NORWALK re: DEVELOPMENT AGENCY

TO: MEMBERS, NORWALK REDEVELOPMENT AGENCY

FROM: EMIL ALBANESE, CHAIRMAN

DATE: SEPTEMBER 7, 2010

RE: **MEETING NOTICE**

The next scheduled meeting of the Norwalk Redevelopment Agency will be held on Tuesday, September 14, 2010, at 6:00 pm, in Room A 330, in Norwalk City Hall. **Please Note The Time and Day.**

REDEVELOPMENT AGENCY
SEPTEMBER 14, 2010
6:00 PM

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC PARTICIPATION

1. APPROVAL OF MINUTES
   August 10, 2010, Regular Meeting
   August 24, 2010, Special Meeting

2. FINANCIALS
   Statement of Revenues and Expenditures through 7/31/2010

3. BUSINESS
   A. Wall Street Parcel 2A
      1. Approval of the contract between the Norwalk Redevelopment Agency and the Cecil Group for independent review of the Wall Street Place Working Drawings

B. USEPA Brownfields

1. Authorization of the Agency to apply for \$200,000 from FY 2011 Brownfield Assessment Grant funding
2. Authorization of the Agency to apply for \$1,000,000 from the Brownfield Revolving Loan Fund

C. CEDF Small Business Loan Fund

1. Review and discuss proposed program concept

4. Legal

A. Freedom of Information Act

1. Review and discuss

5. NEW BUSINESS

6. OLD BUSINESS

ADJOURNMENT

CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
AUGUST 10, 2010

ATTENDANCE: Emil Albanese, Chairman; Commissioners Felix Serrano, Randy Napoletano, Lisa Cooper and Lori Torrano

AGENCY COUNSEL: Anthony DePanfilis, Esq., Marc J. Grenier, Esq.

STAFF: Timothy T. Sheehan, Executive Director, Munro W. Johnson, Sr. Development Project Manager, Susan Sweitzer, Sr. Project Manager and John Slovak, NRA Comptroller

OTHERS: Karen Meyers, Esq., Cummings & Lockwood, LLP; Douglas E. Hempstead, Planning Committee Chairman

CALL TO ORDER

The Regular Meeting was called to order at 6:03 P.M by Chairman Albanese.

ROLL CALL

Mr. Albanese called the roll. All Commissioners were present.

PUBLIC PARTICIPATION

Chairman Albanese opened the meeting for public participation. No one commented.

<u>APPROVAL OF MINUTES – July 14, 2010, Regular Meeting</u>

** **MR. NAPOLETANO MOVED TO APPROVE THE MINUTES OF THE JULY 14, 2010 REGULAR REDEVELOPMENT AGENCY MEETING.**
** **MR. SERRANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

I. FINANCE

1. NRA Operating Statement for April 30, 2010
2. NRA Operating Statement for May 31, 2010
3. NRA Year to Date Operating Statement for June 30, 2010

4. NRA Quarterly YTD Profit and Loss Statements and Balance Sheets for All Funds for the Fiscal Year Ending June 30, 2010

Mr. Slovak reported on the financial statements for fiscal year ending June 30, 2010 as follows:

Total revenues including interest income and miscellaneous revenues for Fiscal Year Ending June 30, 2010 for Norwalk Redevelopment Agency are $1,733,329.

NRA Project Expenses totaling $136,731 represent half of the cost of services provided by NEDC employees for City Capital projects.

NRA Program Expenses totaling $770,448 include six months of NEDC services provided for CDBG, DECD and City Services.

Total Expenditures are $5,838,812 for Fiscal Year Ending June 30, 2010 for Norwalk Redevelopment Agency. The largest expenditure is a $4,000,000 grant to NEDC.

The NRA Net Operating Deficit for 12 months is ($4,105,483). This deficit includes the $4,000,000 grant to NEDC, and $105,483 in expenses paid for services provided by NEDC employees to Norwalk Redevelopment Agency for management of City economic development projects.

The ($105,483) NRA operating deficit was offset by a NEDC operating surplus of $123,482. This results in a combined NRA and NEDC operating surplus of $17,999 for Fiscal Year Ending June 30, 2010.

In terms of the balance sheet, there is approximately $5,000,000 in cash and money markets. Also included are the comparative P&Ls and Balance Sheets for Fund 100, 115, 200, 300, and 500.

** **MR. SERRANO MOVED TO ACCEPT THE FINANCIAL REPORT AS PRESENTED.**
** **MS. COOPER SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

II. BUSINESS

A. **<u>Norwalk Economic Development Corporation</u>**

1. Review and discuss the formulation of the Norwalk Economic Development Corporation.
2. Consideration of modifying the Tri-party Agreement between the Redevelopment Agency, North Walke and the Norwalk Economic Development Corporation and related actions concerning the grant agreement between the Norwalk Redevelopment Agency and the Norwalk Economic Development Corporation.

Chairman Albanese asked Mr. Sheehan to give a short history of how the Agency formed the NEDC.

Mr. Sheehan explained that the formulation of the NEDC was in response to a decrease in governmental support at all levels of government. The Commissioner of DECD indicated that it would no longer be providing operational support associated with its grants, and combined with declining revenues in Community Development Block Grant resources, as well as other areas of government funding, such as EPA, the Agency was looking at potential revenue shortfalls of up to $400,000 annually, which shortfalls the Agency had not seen in well over nine years.

The Agency did not want to be in a situation where it was ultimately taking resources out of the NRA to expend on economic development projects and be the only contributor on the operational side, so the purpose of forming the NEDC was to have those costs shared with all of the parties that utilize the services of the Agency both public and private. The NEDC brings forward a host of funding resources that are not available to the Redevelopment Agency as a governmental entity. Private grants and foundations do not support governmental entities, but they do support nonprofits, so the NEDC was a way for the Agency to be more creative in dealing with the budgetary gaps by looking into additional resources that the Redevelopment Agency could not apply for, and go after those resources through the NEDC.

In response to a question by Ms. Torrano, Mr. Sheehan said there was never any intent in taking the employees away from the City and stopping services that the NRA has always provided to the City of Norwalk. All of the services that the NRA has normally provided would be provided by the NRA, which would contract for the services via the NEDC. Transferring the employees was a means by which the employees could participate in other work that would be outside of the governmental sector. Ultimately, the relationship between the NRA and the NEDC is a contractual relationship from a subsidiary to a parent basically providing services back to the NRA in exchange for payment to the NEDC.

Mr. Sheehan said consideration of the NEDC was years in the making, and before the Redevelopment Agency considered establishing the NEDC, there were numerous discussions with City leadership and with the City's finance director about how the Agency was going to continue to maintain ongoing operational support when there was nothing coming in from the state or federal government to support those operations, and while the assets of the Agency are not insignificant, it cannot go on indefinitely experiencing a potential deficit every year of $400,000 or more.

