

# Respler Homes, LLC

Via E-mail ([david.lehman@ct.gov](mailto:david.lehman@ct.gov))

May 19, 2022

Mr. David Lehman  
Commissioner  
Department of Community and Economic Development  
450 Columbus Blvd., Suite 5  
Hartford, CT 06103

**Re: Mystic Oral School Development**

Dear Commissioner Lehman:

Thank you for your letter, dated April 22, 2022 regarding the Mystic Oral School Project (the “Project”) and my intention to transfer my membership interest in Respler Homes, LLC (“Respler Homes”) to Blue Lotus Group, LLC (“BLG”). In your letter, you raise a number of issues that I would like to address. I am hopeful that after I provide some perspective, you will agree that the Project, as envisioned by BLG, is consistent with the original RFP and is in the best interest of the State of Connecticut (the “State”) and the Town of Groton (the “Town”).

In your letter, you raised concerns about the departure of the BLG project from the original Respler Homes response. In order to address those concerns, it is important to look at Request for Proposals 18-25 (“RFP”), dated December 15, 2017. The RFP was issued jointly by the State and the Town. Throughout the RFP, the State and Town disclose their ambitious aspirational goals for the development of the Mystic Oral School property (the “Property”). Among them is the expressed desire of the State and Town for the property to realize its “best and highest use and to be added to Groton’s tax base.”

However, these lofty goals, were necessarily tempered by a very real challenge, known to both the State and Town: The property is only zoned for two-acre residential lots. The RFP, in my opinion, acknowledges the potential use limitation, but suggests that a more ambitious project is likely. The RFP states:

*The property is currently residentially zoned (RU-80), but the Town anticipates a future zoning amendment to address the proposed land use(s) for the selected development project.*

The State and Town were very clear, in the RFP, that despite the Property’s current zoning, they wanted project proposals consistent with their preferred uses, knowing that the final project would evolve through the zoning process. The RFP provides:

*Although a residential use may be part of a future development, the Town assumes that there may be other suitable uses for the property. The Town desires to first entertain the best plans prior to addressing the zoning amendment process for the preferred use.*



In other words, the State and Town intended to select a project proposal that would certainly change based on the type of zoning amendments approved by the Town's Planning and Zoning Commission.

The preferred uses listed in the RFP include:

- Housing for an aging population (i.e., independent living and assisted living)
- High-end residential conversion
- Hospitality/Recreation
- Mix of uses
- Institutional
- Municipal

None of these preferred uses were permitted as of right in an RU-80 Zone.

The proposal initially submitted by Respler Homes included a high concentration of residential uses, some commercial space primarily designed to serve the needs of the residential community, and a recreational use (rehabilitation of the Pratt Building and walking trails). Under the Development Agreement, and as contemplated under the RFP, the Town was responsible for applying for the necessary zoning text changes, which would create an overlay district suitable for the Project. Unfortunately, the Groton Planning and Zoning Commission publicly indicated that it would not approve any text amendments, which would permit a development on the scale of the Project.

The clear message I received from the Town was that Respler Homes needed to modify the scale and character of the development proposal in order to be successful in the zoning text amendment process. After spending more than four years and millions of dollars, hiring consultants, buying additional properties to support the Project, conducting environmental and engineering studies, and preparing numerous versions of development plans, the preferred use chosen by the State and the Town had not even made it through the initial stages of the zoning amendment process. I was forced to consider revisions to the Project, similar to those now being proposed by BLG. In retrospect, my need to revise the development proposal was a direct result of the State and Town creating an RFP which anticipated selecting a developer and a project consistent with their preferred uses, prior to addressing the significant zoning issues, which needed to be resolved in order for the selected developer to develop one of the preferred uses.

When I was approached by BLG representatives to purchase my underlying membership interest in Respler Homes, I conducted my own due diligence and ultimately concluded that BLG's acquisition of 100% of the membership interests in Respler Homes was in the best interest of all parties associated with this transaction, especially the residents of Groton. BLG also has the experience and funding necessary to develop a project envisioned by the State and the Town. It has put together an extraordinary project team with the necessary expertise to develop large projects. More importantly, BLG's proposed development plan remains consistent with the preferred uses contemplated by the RFP and is very much a reasonable evolution from the original proposal submitted by Respler Homes – something that I understand the Town desires. I find it incredibly frustrating and fundamentally unfair, that the issuers of the RFP can be concerned with



a departure from my project proposal, even though they created a selection process that guaranteed a final project which would be different from any of the original project proposal submissions, and when one of the issuers has refused to file the necessary text amendment application, which would allow Respler Homes to develop the proposed project.

I respectfully suggest that the BLG proposal is not a significant departure from the proposal submitted by Respler Homes in response to the RFP. Indeed, it is the logical evolution of the original proposal – one that is required to address the concerns of the Town of Groton Planning and Zoning Commission. The BLG proposal includes a commercial business operation that will operate and manage an assisted living facility, which will include residences, medical offices, a store, and a dining facility which will serve residents and their guests. The assisted living facility will employ significant numbers of administrative, medical, and service personnel. There will be a high-end active adult community consisting of a variety of housing types. Many jobs will be created to serve and maintain the community. There will be recreational amenities, some of which will serve not only the community, but the general public. In short, this mixed-use project will create many permanent jobs and substantial tax revenue for the Town. In addition, the residents of the active adult community will be an important boost to businesses in the Groton region.

I also respectfully suggest that the transfer of my membership interest in Respler Homes and the proposed development by BLG are consistent with Public Act 15-193 (the “Act”). DECD, as required by the Act, did solicit and review proposals from companies, and it did select Respler Homes. Respler Homes will continue to develop the site. There is no provision in either the RFP or the Contract prohibiting me from transferring my membership interest in Respler Homes. DECD, in conjunction with the Town, did review the various proposals, including one from Respler Homes, and selected Respler Homes, in part, based on the proposal submitted. However, as previously stated, the RFP issued by DECD and the Town, contemplated – in fact it ensured – that the original project proposal would evolve, perhaps significantly, by requiring respondents to submit development proposals before the Town had obtained the text amendments necessary to permit development of some form of one of the preferred uses identified in the RFP. Accordingly, the revised project contemplated by Respler Homes should not require any further approvals from the State Properties Review Board, the Office of Policy and Management, and the Department of Administrative Services.

I am in absolute agreement that the interests of the State should be focused on the return of otherwise derelict properties to productive use. I also agree that the Property should be redeveloped in a way that benefits the residents of the Town of Groton and the region. That is exactly what Respler Homes has endeavored to do. The proposed project, with BLG as the sole member of Respler Homes, will result in the remediation and redevelopment of a very environmentally challenged brownfield site. It will eliminate the blight of the vacant State-owned school and administrative buildings, which have been continuously vandalized. It will create jobs and increase the Town’s tax revenues. It will spur economic development. In order to move forward, I need to receive some assurance from you that the State will continue to honor the Contract and sell the Property to Respler Homes, regardless of the change in the underlying membership interests in Respler Homes.



To that end, I request a meeting with you, at your earliest convenience, to discuss this matter in detail. I will be happy to invite representatives of BLG to explain their vision for the Property, and Town officials, who have expressed support for the membership transfer to BLG. If I am unable to quickly reach an accord with the State, the transaction with BLG will fall through, the Project will undoubtedly fail, the Property will continue to pose an environmental and safety risk to its neighbors, and Respler Homes and the Town may end up in litigation.

Very truly yours,



Jeffrey Respler

cc: Gary O'Connor, Esq. ([goconnor@pullcom.com](mailto:goconnor@pullcom.com))  
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