CITY OF NORWALK
ORDINANCE COMMITTEE
SPECIAL MEETING
JANUARY 15, 2019

ATTENDANCE: Eloisa Melendez, Chair; Tom Livingston; Doug Hempstead; Michael Corsello; Chris Yerinides; Beth Siegelbaum

STAFF: Attorney Brian Candela, Corporation Counsel

OTHERS: Tim Sheehan, Executive Director, Redevelopment Agency; Michael Church, Chair, Board of Ethics; Kara Murphy, Board of Ethics; Haroldo Williams, Board of Ethics; Lori Torrano, Board of Ethics

1. ROLL CALL

Ms. Melendez called the meeting to order at 7:02PM.

2. PUBLIC HEARING (possible action on):

There was no public hearing this evening.

3. PUBLIC HEARING DISCUSSION

There was no public hearing discussion this evening.

4. PUBLIC COMMENT

There was no public comment this evening.

5. ACCEPTANCE OF MINUTES

DECEMBER 18, 2018- ORDINANCE COMMITTEE REGULAR MEETING

Add Ms. Siegelbaum to the attendance.

**** MR. YERINIDES MOVED TO APPROVE THE MINUTES AS AMENDED.**
**** THE MOTION PASSED WITH (5) FIVE IN FAVOR AND (1) ONE ABSTENTION (MR. HEMPSTEAD).**

6. OLD BUSINESS

- Real Estate Tax Agreement Ordinance for Wall Street- West Avenue Neighborhood Plan Area (formally known as the Innovation District)

  Mr. Sheehan provided a background on the Real Estate Agreement Ordinance for Wall Street and said the genesis of the proposed ordinance stemmed from the inequity confronted by the development community with perusing investment in Norwalk's urban core as it relates to the geography north and south of I-95. Much of the area south of I-95 is within the city's enterprise zone which by municipal ordinance fixes real estate assessments resulting from improvements to physical real estate, and the fixed assessment period is for seven years by which the increased assessment resulted from the improvement is phased in according to a schedule and north of I-95 no such tax incentive to stimulate investment in real property exists. From a planning and economic development prospective the city considers both of these areas as a central part of the city's urban environment which is seeking to better unify. Additionally, both census tracks are deemed "qualified" by the Federal Government which evidence is a high degree of economic distress with regards to poverty rate, income, unemployment and high land construction and utility costs relative to the area needed income to support development. Consideration of extending this initiative the enterprise incentive northward was originally advanced to the Planning Committee of the Common Council by the Mayor's office and then Economic Development Director. The Planning Committee had a variety of concerns with the enterprise zone structure most notably it's "as of right" provision regarding benefit. However, a majority of the Planning Commission recognized the public policy inequity and the need for some real estate development incentive to stimulate real property investment in the I-95 north geography given its level of economic distress, and a softer more transparent means of providing the incentive setting forth the condition of "but for clause" to ensure that the incentive was applied only to projects that would be economically infeasible without such support, and were consistent with the municipal planning for the area. The Planning Committee advanced the ordinance to the Ordinance Committee as a working draft last spring and the Ordinance Committee has fully considered that which was advanced by the Planning Committee at a number of the committee meetings and two public hearings. Working through its Chair, members and comments from the public the committee has made proposed modifications to the draft ordinance over the past few months which are the subject of this evening's review.

Mr. Sheehan reviewed the changes that have been made to the proposed ordinance and said the incentive now applies to improvements equaling 100% of the taxable evaluation of the excluding land, and the incentive may not exceed 50% of the taxable increment realized by the improvement and the incentive is to be applied only to improvements that are conducive to attracting industries that are growing or mature and are the attraction and retention priorities as determined by the approved market capability study. The city must collect all current and existing taxes on the property and 50% of the taxable increment associated with the improvement. The maximum amount of the tax incentive available under the ordinance is reduced to $10 million dollars, and some new definitions were introduced into the ordinance and eligible uses were expanded to be consistent with the newly proposed zoning requirements for the area. Projects are ineligible if they obtained a building permit before January 1, 2019, had past due debt to the city totaling $5,000 or more for one year and within five years of filing an application, had two or more gross violations of the Norwalk City Code within two years of applying. The submitted application must have evidence via a municipal impact analysis of positive financial impact to the city and the project must have evidence "but for" the incentive the project is not economically feasible. The applications are now to be reviewed by the Chief of Economic and Community Development and applications with investments below 50,000 square feet the Chief of Economic and Community Development can under the discretion do that such analysis internally and there is a 45 day public comment period on all applications after which there is a public hearing to be held by the Planning Commission. The agreement must be executed within three months of the approval date and construction must commence within six months and be completed within 36 months. The intent of the modifications' is to further ensure that the use of the proposed incentive tool by the city's Economic Development professionals and the Common Council is aligned with the area's economic objectives embraced by public transparency and rigorous evaluation and apply to improvements that advance broad based economic opportunity.