Chairman Albanese introduced Karen Meyers, Esq. of Cummings and Lockwood, and asked her to summarize her work with regard to the NRA and NEDC.

Ms. Meyers said she first began discussions with Mr. Sheehan in January or February of 2009, which was shortly after the stock market issues, and they talked about the structure of the entity. It was decided to form it as Connecticut non-stock corporation, which is how charities are usually formed. The Agency was made the sole member, which under the non-stock corporation laws meant the corporation was a wholly owned subsidiary of the Agency. As such, the Agency has control over the bylaws and who is on the board, as well as approval of any funds expended that are out of the ordinary course of business. The other benefit of forming it as a non-stock corporation is that the Agency could apply for a tax exempt status with the IRS, which permits the NEDC to apply for grants and have access to other charitable contributions that may not be available to the Agency. Because it is a wholly owned subsidiary, the rules that govern the NRA basically govern the NEDC from the City's standpoint. The Agency employees were not paid by the City, but rather the Agency supported its own employees. Likewise, the benefits and pension plan for the Agency employees were all supplied by the Agency.

Mr. Sheehan noted that the City of Norwalk does provide funding to the Redevelopment Agency for services directly related to the Fair Housing Officer, the Housing Site Development, the City's Marketing and Business Development Director and the Mayor's Neighborhood Improvement Coordinator, and although that funding covers a significant portion of the costs of those services, the responsibility of the employees rests solely with the Redevelopment Agency.

Ms. Meyers said the transfer of money was a grant from the Agency to the NEDC and the grant agreement specified that it had to be for economic development purposes. In order to move those funds out of the NEDC for anything other than an ordinary course expenditure, the Agency, as the member, had to approve that.

She said Attorney Maslan raised some issues in a memo to the Mayor in July 2009, and she responded in writing to those issues. As she did not get a response back from Attorney Maslan, she assumed he was okay with their position.

Mr. Sheehan noted that there were a few meetings in which the Mayor and corporation counsel participated. The discussion was basically to get an understanding of the receptiveness on the part of the chief elected officer of the City and corporation counsel as to what their thoughts were with regard to the whole concept of the NEDC.

Mr. Albanese noted that the Mayor's office was engaged during the conceptual stage and throughout the process, and there are emails and informal notes to that effect.

Ms. Meyers said their position was that this was an internal shifting of employees within an Agency and was not changing anything at the City level, and based on both the history of the Agency and on what she read in a section of the City code, her opinion was that it was not necessary to have Attorney Maslan approve the transfer, although she was happy to talk to him about it if he had continuing concerns.

Ms. Torrano asked what happened after Attorney Meyers forwarded her letter and didn't hear back from Attorney Maslan; did they have any other formal communication with the

Mayor's office or corporation counsel or were they of the opinion that they were on solid ground and went ahead with the funding of the NEDC?

Mr. Grenier said after they did not get a response to Attorney Meyers' July 10th, 2009 letter to Attorney Maslan, there was eventually a vote on going forward with the NEDC and ultimately funding it and executing a grant agreement between the Agency and the NEDC. The transfer then took place and the work started. It was a question of implementation, and the implementation was a carefully drawn up process to make sure everyone, including the Mayor and the Commissioners, was comfortable at least going forward.

Mr. Sheehan said there was one step to formulate the entity, then there was another step six months later in terms of moving the employees and funding it, and there was serious cautiousness on the part of all of the Commissioners to make sure that the leadership of the City was comfortable with it, and obviously that took time and there were discussions on that.

Ms. Torrano said the NEDC is an issue that erupted back in June, and the Commission is at a juncture where there are a lot of questions about what was done and why. This is the first time the Commission has talked about it in this level of detail, and she would like to get the record clear with respect to why the Commission did what it did in order to clear up any misunderstandings that might have developed. She said she thinks there is a lot of merit to the NEDC and she is very excited about the possibility of utilizing it as a tool for making up revenue that they have enjoyed for all the years, but can't get now. She said in looking back over the public record to try to figure out who knew what and how did the genesis of this develop, there really is not much for anyone to rely on.

Mr. Napoletano said he feels that the Agency and Commission did its due diligence in notifying the appropriate areas and bodies of the City. It was a process that took time, and there was specific discussion as to forming the organization and funding it. Perhaps there should have been a more formal discussion, but he thinks that the Commission appropriately reached out to the people they needed to, and they did not hear back and he was comfortable with doing what they did at that point. Because the process did not happen over night, there was plenty of time for other interaction to take place if there were concerns that this wasn't the appropriate action for the Commissioners to take from the City's standpoint, and that didn't happen.

Ms. Torrano said by no means does she mean to imply that there was any hastiness or any lack of due diligence, but she thinks in hindsight there should have been more public discussion about it, which is one of the concerns that has been expressed.

Mr. Albanese noted that the Commission formed the corporation last summer, but did not fund it until January, so the City had a lot of time to reflect on it. He thanked everyone for coming, and said it is great to begin a dialogue such as they are doing now. A lot has happened in the past three months, and as Chairman he has learned a lot from it. Going forward it is something that will benefit him and how he interacts with his fellow Commissioners, the public and their counsel, and that will be something they can do altogether and collaboratively. He thinks what is happening is healthy and something that everybody should look at as a win.

Mr. Napoletano said in thinking back over the last year, he cannot remember anyone speaking for or against what the Commission was presenting with regard to the NEDC. As someone new to the City processes, he looks to public input to gauge where they are going, but having received none specifically to the NEDC, it is hard to judge how the public is faring on this. He pointed out that the NEDC is on the agenda for that night's meeting, and there is no public participation.

Ms. Torrano said conceptually she thinks the NEDC is a great idea, but going forward she thinks the Commission needs to have a refresher on why it goes into executive session to make sure that it utilizes it properly, and leaves enough in the public record to show that the issue was discussed.

Mr. Albanese said there are several courses of action the Commission could take; it could do nothing and leave the corporation as it is, it could dissolve the corporation, or do something in the middle, such as have the corporation operating but operating without employees and without significant funds. He called for a motion on the proposed Tri-party Agreement prepared by Attorney Meyers.

Ms. Meyers explained that there was a three party agreement when the NEDC was funded and the employees were moved over, and the agreement the Commission would be approving basically is undoing everything in terms of the employees and the property, which is one piece of the agreement. The other piece deals with the grant agreement from the Agency to the NEDC, and that would be reversed so that the grant agreement is moved back from the NEDC to the Agency. The liabilities of the NEDC are also transferred, and then there is a general authorization that all of the officers of the Agency can do anything that effectuates those resolutions.

