

**CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
DECEMBER 10, 2019**

ATTENDANCE: Felix R. Serrano, Chairman, Commissioners Lisa Cooper, John Igneri, William Speirs and David Westmoreland

AGENCY COUNSEL: Marc Grenier, Esq.

STAFF: Brian Bidolli, Executive Director, Tami Strauss, Deputy Director; John Slovak, Comptroller; Lori Guttman, Director of Community Development Planning.

CALL TO ORDER

Chairman Serrano called the Regular Meeting of the Norwalk Redevelopment Agency of December 10, 2019 to order at 5:31 PM.

ROLL CALL

Chairman Serrano noted that a quorum was present. He welcomed Brian Bidolli, the Agency's new Executive Director, and also acknowledged their new Commissioner, former Councilman and Council President, John Igneri.

PUBLIC PARTICIPATION

There was no one present from the public who wished to comment.

I-A. APPROVAL OF MINUTES

**** MR. WESTMORELAND MOVED TO APPROVE THE MINUTES OF THE NOVEMBER 12, 2019 REGULAR MEETING.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED (MR. IGNERI ABSTAINED).**

I-B. FINANCE

1. Approve NRA Operating Financial Statement for Year-To-Date October 31, 2019

Mr. Slovak reported on the NRA Operating Financial Statement for Year-To-Date October 31, 2019 as follows:

- Operating Fund 100 had revenues of \$480,523 versus budgeted revenues of \$495,923 with an unfavorable variance of \$15,400.
- Operating Fund 100 had total expenditures of \$471,574 versus budgeted total expenditures of \$507,554 resulting in a \$35,980 favorable variance.
- There is an actual operating surplus of \$8,949 versus a budgeted operating deficit of \$11,632 resulting in a \$20,580 favorable net operating variance.

**** MS. COOPER MOVED TO APPROVE THE NRA OPERATING FINANCIAL STATEMENT FOR YEAR-TO-DATE OCTOBER 31, 2019.**

**** MR. WESTMORELAND SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

2. Second Auditor Pre-issuance Financial Statement Review Report

Mr. Slovak said, as requested by the Board, a second certified public accounting statement on our financial statements for fiscal year ending 6/30/2019 was obtained, and the letter of November 19th from Prida, Guida & Perez, Certified Public Accountants, is in the Commissioner's package. It states they performed a pre-issuance review of the financial statements and audit reports of the Norwalk Redevelopment Agency for the year ended June 30, 2019, and also reviewed the audit documentation of Solakian & Company supporting its audit opinions, and based on their review, they concluded the financial statements and auditor's reports for the Norwalk Redevelopment Agency for the year ended June 30, 2019 complied with professional standards in all material respects.

Chairman Serrano said that was part of the peer review of the audit that was requested, and then next year's audit will be put out to bid.

3. Approve NRA Audited Certified Financial Statements for Fiscal Year Ending June 30, 2019

Mr. Slovak said the draft Audited Certified Financial Statements for Fiscal Year Ending June 30, 2019 were given to the Commissioners at the last board meeting, and any questions that the board had were answered. It was a good clean audit and there were no problems, so we would ask the Board to certify the financials so we can file them with the State of Connecticut by 12/31/19.

**** MR. WESTMORELAND MOVED TO APPROVE THE NRA AUDITED CERTIFIED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2019.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Chairman Serrano thanked John and his team for getting that good, clean audit.

4. Approve Budget Amendment for Salaries/Benefits

Ms. Strauss said as of last January we have had a part-time Housing Project Manager to fill in for some staff changes that occurred at that time, and we are now requesting a budget amendment to make that position a fulltime position to handle housing projects, rehab projects and facilities projects for the Agency. The person in that position has proven himself to be a professional, a quick learner and willing and able to do anything that we ask of him, and has been an invaluable asset to the Agency over the last eleven months. The request is for \$55,000, which is \$37,500 for salary and about \$17,000 of benefits through the rest of the year until June 30, 2020. Starting July 1st, 2020 we would incorporate that position into the fulltime salary budget. She would like to offer that person that position at this time.

