Plans For Waterford Property Uncertain - Former Airport Site Recently Purchased For $15.9 Million
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By Patricia Daddona - Day Staff Writer

Waterford — High off the ground alongside Interstate 95, where an airport has long since been abandoned, a mini-billboard broadcasts the offer of 328 acres.

Four weeks ago, a limited partnership known as TMC Partners responded, paying Swartz Family Trust of Coraopolis, Pa., the owner, $15.9 million for the land. The purchased property, all undeveloped, includes 188 acres of the old airport site and 140 adjacent acres. An interior road ends abruptly amidst overgrown weeds and brush.

A short distance away, work planned for years is finally under way to relocate on- and off-ramps of northbound Interstate 95 and to rebuild the Cross Road bridge over the interstate. These changes should improve access to the airport property, as well as to hundreds more industrially zoned acres to the west and to the malls and businesses across I-95 — all areas targeted by the town for more growth.

Sewers are available there, and in the past five years, adjacent landowners paid to have the town install a water line.

The latest land sale and infrastructure improvements suggest that the area is being prepared for development. The zoning allows single businesses or industrial parks. Much of the land is flat, but a large swamp and some hilly terrain make some areas difficult to use, Town Planner Thomas V. Wagner said.

Whether the site is being primed for any development, however, is unclear. Town officials have no details on the TMC Partners plans, or who they are. Documents on file in three states, however, point to a web of recently formed partnerships and investors with close ties to Swartz Family Trust, the seller.

The Waterford Airport was built in 1945 on 188 acres along an unfinished road called Parkway South. In 1984, New England Savings Bank paid $1.2 million for the property. Three years later, the business closed for good when Reynolds Metals Development Corp. bought it for $3.5 million. Reynolds, an out-of-state corporation, never made good on plans to bring industry to the site.

In 1999 the Swartz trust bought the 188 acres for $5 million. At the same time, venture capitalist J.D. DeMatteo, chairman of Amalgamated Industries Inc. of Burlington, obtained options to buy the 140 adjacent acres. Between then and the Sept. 4 sale to TMC, a Swartz trustee became owner of that land, too.

DeMatteo is now the spokesman for TMC, but he has not returned repeated calls for comment. His firm once represented a faction of what is now the Eastern Pequot Tribal Nation and has sued the tribe after it was dropped for another developer.

“It would seem to me that certainly the trust has land-banked the property, waiting for the right opportunity to make the best of its potential,” said First Selectman Paul B. Eccard. “Now the land is being identified at a more current value, which allows it to be leveraged for borrowing for whatever project they may do.

“I don't know that (a project is planned), but that's what it looks like.”

• In southeastern Connecticut, where casinos tower over hills once frequented by nature-lovers, little seems far-fetched anymore when it comes to development. Hollywood investors are pitching a theme park and movie studio at the site of the former Norwich Hospital in Preston. In nearby Montville, a Los Angeles investor is buying up land that might be targeted for entertainment-related development.

Plans for Waterford's airport property, which have been in limbo for nearly 20 years, may be no less grandiose than their counterparts in Preston and Montville, but the principals in this latest real estate transaction have not said what they intend to do.

Eccard said he touched base with DeMatteo after the September sale but has not heard any details.

“I've communicated that I think this is some of the most important, developable property in that I-95 corridor,” Eccard said, “and that its best use is probably in a business park or technology park.”

Town plans of development since 1977 have recommended the area along Parkway South for that very use, Planning Director Thomas Wagner said. The land is on the southern fringe of a mix of developed and undeveloped land known as the “industrial triangle,” where isolated companies, a small business park and shopping centers are located. The triangle borders I-95, I-395 and Route 85, in the town's northeast.

• In the Waterford tax assessor's office, the sellers of the 328 acres are recorded as trustees Richard F. Swartz, Terri Lynn Blumling and unnamed others.

The buyer, TMC Partners, is a limited partnership registered to do business in Pennsylvania and Connecticut. Its general partner, David F. Baker III, formed the partnership in June. He owns Traditional Motor Cars Inc., an automotive service in Coraopolis that leases its land and buildings from the Swartz Family Trust.

Richard Swartz and Blumling are, respectively, the motorcar company's vice president and chief executive officer.

Secretary of the State Web sites define a limited partnership as a legal entity authorized to conduct business, acquire, hold and dispose of property. In such an arrangement, the general partners, but not the limited partners, are liable for the debts and obligations of the partnership. In that way, limited partners risk only their invested capital.

Besides owning the automotive service, the Swartz trust owns an office building and discount store in Coraopolis. All three businesses are assessed at a total of $879,400. The trust also owns several small vacant parcels in Pennsylvania. Trustees recently settled about $75,000 in outstanding tax debts in Waterford, according to the town's tax collector.

Baker and TMC took out a mortgage of $17 million on the 328 acres when they bought it on Sept. 4. The mortgage is due Dec. 11 to the lender, a limited liability company called Mathon Fund I of Mesa, Ariz.

Wagner said he thinks the Sept. 4 purchase price better represents the property's potential, but he fears the latest buyer has paid too much.

“The expectation of what they'll get in there concerns us,” he said. “The higher the sale, the more they expect for a return. More return typically equates to more intensive development.”

• Design began six years ago on the Cross Road bridge and interstate improvements, according to Betsy Leiss, a project engineer with the state Department of Transportation.

Federal funds first obtained by former U.S. Rep. Sam Gejdenson covered 90 percent of the design and construction work. Design costs were unavailable, but construction costs are estimated at $11.5 million, she said.

Leiss did not have an estimate for the project's total cost, but she said state funds would cover the remaining 10 percent. She said the work should be done in the fall of 2004.

An entrance ramp onto northbound I-95 by the airport property will be closed once the new on- and off-ramps are in place at Exit 81.

A future connection between Parkway South and Frontage Road in New London is possible, town officials said.

Recent commercial development along Route 85 in Waterford near the Crystal Mall, including Target and the Waterford Commons shopping center, has made the road improvements all but inevitable, Leiss said.

“We knew the area was growing and the need was there,” she said. “When I first looked at the job, there wasn't a heck of a lot of traffic out there. But when I visit the site now, there is.”

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