Mr. Grenier pointed out that they are not unwinding the corporation. Essentially it is staying as a non profit, so everything stays the same other than transferring the employees back, to address some concerns that the Common Council had. Obviously, the funding is being transferred, as they need the money in order to pay the employees.

Ms. Torrano asked if the hope was to reconstitute the NEDC at some point. Mr. Grenier said the response they have gotten back from the Planning Committee is that they would like to be part of the process and they would like to continue to work collaboratively. There are other issues that the Common Council wants to take up in regards to streamlining the approval process for projects going forward, but he thinks the dialogue will continue.

Mr. Albanese said it is his intention to have their business open to the public. They look forward to beginning collaborative conversation and dialogue with the Mayor's Office and the Common Council to see how, if and when they can possibly best serve the City for the greater good of Norwalk.

*** MR. SERRANO READ THE PROPOSAL AS FOLLOWS:
THE PROPOSED RESOLUTIONS OF THE COMMISSIONERS OF THE NORWALK REDEVELOPMENT AGENCY, AUGUST 10, 2010, WHEREAS AFTER CAREFUL CONSIDERATION AND CLOSE CONSULTATION WITH LEGAL COUNSEL, THE COMMISSIONERS OF THE NORWALK REDEVELOPMENT AGENCY, (THE "AGENCY") DETERMINED IN JULY 2009 THAT IT WOULD BE IN THE BEST INTERESTS OF THE AGENCY TO FORM THE NORWALK ECONOMIC DEVELOPMENT CORPORATION TO FURTHER THE ECONOMIC DEVELOPMENT PURPOSES OF THE AGENCY.

WHEREAS THE AGENCY CAUSED THE NEDC TO BE FORMED;

WHEREAS THE NORWALK COMMON COUNCIL HAS EXPRESSED CONCERN ABOUT THE TRANSFER OF EMPLOYEES AND CERTAIN ASSETS FROM THE AGENCY TO THE NEDC;

WHEREAS THE AGENCY WISHES TO RELIEVE THE CONCERNS OF THE COMMON COUNCIL TO ENSURE THAT THE COMMON COUNCIL AND THE AGENCY CAN CONTINUE TO WORK TOGETHER TO ADVANCE THE ECONOMIC AND COMMUNITY DEVELOPMENT OF NORWALK; AND

WHEREAS THE AGENCY BELIEVES THAT DISCUSSIONS WITH THESE PARTIES WILL PROCEED MOST EFFECTIVELY IF CERTAIN ACTIONS ARE TAKEN WITH RESPECT TO THE NEDC.

IN VIEW OF THE FOREGOING, THE COMMISSION HEREBY PASSES THE FOLLOWING RESOLUTIONS:

EMPLOYEES, LIABILITIES AND OBLIGATIONS. RESOLVED THAT ALL OF THE EMPLOYEES OF THE NEDC SHALL BE TRANSFERRED TO THE AGENCY WITHIN FIFTEEN DAYS FOLLOWING THE DATE OF THIS RESOLUTION AND SHALL THEREAFTER BE AGENCY EMPLOYEES; AND

RESOLVED THAT ALL OF THE LIABILITIES AND OBLIGATIONS OF THE NEDC SHALL BE ASSIGNED TO AND ASSUMED BY THE AGENCY.

SERVICES, OTHER PROPERTY. RESOLVED THAT FOLLOWING THE TRANSFER OF EMPLOYEES DESCRIBED ABOVE, SERVICES TO BE PERFORMED FOR NORTH WALKE

HOUSING CORPORATION ("NORTH WALKE"), NEDC AND THE AGENCY WILL BE PERFORMED BY EMPLOYEES OF THE AGENCY;

RESOLVED THAT EXCEPT AS OTHERWISE PROVIDED IN THESE RESOLUTIONS, ALL PROPERTY OF THE NEDC SHALL BE TRANSFERRED TO THE AGENCY; AND

RESOLVED THAT THE AGREEMENT AMONG NORTH WALKE, NEDC AND THE AGENCY ATTACHED HERETO AS EXHIBIT A WHICH PROVIDES FOR THE TRANSFER OF NEDC EMPLOYEES AND PROPERTY TO THE AGENCY AND THE CHANGE TO PERFORMANCE OF SERVICES DESCRIBED ABOVE IS HEREBY APPROVED.

FUNDS AND OTHER PROPERTY. RESOLVED THAT ALL OF THE FUNDS IN THE ACCOUNT OF THE NEDC OTHER THAN $25,000 BE RETURNED TO THE AGENCY TO BE HELD AND USED SOLELY FOR ECONOMIC DEVELOPMENT PURPOSES WITHIN THE REDEVELOPMENT AREAS OF THE CITY OF NORWALK;

RESOLVED THAT THE LETTER AGREEMENT IN THE FORM OF EXHIBIT B HERETO PURSUANT TO WHICH THE NEDC SHALL GRANT $4,040,989.42 TO THE AGENCY IS HEREBY APPROVED.

GENERAL. RESOLVED THAT THE PROPER OFFICERS OF THE AGENCY SHALL BE AND EACH OF THEM HEREBY IS AUTHORIZED, EMPOWERED AND DIRECTED TO TAKE ANY AND ALL SUCH FURTHER ACTION TO PREPARE, EXECUTE, DELIVER AND FILE ALL SUCH OTHER AGREEMENTS, INSTRUMENTS AND DOCUMENTS AND TO DO ALL SUCH FURTHER THINGS IN THE NAME AND ON BEHALF OF THE AGENCY TO PAY ALL SUCH OTHER FEES, EXPENSES AND TAXES AS IN THEIR JUDGMENT WILL BE NECESSARY OR ADVISABLE IN ORDER TO FULLY CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY AND CARRY OUT THE INTENT AND PURPOSES OF THESE RESOLUTIONS.

*** **MS. TORRANO SECONDED.**

*** **THE MOTION PASSED UNANIMOUSLY**

Council President Hempstead thanked the Chairman. He said he looks forward to working together on developing a plan that is best for Norwalk, and they have his full pledge publicly that they are there to work together. He knows there has been some difference of opinions, and he wants to thank the Commission for putting this together, which he thinks will give them the effort and ability to work together versus working against one another.

Mr. Albanese thanked Council President Hempstead for his comments.