Attorney Grenier said he would suggest that the Commission entertain a motion to approve a \$55,000 budget amendment for salary/benefits for fiscal year ending June 30, 2020.

- ** MS. COOPER MOVED TO APPROVE THE MOTION AS PRESENTED BY AGENCY COUNSEL.**
- ** MR. WESTMORELAND SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

II. 55/77 NORTH WATER STREET PROPOSED CHANGES IN USE/DESIGN

1. Find that proposed changes to the first floor uses at 55 North Water Street are consistent with the Reed Putnam Urban Renewal Plan.
2. Find that proposed changes to the first floor uses at 77 North Water Street will substantially change the Urban Renewal Plan and will require a modification to the Plan in accordance with State Statute.

Ms. Strauss said Redniss and Mead on behalf of their client that owns the buildings at 55 and 77 North Water Street has applied for a modification of the uses on the first floor of the buildings. The buildings were developed as part of the Reed Putnam Urban Renewal Plan and were completed and approved in 2007 with a mix of uses, which was intended per the Urban Renewal Plan. Each building has a bottom floor of office space with four stories of residential over the first floor, for a total of 136 apartments and about 29,000 SF of office space between the two buildings. There has been very low demand for office space in Fairfield County and those office spaces have been vacant for a long time, so Redniss and Mead has come forward with a proposal to change the first floor of 55 North Water Street from 13,000 SF of office to 2,000 SF of retail/restaurant, 7,000 SF of office and three residential units. 77 North Water Street has 16,000 SF of office and they propose changing that to 16 residential units, eight facing the back interior parking lot and eight on the street facing the side. Staff's recommendation is that the Commission find the proposed changes to the first floor of 55 North Water Street to be consistent with the Reed Putnam Urban Renewal Plan which called for a mix of uses in the buildings, and to find that the proposed changes to the first floor of 77 North Water Street will substantially change the Urban Renewal Plan in that it will go from 20% mixed use to 100% residential which would require a modification to the URP in accordance with state statute.

Craig Flaherty, president of Redniss and Mead, said he is there on behalf of the technical owners of the property. Selan Pather and Zorick Mall of Beinfeld Architecture, who were the original designers of the buildings, are also there. They have also been tasked with the modifications that they are proposing. The Reed Putnam area runs from West Avenue and North Main Street to the Norwalk River, and from I-95 to the railroad. It has been a very successful redevelopment block. Every major parcel set out to be redeveloped has been redeveloped.

Mr. Flaherty pointed out the subject site on an aerial exhibit. He said the buildings are each five stories with the ground levels as described. There are existing tenants in 55, SEG Corporation and Top Water Investments, but the tenant in 77, who was Virgin Atlantic, left two years ago. They had occupied the space since 2007. The owners have been desperately trying to find a new tenant for 77 over the last two years, but have been unable to find one.

As referenced in their report, office rental rates in Fairfield County have been falling consistently for at least five years. The absorption rate is negative, so the problem is getting progressively worse in terms of vacancies, which are getting close to 30%, so they would

like to take the opportunity for a potential redevelopment of their first floor. When their client first came to him, they were asking to do a full residential conversion on all of 55 and all of 77, but he realized that that was going to be a hard sell, so he talked to Bruce Beinfield about concepts and they came up with the plan before the Commission, which is the full residential conversion of 77 and a mixture of uses in 55.

Originally the urban renewal plan for the Reed Putnam area was approved in 1983, and in 1998 a comprehensive revision was approved by the Agency and the Common Council, and although the plan was revised again for the SoNo Collection for the mall, the objectives of that plan are still relevant today and the plan is the plan still in effect for parcel 3.

Mr. Flaherty passed out a handout in support of 55/77 North Water Street Proposed Changes in Use/Design, and went through the objectives. In 2008, the owner applied to effectively cut the restaurant space from 4,000 SF to 1,000 SF, which was approved by Zoning in 2008. In 2011 the owner requested the elimination of that restaurant space to create an office for the entire first floor of 55, and that was also approved in 2011. These actions by the Zoning Commission required referral review by the Redevelopment Agency. The Urban Renewal Plan itself was comprehensively revised in October 2015, but as noted on page 3B of the handout, "These latest revisions are intended to relate only to Parcels 1, 2 and 4 in the plan area as they are the remaining primary sites for development. All other parcels shall continue to be regulated by the Plan in effect at the time the parcels were developed".

