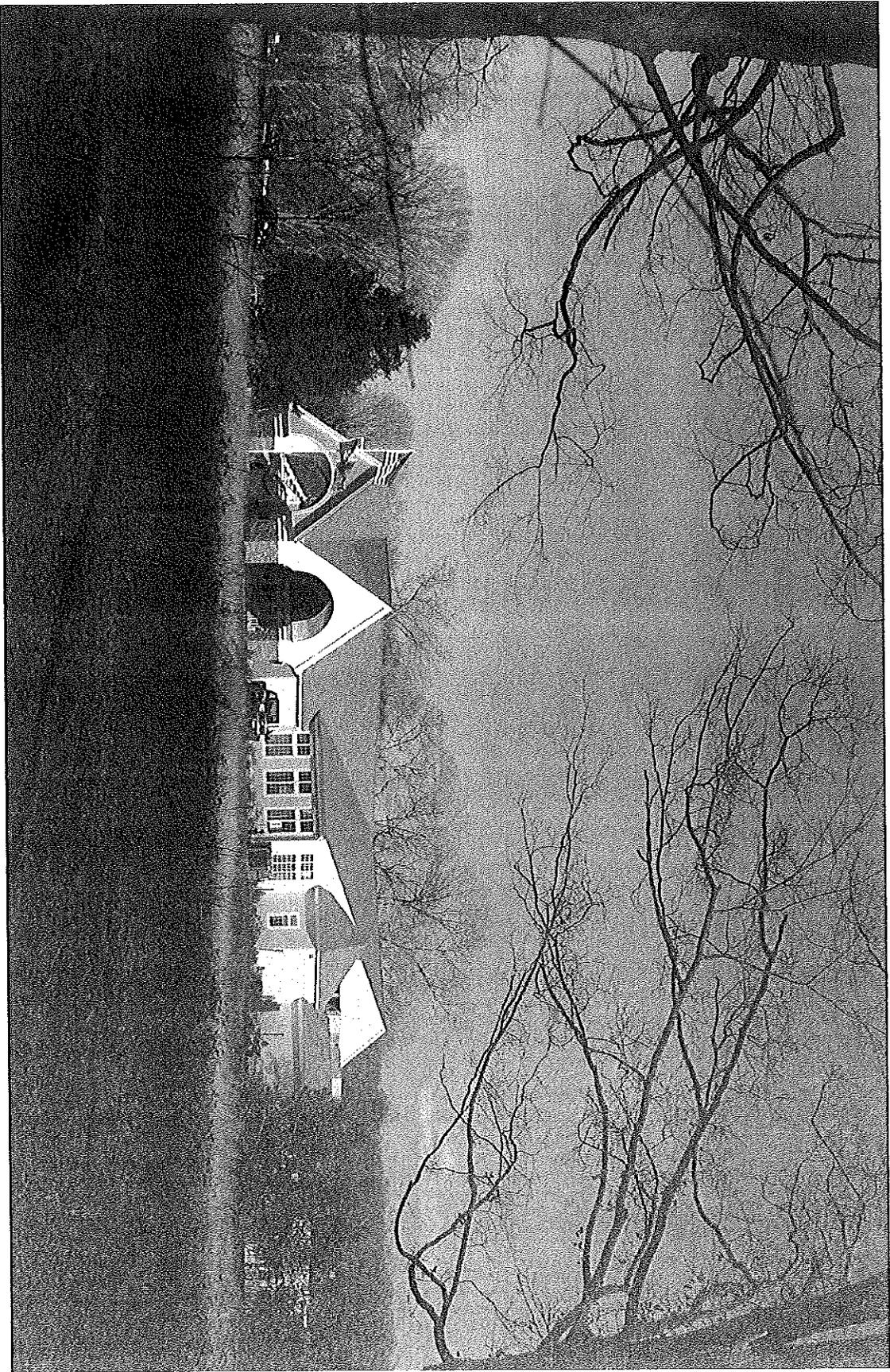
Eagle Landing State Park to the east



Eagle Landing parking lots
between DEP parcel and the CT River



The DEP land wraps around the Riverhouse on 3 sides.