B. Washington – South Main Street Improvement Area II

1. Agreement between North Water Street LLC and the Redevelopment Agency for the installation of temporary street lighting at 20 North Water Street

Ms. Sweitzer said the item is in response to concerns that have been evident for some time regarding the vacancy of the Norwalk Company Building and the discomfort it has created for those trying to walk between the Maritime Garage and Washington Street. In response to that concern, the Agency is proposing to purchase and install eight wall mounted bracket lights so as to better illuminate the sidewalk and create lighting for the historic façade of the building. In the packets is an agreement with the existing property owner, North Water LLC, for the installation of the lights and the maintenance thereof. There is a proposal from Eleck & Salvato for the purchase and installation of electrical services to serve the lighting, as there is no electric service to the existing building, and a Service Provider Insurance Agreement which will provide the property owner with protection from the actions of their contractor. She said the light fixtures will be owned by the Agency and, because they are temporary, can be moved and installed elsewhere in the likely event that the building is redeveloped.

Mr. Sheehan noted that there is a public safety issue, as well as a perception issue. Walking from the Maritime Garage down to Washington Street at night is very intimidating. The building owner does not have a responsibility to provide lighting. That is a public function, and he thinks the proposal is a way to get the lighting installed and is a good investment on the part of the Agency.

*** **MS. TORRANO MOVED TO AUTHORIZE TIMOTHY T. SHEEHAN, EXECUTIVE DIRECTOR, TO EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE THE INSTALLATION OF THE EIGHT HISTORIC LIGHT FIXTURES AT 20 NORTH WATER STREET.**

*** **MR. NAPOLETANO SECONDED.**

*** **THE MOTION PASSED UNANIMOUSLY.**

C. West Avenue Corridor Redevelopment Plan Area

1. Application to HUD for a Community Challenge Planning Grant in the amount of $1 Million

Ms. Sweitzer said the Agency has been invited to participate in a collaborative application through HUD and the Department of Transportation in their Community Challenge Planning Grant program for localized planning. Their partnership in this grant would be Stepping Stones Museum for Children, Seligson Properties and the Norwalk Housing Authority. The Agency is seeking the funds to assure project designs that permit greater physical access and visual access among the project areas which offer employment centers, educational resources and housing options. The grant is a new partnership for Sustainable Communities in collaboration between HUD and the Department of Transportation. The grant request is in the amount of $1 million and Stepping Stones is putting up $300,000 as the community match. The grant request is due August 23rd.

*** **MS. COOPER MOVED TO APPROVE THE SUBMISSION OF THE HUD COMMUNITY CHALLENGE PLANNING GRANT APPLICATION AND AUTHORIZE TIMOTHY T. SHEEHAN, EXECUTIVE DIRECTOR, TO EXECUTE ALL DOCUMENTS REQUIRED FOR THE APPLICATION SUBMISSION.**

*** **MR. NAPOLETANO SECONDED.**

THE MOTION PASSED UNANIMOUSLY.

D. <u>Connectivity</u>

1. Authorization to apply for federal TIGER grant in the amount of $15.6 Million for the urban circulator

Mr. Johnson said the TIGER grant, which stands for Transportation Investments Generating Economic Recovery, is a grant opportunity for federal money for infrastructure investments. The grant became available in June and is due in August, so there is a very short window, but because there is a lot of money on the table, the Agency made the decision to try to put something together. This was motivated by the Connectivity initiative, which has been very active in the community and generating a lot of good ideas for how to situate its development agenda.

The development agenda is subject to a huge economic transformation that is underway, but one which, if it comes to pass, will double the volume of development in the downtown between the "Wheels" HUB in the north and the South Norwalk Rail Station in the south. Those two transit hubs were developed separately two miles apart over the course of time to the inconvenience of anyone who needs to use both. That issue is being looked at in the course of the Connectivity initiative as to whether there needs to be better connection between "Wheels" and the South Norwalk Rail Station.

Toward that end there has been some active discussions about a circulator, which is a high frequency transit vehicle that would bounce back and forth between the northern transit hub and southern transit hub hitting the major developments along the way, and in the process, convert the parking facilities associated with the transit hubs into a more multi modal and welcoming environment to promote connectivity.

Mr. Sheehan said the demand today is extremely limited, but the dollars on the federal government side as part of a stimulus are here today, and it is probably not going to be there when the economy turns around and the projects begin to go into the ground. The funds are highly competitive and chances of success are a long shot, but he thinks the Commissioners would agree that if you are living in Wall Street, you shouldn't have to get in your car to go out to dinner in South Norwalk. You should be able to jump on this type of a circulator and be in South Norwalk in five minutes.

Mr. Albanese noted that young professionals living in Avalon that need to get to the South Norwalk Train Station either have to drive or take the bus, which is not usually that accessible, so the circulator would be a benefit to them.

Ms. Torrano said she thinks it is a great idea and thanked Mr. Johnson for his presentation. .

*** **MR. SERRANO MOVED TO (1) AUTHORIZE STAFF TO APPLY FOR TIGER II DISCRETIONARY GRANTS UNDER THE TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATION ACT FOR 2010, AND (2) AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN SUCH FORMS AS ARE NECESSARY TO SUBMIT THE APPLICATION.**

*** **MS. TORRANO SECONDED.**

*** **THE MOTION PASSED UNANIMOUSLY.**

IV NEW BUSINESS
(None.)

V. OLD BUSINESS
(None.)

ADJOURNMENT

There being no further Old or New Business, upon motion by Mr. Napoletano, seconded by Ms. Cooper, the Norwalk Redevelopment Agency meeting was adjourned at 7:18 P.M.

Respectfully submitted,

Karen Pacchiana

CITY OF NORWALK
REDEVELOPMENT AGENCY
SPECIAL MEETING
AUGUST 24, 2010

ATTENDANCE:	Emil Albanese, Chairman; Commissioners, Lisa Cooper and Lori Torrano (via teleconference)
AGENCY COUNSEL:	Marc J. Grenier, Esq.
STAFF:	Timothy T. Sheehan, Executive Director

CALL TO ORDER

Upon motion by Ms. Torrano, seconded by Ms. Cooper, the Special Meeting of the Norwalk Redevelopment Agency was called to order at 1:01 P.M by Chairman Albanese.

ROLL CALL

Mr. Albanese noted that a quorum was present.

PUBLIC PARTICIPATION

Mr. Sheehan observed that there was no member of the public present to participate.

I. BUSINESS

A. Norwalk Economic Development Corporation

1. Approval of the disposition of assets from the Norwalk Economic Development Corporation as stated in the attached letter agreement by and between the Norwalk Economic Development Corporation and the Norwalk Redevelopment Agency

Mr. Albanese said the action taken on this item will mirror the action taken by the Commissioners at the meeting on August 10, 2010.