Mr. Corsello said in the draft the fixed assessment period is for seven years and asked what the time period was in the original draft. It was also for the seven year provision. Mr. Corsello asked if there was a provision for extensions. Mr. Sheehan said under the enterprise zone there is a provision to extend which is through an application process that comes through the Redevelopment Agency and is approved by the Common Council and could go up to 10 years and the intent of the newly drafted proposed language is to have seven years as the maximum that they could get.

Mr. Hempstead said that he does not think that residential should be incentivized.

Mr. Hempstead asked under the eligible land uses if there is an exclusion if any of the institutions are allowed other tax breaks. Mr. Sheehan said there is not in the current language. Mr. Corsello said if he were in the decision making process and learned that someone was getting other tax incentives he would be disinclined to allow them to take advantage of this program. Mr. Hempstead said that there should be some protective language that provides the ability to exclude someone if they are receiving other tax benefits. Mr. Livingston said his concern is that there is a blanket provision and suggested including the language that eligible applicant shall not apply for any other municipal tax incentive.

Mr. Hempstead asked how the 50% in was arrived in the language that the city must collect all current and existing taxes on the property and 50% of the taxable increment associated with the improvement. Mr. Sheehan said that it is a maximum is 50%.

Mr. Livingston suggested that language be included that covers if the applicant declares bankruptcy or the business entity is dissolved to which it was granted they would no longer be eligible.

Mr. Livingston asked if the uses conform to the proposed zoning laws. Mr. Sheehan said "yes".

Mr. Hempstead asked after the city signs off on the agreement when does the applicant have to have it signed by. Mr. Sheehan said immediately upon the city being ready to have the agreement signed. Mr. Hempstead the language include that all parties must have a final signature within six months of the approval from the city. Mr. Livingston suggested the language state that it must be signed 30 days after the city signs and that the final tax agreement must be signed by all parties within 90 days of approval by the Common Council.

Mr. Yerindes said that there can potentially be new members on the Common Council every two years and asked if there any long term analysis. Mr. Sheehan said there should be three points that has some longevity to them and that one is the POCD, the Redevelopment plan and there is also a reference to the area market study.

Mr. Yerindes said he wants to be sure that people are not going to be pushed out of the area that have been there and asked if there is anything they can do to protect a percentage of residential affordable housing. Mr. Sheehan said that the Redevelopment Plan itself deals with the affordable housing issues for the area.

A letter was submitted into the record from Belpointe Capital by their Attorney.

**** MR. LIVINGSTON MOVED TO SEND THE PROPOSED ORDINANCE WITH THE CHANGES THAT WERE DISCUSSED TO PUBLIC HEARING ON FEBRUARY 19, 2019, AT 7:00PM.**
**** THE MOTION PASSED UNANIMOUSLY.**

- Code of Ethics and Citizen's Guide to the Code of Ethics

Mr. Corsello said he along with the committee recognizes that a lot of work was put into the changes and he thanked the Ethics Board for all of their work.

The committee reviewed each section including the Financial Benefit, Hearing Board, Immediate Family, Investigating Panel, Prohibited Representation, Prohibited uses of City property and Facilities, Prohibited use of Influence and Information, Prohibited gifts, Specific violations, Negotiation of future employment, Subsequent employment, and annual report sections as well as the Guide to the Code of Ethics and discussed their recommended changes. Mr. Hempstead suggested looking at the language for HUD as a reference. Mr. Williams also recommended looking at the State of Connecticut Code of Ethics. Mr. Corsello asked where the Board of Ethics had gotten the changed language from. Attorney Candela said that they had gone through the entire code and then he had gone through their changes and he made some recommendations and had used Stamford as an example and the changes were very minor.

Ms. Murphy said that one of the concerns that they have is that no one has been trained on the Board of Ethics and once the language is finalized The Board of Ethics would like to schedule training. Ms. Melendez also suggested that a workshop be held for incoming Common Council members.

Ms. Murphy said that there is a proposed Bill 5220 pending that may come up at the General Assembly this year and that the language has not yet been drafted and that the proposed Bill is an act establishing a right to appeal the municipal decision of a municipal Ethics Board to the Superior Court under the Uniform Administrative Procedures Act.

Ms. Melendez requested that the members of the Board of Ethics to attend the Ordinance Committee meeting of March 19, 2019 at 7:00PM for further discuss the recommended changes to the Code of Ethics and the Citizen's Guide to the Code of Ethics.

7. NEW BUSINESS

There was no new business discussed this evening.

8. DISCUSSION ITEM

There was no discussion this evening.

9. ADJOURNMENT

**** MR. YERINIDES MOVED TO ADJOURN**
**** THE MOTION PASSED UNANIMOUSLY**

The meeting adjourned at 9:20PM

Respectfully submitted,

Dilene Byrd
Telesco Secretarial Services