Offered to the State: Higganum Forest Land
adjacent to Cockaponset State Forest



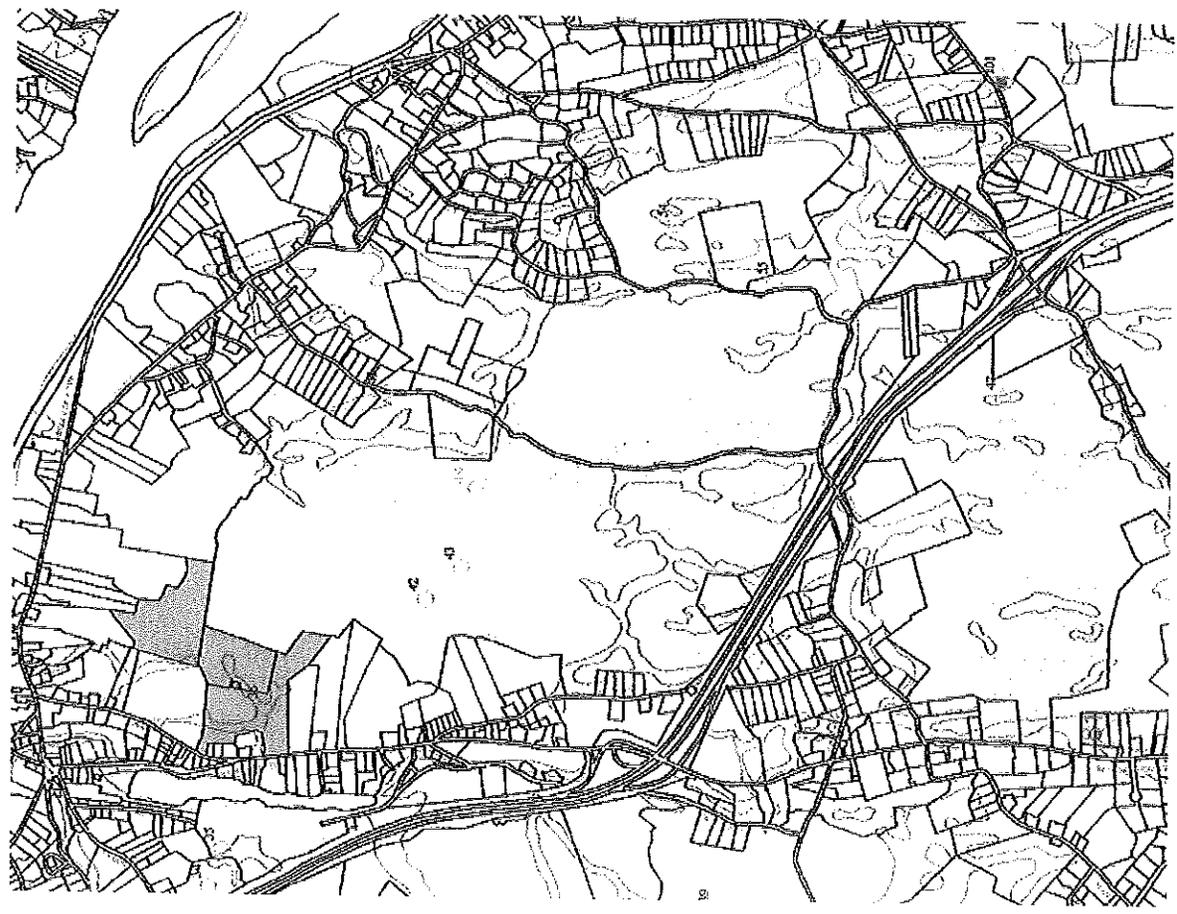
The property wraps around the northern end of Cockaponset State Forest In Higganum. The 54 acres are comprised of forest land with a variety of hardwoods, mountain laurel, streams, waterfalls, and rises gently toward the State Forest. It also contains a pond and a dam, and the stone ruins of a cabin, all dating to the 19th century.

A well-traveled hiking trail runs through the property from Rt. 81 up to the State Forest, already used by area residents for generations as though it was a public park. The land has never been developed, and blends seamlessly into the State Forest. The property was an approved 36 unit subdivision, but never built, and could readily be approved again and developed in the future. The other half of the original parcel has already been developed as the Walkley Heights subdivision, Phase One.

The land fronts on Route 81, a mile north of exit 9 of Route 9. This would provide needed access for DEP staff as well residents to Cockaponset State Forest from Route 81. This would preserve the 54 acres, expand the State Forest, and preserve the existing greenbelt from the State Forest through to open space owned by the Town of Haddam and the Land Trust.

Location of the
Higganum land
between the
State Forest and
Rt. 81

Proposed land for
State is in green;
note lack of access
to Cockaponset,
which is in yellow

