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September 28, 2022

His Excellency, The Governor Ned Lamont
State Capitol
210 Capitol Avenue
Hartford, CT 06106

The Honorable William Tong
Attorney General of the State of Connecticut
165 Capitol Avenue
Hartford, CT 06106

Dear Governor Lamont and Attorney General Tong:

I represent a number of citizens of Groton, Connecticut who have organized in opposition to the plans undertaken by the Town of Groton and the State of Connecticut for development of the former Mystic Oral School property in Groton. This group is identified by the acronym MOSA, standing for Mystic Oral School Advocates. The efforts to develop the property have recently taken an alarming and illegal turn in that the State of Connecticut is prepared to convey the property to a party it never contracted with, for an imagined, fictitious development. Neither the newly involved party nor the proposed development have been approved by the state entities required by statute for the sale of surplus state property. In fact, it appears that the Purchase and Sale Agreement to the original party did not receive the approvals required for the sale of surplus state property. Further, this conveyance constitutes both an assignment prohibited by the Purchase and Sale Agreement and an unconstitutional emolument.

Connecticut General Statutes Sec. 4b-21 sets forth the procedure for the sale of land owned by the State that is treated as surplus. Prior to any sale subsection (g) requires the Commissioner of Administrative Services to notify various parties regarding its intent to sell the land, with particular emphasis on submitting the agreement for conveyance of the land to the State Properties Review Board, pursuant to subsection (h) for its approval. Subsection (h) requires the approval of the sale by “(1) the Secretary of the Office of Policy and Management, (2) the State Properties Review Board, (3) the joint standing committees of the General Assembly having cognizance of matters relating to (A) state revenue and (B) the purchase and sale of state property and facilities, and (4) if such land, improvement, interest or part thereof was purchased or improved with proceeds of tax-exempt obligations issued or to be issued by the State, the Treasurer.”

The Purchase and Sale Agreement, dated November 7, 2019, for conveyance of the Mystic Oral School property, describes the proposed development as the “Project” which in recital G. on page 2 is described as follows:

(it) shall consist of the construction of 700 to 800 multifamily living units and the redevelopment of the Oral School Building into a multi-use commercial building with about 115,000 square feet of rentable space providing amenities and services for residents and visitors. The Project will include recreational and retail space and parking for residents and visitors. The existing Pratt Building Recreation Center will be rehabilitated and will be leased by the Town for use by Town residents. The Project will be constructed in phases.

The “Purchaser” is described as RESPLER HOMES, LLC, a Connecticut limited liability company, with an address and place of business at 833 Glen Drive, Woodmere, New York 11598.

It has now been learned, through statements of the Commissioner of the Department of Economic and Community Development, David Lehman, an intention to convey the property to an entity known as Blue Lotus Group, LLC, which on September 15, 2022 issued a press release entitled “Blue Lotus Group Eager to Move Forward with Groton Residents and Officials to Shape New Vision for Mystic Education Center” celebrating its imminent purchase of the property and expressing its excitement “...to bring forward a vision for an active-adult, independent and assisted living community that promotes sustainability and is focused on wellness and a curated, holistic lifestyle.”

In place of the methodical RFP process engaged in by the State and the Town of Groton to choose a project and a developer to own the property we are now confronted with a different owner and development chosen solely by the principal of Respler Homes, LLC, Jeffrey Respler, whose record of criminal convictions for corruption are now public knowledge. Respler proposes to accomplish this substitution through the sale of 100% of his interest in Respler Homes, LLC to Blue Lotus, thus intending Blue Lotus to acquire its rights under the Purchase and Sale Agreement.

There are a number of reasons that this arrangement should not succeed. Paragraph 23 of the Purchase and Sale Agreement states: “The Purchaser shall not assign its interest in this agreement, except to a single purpose entity in which Seller or Jeffrey Respler has voting control...” Clearly Respler conveying 100% of his ownership to another entity violates this provision. Connecticut General Statutes Sec. 4b-21(i) provides, with respect to requesting approval of a surplus sale by the joint standing committees of the General Assembly,: “(i)f such request is withdrawn, altered, amended or otherwise changed, said commissioner shall resubmit such request...” There could not be a more complete alteration, amendment or otherwise changed Project than the substitution of an unknown, unvetted developer/owner proposing an undocumented, amorphous new age conception of a community “focused on wellness and a curated holistic lifestyle.” At a minimum this new request must be presented to the joint standing committees of the General Assembly for approval. The prospect of directing the sale of

the property for \$1.00 to an entity that did not compete for the right to own and develop it also raises issues under our State Constitution Article First Section 1 which protects citizens and taxpayers from State action conferring on individuals or entities private emoluments.

As mentioned in the first paragraph, based on an examination of the minutes of the State Property Review Board it does not appear that the Purchase and Sale Agreement was presented for, nor received, the approvals required by Connecticut General Statutes Sec. 4b-21. The failure to receive the approvals for the sale of State surplus property may have occurred due to the Purchase and Sale Agreement stating it was prepared “pursuant to Section 3 of Public Act 15-193”. Section 3 of Public Act 15-193 provides in Section (a) that “the Department of Economic and Community Development, in consultation with Department of Energy and Environmental Protection shall identify, market and remediate five geographically diverse state-owned...brownfields from the priority [brownfield] list...” Section (c) provides in pertinent part that the Commissioner of the Department of Economic and Community Development shall solicit proposals from companies interested in purchasing any of the state-owned brownfields on the priority list and match up to five of the brownfields with companies and sell, *notwithstanding chapter 59 of the general statutes, prepermitted, cleaned sites to the selected companies...* Chapter 59 of the general statutes includes Connecticut General Statutes Sec. 4b-21. Despite the reference to the Purchase and Sale Agreement stating it is pursuant to Section 3 of Public Act 15-193 the transaction is not exempt from Chapter 59 of the general statutes because it is not a sale of a prepermitted, cleaned site to a company. The Purchase and Sale Agreement explicitly states in paragraph 9, page 8, that the Purchaser shall accept the property in “AS IS” condition and further states that the purchaser acknowledges and agrees that the property is neither cleaned nor prepermitted.

Inasmuch as the Purchase and Sale Agreement failed to receive the approvals required by Connecticut General Statutes Sec. 4b-21 for the sale of surplus property this transfer cannot lawfully proceed. Also, given the provision in the Purchase and Sale Agreement prohibiting its assignment, which, based on the Blue Lotus press release has already occurred, the State should refuse to convey the property. To permit this transaction to proceed and confer a special benefit on Blue Lotus without any vetting or competitive process would violate our State Constitution. MOSA urges reconsideration of any transfer of the property under the circumstances and intends to see that the statutes and our constitutional protections are observed.

Very truly yours,

Edward E. Moukawsher

cc: Michelle Gilman, Commissioner of the Department of Administrative Services
David Lehman, Commissioner of the Department of Economic and Community
Development
Senator Heather Somers
State Representative Christine Conley