*** **MS. TORRANO MOVED TO ACCEPT THE PROPOSED RESOLUTIONS OF THE MEETING OF THE COMMISSIONERS OF THE NORWALK REDEVELOPMENT AGENCY, AUGUST 24, 2010, AS FOLLOWS: THE LETTER AGREEMENT BETWEEN THE NORWALK REDEVELOPMENT AGENCY (THE "AGENCY") AND THE NORWALK ECONOMIC DEVELOPMENT CORPORATION (THE "NEDC") DATED AS OF AUGUST 10, 2010 (THE "LETTER AGREEMENT") PURSUANT TO WHICH THE NEDC IS MAKING A**

GRANT AWARD IN THE AMOUNT OF FOUR MILLION FORTY THOUSAND NINE HUNDRED EIGHTY-NINE DOLLARS AND FORTY-TWO CENTS ($4,040,989.42) TO THE AGENCY, WHICH LETTER AGREEMENT IS ATTACHED HERETO AS EXHIBIT A, IS HEREBY APPROVED BY THE AGENCY IN ITS CAPACITY AS SOLE MEMBER OF THE NEDC.

*** **MS. COOPER SECONDED.**

*** **THE MOTION PASSED UNANIMOUSLY**

Mr. Sheehan said, to bring the Commissioners up to date, Mr. Albanese and Mr. Serrano have authorized the NEDC payment to the NRA which based on the action today will be executed. The Agency will be sending a letter shortly to the Mayor and the Council President indicating that the transaction has happened. The employees have all been transferred back to the Norwalk Redevelopment Agency and on Thursday their check will be reading the Redevelopment Agency as opposed to the NEDC, so everything the Agency committed to having done by the 25^{th} will be done.

IV NEW BUSINESS
(None.)

V. OLD BUSINESS
(None.)

ADJOURNMENT

There being no further Old or New Business, upon motion by Ms. Torrano, seconded by Ms. Cooper, the Norwalk Redevelopment Agency meeting was adjourned at 1:05 P.M.

Respectfully submitted,

Karen Pacchiana

AGREEMENT

This Agreement ("Agreement"), dated as of the ___ day of August, 2010, is entered into between Norwalk Redevelopment Agency (the "Agency"), North Walke Housing Corporation ("North Walke") and Norwalk Economic Development Corporation ("EDC").

RECITALS

WHEREAS, the Agency, North Walke and EDC entered into an agreement dated as of December 9, 2009 (the "Original Agreement"); and

WHEREAS, the parties have determined that such agreement shall be terminated.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. TERMINATION OF AGREEMENT

The Original Agreement is hereby terminated as of the Effective Date (as defined below).

2. PERSONNEL

2.1 EDC shall release all of its personnel from their current positions with EDC within fifteen (15) days of the date of this Agreement.

2.2 The Agency shall hire all of the personnel released by EDC pursuant to Subsection 1.1 hereof, as of the date and time that EDC releases them. The Agency will pay the same salaries, provide the same benefits and retirement plans and carry over the seniority, vacation day accruals, and similar conditions, as were provided to such personnel by EDC.

2.3 The date on which the employees of EDC are transferred to the Agency as described in this Section 1 shall be defined herein as the "Effective Date". The Agency shall indicate what is the Effective Date in the minutes to the meeting of its Board of Directors that immediately follows the Effective Date.

3. SERVICES

EDC shall provide such services to, for and on behalf of the Agency and North Walke and the Agency shall determine from time to time.

4. TRANSFER OF PROPERTY

EDC herby transfers to the Agency all of EDC's property that is necessary for the performance of the Agency's business, including computers, desks, telephone equipment, documents, and any other property that the Agency will require to provide its Services hereunder. The Agency will pay EDC the book value of such property as consideration.

5. MISCELLANEOUS

5.1. **Assignment**. This Agreement may not be assigned by any party without the prior written consent of the other parties, except that any party may assign this Agreement to a successor in connection with the merger, consolidation, or sale of all or substantially all of its assets or that portion of its business to which this Agreement relates.

5.2. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties and supersedes all previous negotiations, commitments, and writings with respect thereto.

5.3. **Amendments and Waivers**. This Agreement may be amended, supplemented, or otherwise modified only by means of a written instrument signed by EDC, the Agency and North Walke. Any waiver of any rights or failure to act in a specific instance shall relate only to such instance and shall not be construed as an agreement to waive any rights or fail to act in any other instance, whether or not similar.

5.4. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

5.5. **Severability**. In the event that any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any other provision of this Agreement, and the parties shall negotiate in good faith to modify the Agreement to preserve (to the extent possible) their original intent.

5.6. **Application of Law**. This Agreement shall be governed by and construed in accordance with the laws of the state of Connecticut irrespective of any conflicts of law principles. Each party agrees that any legal action arising out of or in connection with this Agreement shall be brought in, as appropriate, the State or federal courts in Connecticut.

IN WITNESS WHEREOF, the undersigned have caused this Services Agreement to be executed as of the date first written above.

Norwalk Economic Development Corporation

By:____________________________
Name: Felix Serrano
Title: Vice-Chairman

Norwalk Redevelopment Agency

By: __________________________
Name: Emil Albanese
Title: Chairman

North Walke Housing Corporation

By:____________________________
Name: Felix Serrano
Title: Vice-Chairman

Norwalk Redevelopment Agency
Financial Statement Explanation
For the Month Ending July 31, 2010

- Total revenues including interest income and miscellaneous revenues for the month ending July 31, 2010 are $179,640.
- Miscellaneous expenses include expenditures for the Agency Annual Meeting as well as the non-reoccurring expense to produce marketing and business development materials.
- Total expenditures for the month ending July 31, 2010 are $178,894.
- There is a resulting operating surplus for Norwalk Redevelopment Agency of $746 for the month ending July 31, 2010.

Norwalk Redevelopment Agency Inc.

Statement of Revenues and Expenditures - Board P & L Comparison YTD, Prior YTD

100 - NRA Operating - Fund 100

From 7/1/2010 Through 7/31/2010

(In Whole Numbers)

	YTD Actual	Prior YTD Actual
REVENUES		
Grant Revenues		
Grants - City Positions	35,755	35,507
Grants - State DECD	0	23,002
Grants - Federal CDBG	74,942	49,522
Total Grant Revenues	110,697	108,031
Other Revenues		
Interest Income from Notes	839	3,069
Interest Income - Other	5,945	13,707
Deferred Revenues	62,126	13,583
Miscellaneous Revenues	33	4,792
Developers	0	15,770
Total Other Revenues	68,943	50,921
Total REVENUES	179,640	158,953
EXPENDITURES		
Personnel		
Salaries	123,389	108,170
Taxes & Benefits	33,651	35,710
Total Personnel	157,040	143,880
Administrative		
Professional Fees - Legal	0	90
Professional Fees - Other	1,417	1,700
Consultants/Contracted Svcs	752	0
Occupancy	1,147	1,076
Office Expenses	1,370	324
I.T. Expense	909	597
Travel/Seminars	20	659
Miscellaneous	15,680	8,020
Total Administrative	21,296	12,467
Program Expenses		
Other Program Expenses	0	892
State Program Expenses	559	1,024
Total Program Expenses	559	1,916
Total EXPENDITURES	178,894	158,263
NET OPERATING SURPLUS/(DEFICIT)	746	690