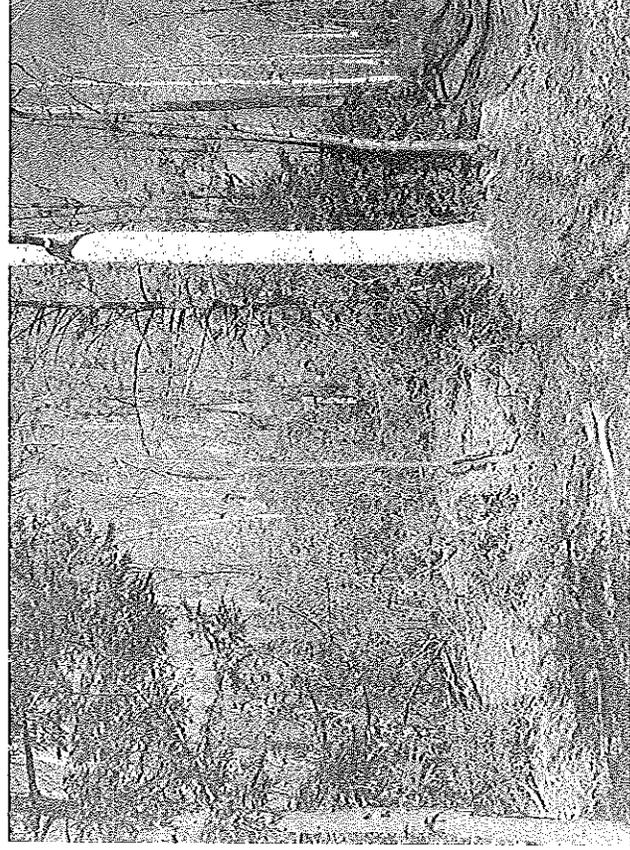


Aerial photo of property

note first phase of subdivision to the right



Mountain Laurel
and mixed
hardwoods along
path to State Forest



Path running along State
Forest boundary



Brook below
dam, heading
toward Route 81
and Higganum
Reservoir



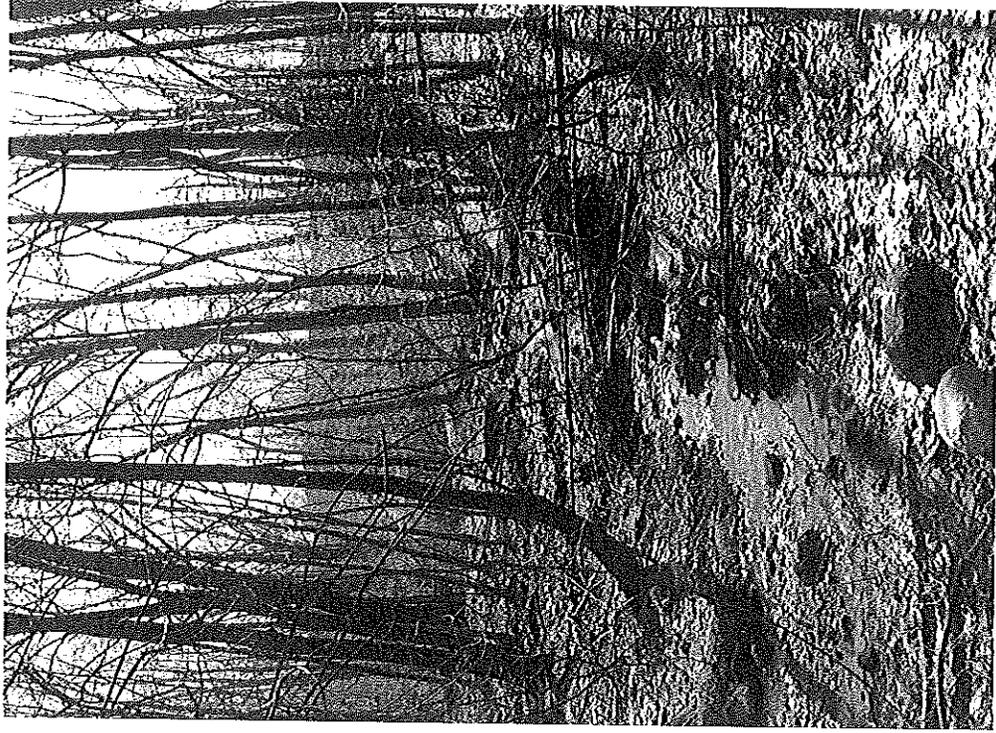
Pond behind
the dam



Waterfalls and pools on
the way down to Route 81



Spring-fed brook
running down to the
pond and dam



The Goodspeed parcel proposed for exchange would be a portion of their 2.7 acre lot on the river in East Haddam, just north of the Goodspeed Airport, and south of the Gelston House and Goodspeed Opera House. The land is cleared and level, and provides excellent access to the river. There is a section at the southern portion of the lot which is protected by a permanent easement for use by the town of East Haddam. This, of course, would remain in place.

Riverfront property south of Goodspeed Opera House and Gelston House



View looking south at Connecticut River



View to the North



Summary

We believe this proposed exchange is in the best interests of the citizens of Haddam, East Haddam, and the taxpayers of the entire State of Connecticut for the following reasons:

The DEP land is an excavated sand pit, surrounded by developed commercial and industrial properties. It would seem to be of little value to the State in terms of habitat, landbanking or continuity of open space.

The Higganum land would add 54 acres of pristine forest land to the State Forest at a strategic location, at the landlocked north end of the park, giving access to Cockaponset from Route 81 for DEP and for residents wishing to utilize this tremendous asset. The riverfront property in East Haddam provides excellent access to the Connecticut River.

The 17 acres would be put back onto the commercial tax roles, and make it available for economic development as planned by the Haddam Economic Development Commission in a 1999 study, which identified it as the most important property in town for economic development, given the potential for tourism-related projects complementing the Goodspeed Opera House, Essex Steam Train and cruise ships, and considering the high traffic volume on Rt. 82 and excellent access to Rt. 9.

Tax revenues would increase tremendously, and many construction and permanent jobs would be created.

Finally, the State of Connecticut would gain a direct financial benefit. As proposed, the State would receive approximately \$1.5 million dollars worth of property in return for property worth \$1.2 million.

We invite people to contact us at the Riverhouse to visit the properties involved and their surroundings and see for themselves.