Ms. Strauss said they are being asked to find that the proposed changes are either consistent with the current Urban Renewal Plan or will require an amendment to the URP. The design and the zoning and the design review of the project would come before the Agency at a later date if and when these changes are implemented and filed in zoning. Both staff and the applicant are in agreement that 55 is consistent with the Urban Renewal Plan, but the proposed change in uses for 77 is not as straightforward as it is going from a mix of uses to 100% residential, and so it is our recommendation that you find that the proposed changes for 55 are consistent with the Urban Renewal Plan as it is a true mix of uses that are responding to the current market conditions and are in accordance with the street activating definition that was just added to the zoning code, and that 77 per staff would require an amendment to the Urban Renewal Plan much the way the mall went through the amendment when they wanted to remove the hotel from the plan.

Mr. Westmoreland said he understands that what we are deciding is not about the design, but in his experience, we are being presented with a design tonight which he suspects could be dramatically different after we approve the changes, and he is concerned it will be viewed as a bait and switch, as happens on every single project in town.

Mr. Flaherty said we are not changing the use on 55. 77 is a different feel altogether, as it starts to separate from the street, and instead of one shared sidewalk along the building, you now have two sidewalks. There is a retaining wall and a railing that separates the public sidewalk along the street and the sidewalk along the building. That retaining wall rises in height as you walk north along the building, and by the time you get to the north wing of the building, there is a six or eight foot tall landscape berm that separates the public street from the building, so there is a difference between the two buildings and how they interact with the street. The predominance of pedestrian traffic is on the beautiful river walk so most

people are walking on the other side of the street anyway even further removing the public pedestrian traffic with the façade of 77, and that is why we really see a difference between the considerations for 55 and for 77. They are not proposing any changes to the sidewalk on both sides of the street, but what changes is really the use of the first floor.

There is a layout for 16 apartments. The middle core of the building becomes a community lounge and amenity space that includes a terrace outside, and they are hoping this gets activated by the use of the building, including doors going out so that residents can come out with their dogs or strollers and go out with kids to the playground, all of which will provide a little comfort to the streetscape evenings, nights and weekends. You have a pretty beautiful streetscape here because of its orientation. Mr. Flaherty noted that this will never be a successful retail location as there is no on street parking in front of this building, and you've got this huge separation from your front door and whatever signs you might want to put out.

Ms. Strauss said the process to change the URP is outlined in the state statute. You would have to go before the Planning Committee and then it has to be approved by the Common Council and then the Redevelopment Agency

Attorney Grenier said the question is whether or not the change as proposed is consistent or not. If it's not consistent, then there is a process for them to come back in which leaves the door open for them to change the plan.

Ms. Strauss said it should say that the first floor uses at 77 North Water Street is a substantial change to the Urban Renewal Plan and would require a modification to the plan.

**** MR.IGNERI MOVED TO (1) FIND THAT PROPOSED CHANGES TO THE FIRST FLOOR USES AT 55 NORTH WATER STREET ARE CONSISTENT WITH THE REED PUTNAM URBAN RENEWAL PLAN, AND (2) TO FIND THAT PROPOSED CHANGES TO THE FIRST FLOOR USES AT 77 NORTH WATER STREET WILL SUBSTANTIALLY CHANGE THE URBAN RENEWAL PLAN AND WILL REQUIRE A MODIFICATION TO THE PLAN IN ACCORDANCE WITH STATE STATUTE.**

**** MR. WESTMORELAND SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

III. NEW BUSINESS

(None.)

IV. OLD BUSINESS

(None.)

ADJOURNMENT

Upon motion of Ms. Cooper, the Norwalk Redevelopment Agency regular meeting of December 10, 2019 was adjourned at 6:25 P.M.

Respectfully submitted,
Karen Pacchiana