NORWALK re: DEVELOPMENT AGENCY

TO: MEMBERS OF THE NORWALK REDEVELOPMENT AGENCY

FROM: TIMOTHY SHEEHAN, EXECUTIVE DIRECTOR

DATE: SEPTEMBER 1, 2010

RE: WALL STREET REDEVELOPMENT PARCEL 2A
PHASE 1 WORKING DRAWINGS' DESIGN REVIEW

In accordance with the pertinent provisions of the Land Disposition and Development Agreement (LDA), the redeveloper for Wall Street Redevelopment Parcel 2a recently submitted Working Drawings for Phase I. Under the LDA, the Redevelopment Agency is to review these drawings for 1) completeness, and 2) conformance with the approved Construction Plans.

Steve Cecil of the Cecil Group performed previous design reviews for this project, both at the Conceptual Master Site Plan, and the Phase I Construction Plan stages, and is therefore staff's sole recommendation for undertaking this final review, especially in light of the technical nature of the drawings. I am therefore seeking your approval to retain Mr. Cecil for this review. The retainer is attached for your reference.

ACTIONS:

1) APPROVE THE CECIL GROUP TO PROVIDE DESIGN REVIEW OF POKO IWSR, LLC'S PHASE I WORKING DRAWINGS FOR REDEVELOPMENT PARCEL 2A.

2) AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE ATTACHED RETAINER.

PO BOX 5125 · 125 EAST AVENUE, NORWALK, CT 06856-5125 · TELEPHONE 203-854-7810 · FAX 203-854-7734

Independent Peer Review of Working Drawings for Parcel 2A (POKO) Development

Contract for Professional Services between
Norwalk Redevelopment Agency and The Cecil Group, Inc.

This Agreement is by and between the Norwalk Redevelopment Agency, 125 East Avenue, Norwalk, CT 06856 (herein called "Client") and The Cecil Group, Inc., 241 A St., Suite 500, Boston, Massachusetts, 02210 (herein called the "Consultant"):

The Client desires to engage the Consultant to provide certain professional services.

The parties do mutually agree as follows:

1. The Consultant (including identified Subconsultants) shall perform the services specifically described in the attached Scope of Services (Exhibit A).

2. If the Consultant determines that further specialized studies or consultant services are required, the Consultant will inform the Client. Should these services be provided through the Consultant as a subcontract, an amendment in Scope of Services and Compensation shall be prepared accordingly.

3. Client agrees to pay the Consultant as compensation for professional services called for in Exhibit B attached to this Agreement and according to the fees and conditions as described below.

    - Billings will be monthly and will be based on services provided.
    - Direct costs are included within the lump sum compensation.
    - Payment will be due within 30 days of receipt of invoices.
    - Additional services or additional direct expenditures will be provided upon request at standard hourly rates or on another mutually agreeable basis. Additional tasks must be authorized by the Client in writing prior to proceeding.

4. All mutually agreed upon changes in the project tasks of the Consultant under this Agreement, including but not limited to any increase or decrease in the amount of the Consultant's compensation, shall be incorporated into amendments and subject to the same requirements as this Agreement.

5. The Consultant shall perform the services in a timely fashion that is consistent with professional standards of care. The project will be completed as described in Exhibit A unless otherwise agreed to by both parties. The ability to perform this schedule assumes timely scheduling of meetings and prompt review of submitted materials by Client.

6. In providing services under this Agreement, the Consultant will endeavor to perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

7. If either party fails to fulfill, in timely and proper manner, its obligations under this Agreement, the other party shall thereupon have the right to terminate this Agreement with seven days written notice of such failure and termination to the other party. The Client may also choose to terminate this Agreement without cause at any time. In the event of termination of services, reproductions of all finished and unfinished documents prepared by the Consultant shall, at the option of Client, shall be delivered to the Client and the Consultant shall be entitled to receive just and equitable compensation for work completed on such materials.

8. The Consultant shall not assign or transfer this Agreement or interests in this Agreement without the consent of Client.

9. Client agrees that Client officers and staff will be available for consultation, for arranging meetings and coordinating communication with the representatives of Client, stakeholders, and others as necessary.

10. Client shall provide base information, research and studies that they have available for use during the provision of services, including any available surveys, maps, parcel maps, tax records indicating ownership, street maps, engineering drawings concerning streets and utilities and other resources. The Consultant shall assume that the information provided by Client is reliable for the purposes of these services. All materials and information provided to the Consultant by Client under this contract shall remain the property of Client and shall be returned to Client upon completion of this contract or upon early termination of this contract.

11. Both parties acknowledge that the Consultant's Scope of Services does not include any services related to asbestos or hazardous or toxic materials.

12. The Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Client and all officers and employees (collectively, Client) against all damages, liabilities or costs, including reasonable attorney's costs to the extent caused by the Consultant's negligent performance of professional services under this Agreement and that of its subconsultants or anyone for whom the Consultant is legally liable.

13. The Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Consultant, its officers, directors, employees and subconsultants (collectively, Consultant) against all damages, liabilities or costs, to the extent caused by the Client's negligence under this Agreement and that of its subconsultants or anyone for whom the Client is legally liable.

14. Neither the Client nor the Consultant shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence.

15. Drawings, reports and other deliverables are Instruments of Service and the Consultant shall be deemed the authors and Clients of these Instruments of Service, and shall retain all common law, statutory and other reserve rights, including copyrights.

16. Upon Execution of this Agreement, the Consultant grants to the Client a nonexclusive license to reproduce and use the Instruments of Service for its purposes.

17. The Cecil Group will commence services immediately upon notification to proceed by the Client.

Norwalk Redevelopment Agency

Date

Steven G. Cecil AIA ASLA, President
The Cecil Group, Inc.

August 31, 2010

Date

Exhibit A: Scope of Services

The purpose of this Scope of Services is to provide a "peer" design review of the POKO development proposal for Parcel 2A for the Working Drawings phase regarding the project's architecture and site planning. The Cecil Group will provide third party professional review and advisory services. By approving this agreement and Scope of Services, the Norwalk Redevelopment Agency authorizes The Cecil Group to review these documents independently and issue its professional opinion regarding the consistency and completeness of the Working Drawings as submitted by POKO. This will be accomplished within the time frames specifically designated within the Land Disposition Agreement (LDA), including a scheduled a time period after issuing the professional opinion contract to review the firm's professional findings with the Agency.

