



**BEACON FALLS BOARD OF SELECTMEN  
SPECIAL MEETING  
M.J. & J. Properties  
March 19, 2012  
MINUTES  
(Draft Copy-Subject to Revision)**

G. Smith called the Special Meeting to order at 6:00 P.M. with the Pledge to the Flag.

Present: First Selectman G. Smith, Selectmen C. Bielik and D. D'Amico. Also present Town Attorney D. Civitella, Attorney C. Smith, J. Martin and members of the public.

G. Smith started by saying that this meeting was called in order to make a decision regarding granting M.J. & J. Properties an extension regarding their contract and the Beacon Falls/M.J. & J. Property swap. He asked if anyone had anything to say.

C. Smith, Attorney for M.J. & J. Properties explained that this is the 3<sup>rd</sup> time they are before the board and asked if the board had any specific questions relating to their request for an extension. He reiterated what he presented at the meeting held a week ago. He explained that due to an illness of one of the partners, Monty Blakeman, the project was side tracked in that Monty traveled around the country looking for treatment and cures for his illness. In the end, Monty passed and therefore the project was setback. He explained that in the contract, they did have a right to ask for 3 6 month extensions.

C. Smith understands that the Town of Beacon Falls had some concerns regarding finances and noted that these issues were negotiated in the contract. He also noted that this property swap and project was agreed to at a very well attended town meeting with a very high vote in favor of the swap and project. He explained that M.J. & J. is ready, willing and able to continue with the project but are requested at this time one of the negotiated 3 6 month extensions.

C. Smith explained that while he is aware that he covered all of the details during the last meeting, he wanted to summarize them in the presence of the Beacon Falls Town Attorney.

J. Martin explained that he is now in front of a new board noting that this project began in 2004. He noted that it did in fact take the previous board 3 years to finalize the contract which happened in 2010. He explained that so far, M.J. & J. Properties have paid the town of Beacon

Falls \$120k in taxes and that not only was this a property swap acre for acre but M.J. & J. also gave the town \$250K.

J. Martin explained that as a builder, they could have chose to put up only houses on this property but in the interest of the town and with the intention of bringing in more tax dollars to the town, they chose to have some houses and some commercial property on this land. He noted that he had other options but wanted to reduce the tax rate of the town especially since he is a town resident. He noted that he is originally from Shelton and due to the progress on Bridgeport Ave., Shelton has one of the lowest tax rates in the state.

He noted that a project with this magnitude may end up taking more than 3 6 month extensions but the end result will bring in good tax dollars to the town.

J. Martin noted that his intention was not just to get the approval from this board for the extension but to get their support in that this will be a benefit to the town noting that the comprehensive plan will probably generate a million dollars in tax money per year.

G. Smith noted that each of the Selectmen met individually with D.Civitella and the following motion is what the Board of Selectmen has decided on.

D. Civitella explained that she has had extensive conversations with all of the attorneys involved included Attorney Browstein (J. Martin's personal attorney). She also researched this project in detail and reviewed it with the Secretary of State. The motion that G. Smith will read is a summary of all of her findings.

G. Smith motioned to deny the requested extension without prejudice for the following reasons:

1. In Section 5 of the Real Property Exchange Agreement, MJ&J agreed to submit and diligently process all applications required for approval of the mixed use development. Two years have elapsed, and MJ&J has provided no evidence that it has filed any applications, including those required for zone change and amendment of the state and local sewer maps. MJ&J has failed in its obligation to move this project forward as agreed. During these two years, the Town has been unable to market or utilize the subject property. The Town cannot continue to tie up this property indefinitely because of MJ&J's problems.
2. MJ&J owes the Town almost \$60,000 in taxes on property which is subject to the agreement. On March 12, 2012, James Martin, a member of MJ&J, gave the Tax Collector of Beacon Falls a check for \$10,000 in partial payment of the delinquent taxes. That night, the Selectmen considered the application for an extension and delayed a decision until March 19, 2012. On the morning of March 13, 2012, Mr. Martin demanded the return of the \$10,000 check, which was returned to him. Mr. Martin owes the Town almost \$20,000 in taxes on property he owns himself. Attorneys for the principals of MJ&J have confirmed that MJ&J has no assets other than the land it owns in Beacon Falls. For these reasons, it is reasonable to believe that MJ&J does not have adequate financial resources to carry out a project of this scale.

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3. The attorney for Monty Blakeman's estate has represented that the estate has adequate assets to fund the project described in the Real Property exchanged Agreement. The estate is currently disputing the extent of Mr. Martin's interest in MJ&J. The attorney anticipates filing federal tax returns in June 2012, however, he expects that the IRS will conduct an audit of the estate's return because of the size of the estate. An audit will take many months and could likely result in a court appeal taking years to conclude. It is not in the best interests of the Town to wait for the conclusion of the probate proceedings in the hope that the heirs will be willing to or will have assets sufficient to carry out the project.
4. The Town entered into the Real Property Exchange Agreement in large part based upon Monty Blakeman's reputation and experience. Monty Blakeman is no longer the manager of MJ&J and, given MJ&J's failure to perform its obligations under the contract over the past two years, the Town has little reason to believe that the remaining members will be able to carry out the project.
5. The new Comprehensive Plan of Development for the town has been drafted, and, in accordance with the state sewer map, does not allow for sewers in some areas proposed for residential development under the agreement. MJ&J was to have addressed this problem by requesting a change to the state sewer plan two years ago, but never did so. The Town risks losing water treatment upgrade funding from the state if it allows sewers in areas designated as septic only on the sewer map.

C. Bielick 2<sup>nd</sup> the motion. All voted aye.

G. Smith noted that the next item on the agenda was adjournment and asks for a motion to adjourn.

C. Bielick motioned to adjourn the meeting. D. D'Amico 2<sup>nd</sup> the motion. All voted aye.

Meeting was adjourned at 6:20 P.M.

L. Classey  
Clerk for the Board of Selectmen

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