The criteria for review and comments will include completeness and consistency with the executed (LDA) for the project, consistency with the approved Conceptual Site Master Plan (CSMP) and other previous submittals, and adherence to the existing design guidelines established for the area.

Services will include review of information submitted by the proponent, preparation of draft and final findings and recommendations, meetings and coordination. This will include coordinating reviews and findings with other consultants that may be engaged by the Norwalk Redevelopment Agency for related reviews, if necessary. The following tasks are assumed as part of these services:

- Task 1: Project Initiation – Services will consist of an initial review of submitted documents relative to the review criteria noted above, and the preparation of a request for clarifications or additional information if required.

- Task 2: Review of "Working Drawings" - Services will consist of the professional review of submittals and any supporting documentation. A Draft Memorandum covering the review of the initial submittals will be prepared listing findings and recommendations. The Draft will serve as the basis for review and comment by the Norwalk Redevelopment Agency and the proponent.

- Task 3: Review of Final Submittal, "Working Drawings" and Preparation of Final Memorandum - Services will consist of the review of comments to the draft Memorandum and any final submittals and any supporting documentation that may be provided by the proponent . A final Memorandum on Findings and Recommendations will be submitted.

- Task 4: Meetings – Three meetings are anticipated within the Scope of Services and are expected to include : one (1) coordination meeting with the proponent and representatives of the Norwalk Redevelopment Agency, one (1) meeting with the Planning and Zoning Commission (P&Z) and Department of Public Works (DPW) , and one (1) meeting with the Board of Directors of the Norwalk Redevelopment Agency.

Additional services not anticipated in the Scope of Services may be requested and provided upon a mutual agreed basis. Such services might reasonably include:

- Additional reviews and additional opinions or iterations or reports required because of design changes by the proponent after the submittal of draft or presumed final documents other than those requested or recommended by The Cecil Group.

- Additional meetings or presentations beyond those reasonably anticipated with the following Project Schedule.

- Additional iterations of design review services associated with extended time frames beyond the presumed Schedule.

Schedule

The Cecil Group will work diligently to accomplish all tasks including providing the professional opinion and follow-up meetings with the Norwalk Redevelopment Agency and others by October 1, 2010.

Exhibit B: Compensation

Compensation for this effort will be on a lump sum basis according to the following schedule by task:

Task	Cost
Task 1: Project Initiation	$1,000.
Task 2: Review of "Working Drawings"	$1,500.
Task 3: Review of Final Submittal, "Working Drawings" and Preparation of Final Memorandum	$1,500.
Task 4: Meetings	$3,600.
Total Cost	$7,600

Additional services will be provided at the request of the Norwalk Redevelopment Agency and subject to written authorization. Compensation for additional services will be on an hourly basis, subject to the following conditions:

<u>Standard Hourly Billing Rates:</u>

$195 per hour for Principals
$ 135 per hour for Professional Level A (Senior Designers and Senior Project Managers)
$ 110 per hour for Professional Level B (Project Managers and Senior Job Captains)
$ 95 per hour for Professional Level C (Senior Professional Staff)
$ 80 per hour for Professional Level D (Senior Technical Staff and Junior Professional Staff)
$ 65 per hour for Professional Level E (Junior Technical Staff)

NORWALK re: DEVELOPMENT AGENCY

TO: COMMISSIONERS, NORWALK REDEVELOPMENT AGENCY

FROM: MICHAEL MOORE
SENIOR PROJECT MANAGER FOR DEVELOPMENT

DATE: SEPTEBMER 3, 2010

RE: AUTHORIZATION TO SUBMIT GRANT APPLICATION – FY2011 USEPA BROWNFIELDS ASSESSMENT GRANT

ABSTRACT

Norwalk Redevelopment Agency (Agency) staff is seeking authorization permitting the Executive Director to execute an application to the U.S. Environmental Protection Agency (USEPA) for $200,000 in Brownfields Assessment Grant funding. This funding will allow the Agency to continue its Norwalk Brownfields Initiative and permit additional environmental assessment of those properties in close proximity to the South Norwalk Train Station. Such assessment activity will assist to foster transit-oriented development in South Norwalk.

BACKGROUND

In 2006, the Agency received a $400,000 grant award from the USEPA for the purpose of inventorying, prioritizing and assessing Norwalk's environmentally-contaminated, 'brownfields' properties. This funding allowed the Agency to address sites that are impacted by both hazardous substances and petroleum-based products. At the conclusion of the grant period, the Agency, with technical assistance from its brownfields consultant, completed Phase I Environmental Site Assessments (ESAs) on nine (9) properties, Phase II ESAs on five (5) properties and completed a Remedial Action Plan for the property at 30 Monroe Street (i.e. the surface parking lot at the eastbound side of the South Norwalk Train Station).

Staff wishes to apply for $200,000 in hazardous substances funding only. Although this funding is available for use throughout the community, staff intends to use this funding to continue the assessment of properties south of Washington Street and in proximity to the South Norwalk Train Station. Such assessment funding will help to complete pre-development activity that is vital to fostering transit-oriented development within this neighborhood.

ACTION REQUESTED

Agency staff respectfully requests the authorization needed to permit the Executive Director to draft and submit an application to the USEPA for $200,000 in Brownfields Assessment Grant funding.

MOTION

The Executive Director of the Norwalk Redevelopment Agency is authorized to submit an application to United States Environmental Protection Agency for $200,000 in FY2011 Brownfields Assessment Grant funding.

NORWALK re: DEVELOPMENT AGENCY

TO: MEMBERS, NORWALK REDEVELOPMENT AGENCY

FROM: MICHAEL MOORE, SENIOR COMMUNITY DEVELOPMENT PROJECT MANAGER

DATE: SEPTEMBER 7, 2010

RE: REQUEST FOR AUTHORIZATION TO APPLY FOR FEDERAL GRANT FUNDING – U.S. ENVIRONMENTAL PROTECTION AGENCY BROWNFIELDS REVOLVING LOAN FUND

BACKGROUND

Norwalk Redevelopment Agency (Agency) staff seeks authorization permitting the Executive Director to apply for grant funding from the U.S. Environmental Protection Agency (EPA). The Agency will seek $1,000,000 in grant funding in order to capitalize a revolving loan fund dedicated to the remediation of environmentally-contaminated "brownfields" throughout Norwalk. If awarded, the Agency must utilize up to fifty-percent (50%) of the resources from the revolving loan fund to provide loans to property owners for remedial activities. The Agency may use no more than 50% of the awarded funds for sub-grants. EPA requires applicants to provide a match equating to twenty percent (20%) of the requested funds. As described in its written guidelines, EPA permits applicants to use *money, labor, material, or services* to meet the cost share requirement.

While the Agency will apply to use these funds on a community-wide basis, it is the Agency's intention to target the resources of the proposed revolving loan fund within the City's redevelopment and urban renewal plan areas as well as the economically distressed neighborhoods of South Norwalk.

Agency staff considers this grant resource an opportunity to sustain its on-going brownfield efforts. Agency staff is currently deploying EPA Brownfield Assessment Grant funds to complete the inventory, prioritization and assessment of brownfield sites within the target area referenced above. A revolving loan fund will supplement on-going brownfields efforts, aid the Agency's redevelopment/urban renewal projects and help foster transit-oriented development within South Norwalk.

ACTION REQUESTED

Staff respectfully seeks authorization from the Norwalk Redevelopment Agency permitting the Executive Director to apply for up to $1,000,000 in funding from the federal EPA's Brownfields Revolving Loan Fund Program.

MOTION:

The Norwalk Redevelopment Agency authorizes the Executive Director to apply for up to $1,000,000 in current funding from the U.S. Environmental Protection Agency's Brownfields Revolving Loan Fund Program.

MEMORANDUM

TO: NORWALK REDEVELOPMENT AGENCY

FROM: TAD DIESEL

DATE: SEPTEMBER 7, 2010

RE: CEDF SMALL BUSINESS LOAN FUND CONCEPT

This memorandum seeks to outline for the Commissioners the general concepts of a proposed small business lending partnership that could be established between the City of Norwalk and the Connecticut Community Economic Development Fund Foundation (CEDF), a statewide community development financial institution (CDFI). The purpose of this proposed partnership is to maintain existing and enhance new small businesses in Norwalk. Small business lending has become much more difficult as a result of the nation's protracted recession. Readily accessible credit is important for small business retention and growth. Thus, the Redevelopment Agency staff has undertaken preliminary discussions with CEDF on how best to address the local concerns regarding access to capital which have resulted in the following conceptual programmatic scope. Obviously, this one program with very limited resources will not resolve all the small business lending problems in Norwalk, but it should be considered as a proactive step in trying to consider how to resolve some of them. In reviewing this concept, alternative approaches that might work more efficiently with less financial risk for either the Agency or the City are welcome.

BACKGROUND AND PROPOSED PROGRAM SCOPE

- CEDF is a 16-year old statewide organization that provides greater access to capital, technical assistance to small businesses, and support for community economic development.
- The proposed lending partnership with Norwalk is a loan guarantee program (the "Program"), predicated upon capitalizing a guaranteed pool up to $500,000.
- With the guarantee pledge of up to 30% of the loans by Norwalk, CEDF proposes to lend up to $1,666,667 to Norwalk small businesses.
- The individual loans to Norwalk businesses will range in size; the minimum loan amount is $2,500 and the maximum loan size is $150,000.
- CEDF will underwrite, approve, close and service all loans.

- The National Development Council (NDC) will review each Norwalk loan for financial and programmatic compliance and approve each loan recommended by CEDF prior to its closing.
- The City's capitalization source will be disbursed in two (2) installments, each of which is $250,000. The second installment will not be invested until there is a satisfactory review of the program's results with the first installment.
- It is recommended that a Section 108 Loan be used as the City's source of capitalization(s).
- The Section 108 Loan is hard debt and as such, the loans require a reliable repayment source.
- The Community Development Block Grant (CDBG) funds is suggested as the primary source of repayment of the Section 108 Loan.

WHAT IS REQUESTED OF THE REDEVELOPMENT AGENCY

In order for the proposed structure to work, the Redevelopment Agency has to favorably consider participating in the loan fund by providing a bridge and enhanced security on the City's proposed capitalization source, the Section 108 Loan.

1. **Bridging the initial $250,000 capitalization of the fund**

   Reason:
   The proposed program contemplates the funds for the guarantees (up to 30% of the loans) being on deposit to CEDF in a program-specific account. CEDF needs to have the funding readily available to immediately cover any "calls" on the guaranteed portion of the debt. However, if no guarantees are called it makes no sense to draw immediately upon a hard debt source (Section 108) to fund the account. This source should only be utilized when the guarantee is "called". As such, the Agency would be asked to consider using up to $250,000 of Agency equity to initially fund the guarantee account. If any guarantee is subsequently called, it is contemplated that the Agency and the City would have a contract authorizing the Agency to draw up the Section 108 funds to replace, in full, the Agency's called upon funds.

   Mechanics:
   - The Agency will capitalize the fund with equity in a program specific interest bearing account. The Agency will not capitalize the fund until it has an agreed contract with the City authorizing the release of the Section 108 funds to cover any subsequent calls on the Guarantee Fund.
   - Once a claim is called upon the Guarantee Fund by CEDF, the fund will disburse the appropriate amount using Agency equity as the bridge.
   - The Agency will subsequently draw the proportionate amount of the call from the Section 108 funds according to the contract with the City and the fund will be proportionately reduced by the amount of the call.

2. **Providing enhanced security on the Section 108 Loan (up to $500,000)**

   Reason: Should Section 108 funds be disbursed under this program, the loan is proposed to be repaid during a 10-year amortization period from an annual appropriation of the City's community development block grant (CDBG), as an eligible economic development activity. However, given the fact that CDBG funding is annually authorized by Congress and subject to funding cuts and/or elimination, HUD requires "enhanced security" on Section 108 loans. Absent any other form of security under the proposed structure, the Agency would need to provide such a guarantee on the City's Section 108 Loan as a secondary backstop repayment source on the debt service. This guarantee would only be called upon should the CDBG program be eliminated by Congress.

OTHER ACTIONS REQUIRED

Should the Norwalk Redevelopment Agency be willing to advance further discussion of the proposed Small Business Loan Fund concept and its assumption of the functions previously outlined, the concept will be advanced to the Common Council Planning Committee for its consideration. The Common Council ultimately would have to approve the use of the City's CDBG as the repayment source for the Section 108 debt and any related contract with the Agency authorizing reimbursement from the Section 108 Loan for any call upon the Agency's initial bridge to the loan fund.

In addition, the Council's formal authorization of $500,000 of the $2,850,000 Section 108 loan to capitalize the loan fund as proposed is required. The Section 108 loan as previously approved by the Common Council has been approved at the HUD staff level and a congressional notification process is required before the official HUD approval announcement. It should be noted that the Agency's guarantee would only relate to the Small Business Loan Fund component of the Section 108 Loan proceeds.

REQUESTED ACTION

No formalized Agency action is requested at this time.