CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
SEPTEMBER 14, 2010

ATTENDANCE:	Emil Albanese, Chairman; Commissioners Felix Serrano and Lisa Cooper
AGENCY COUNSEL:	Marc J. Grenier, Esq.
STAFF:	Timothy T. Sheehan, Executive Director; Michael Moore, Senior Project Manager for Development; Tad Diesel, Director of Marketing and Business Development and John Slovak, NRA Comptroller
OTHERS:	

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. A quorum was present.

PUBLIC PARTICIPATION

Chairman Albanese opened the meeting for public participation. There was no one present who wished to address the Commission.

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

** **MR. SERRANO MOVED TO APPROVE THE MINUTES OF THE AUGUST 10, 2010 REGULAR REDEVELOPMENT AGENCY MEETING AND THE AUGUST 24, 2010 SPECIAL REDEVELOPMENT AGENCY MEETING**
** **MS. COOPER SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

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

Mr. Slovak reported on the financial statement for month ending July 31, 2010 as follows:

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-recurring 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.

Mr. Slovak said the transfer of $4,040,000 from the NEDC to the Norwalk Redevelopment Agency was made in August after the August meeting of the NRA in which the Commissioners authorized the transfer. All expenditures and revenues are included on the NRA Profit and Loss statement. The payroll is now being handled through the Norwalk Redevelopment Agency. Mr. Slovak pointed out that the Board documents state the $4,040,000 is to be segregated and has gone into an account called deferred revenue, so that all money that goes in and comes out of that specific account can be tracked.

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

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

Mr. Sheehan said when the Agency receives plans from developers for review, it typically hires a third party reviewer, and in this case staff's recommendation is to contract with the Cecil Group for the review of the Wall Street Redevelopment Parcel 2A Working Drawings. The Agency believes the Cecil Group is well equipped to undertake the task because they reviewed the Phase I Construction Plans as well as the Conceptual Master Site Plan for the Wall Street Place development, so are familiar with the project. Having spoken with the Cecil Group, the Agency feels comfortable that they can accommodate the timing requirements.

Mr. Sheehan commented that the cost of the review of the Construction Plans by the Cecil Group was in excess of $20,000, while the proposed cost for the review of the Working Drawings is $7,600. The difference in cost is not only a reflection of the change in the economic situation, but no doubt based on the Cecil Group's knowledge of the project and their ability to complete the review in a quick and orderly manner.

** **MR. SERRANO MOVED TO (1) APPROVE THE CECIL GROUP TO PROVIDE DESIGN REVIEW OF POKO IWSR, LLC'S PHASE I WORKING DRAWINGS FOR REDEVELOPMENT PARCEL 2A, AND (2) TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE ATTACHED RETAINER.**
** **MS. COOPER SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

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

Mr. Moore said Agency staff is seeking authorization permitting the Executive Director to execute and submit two grant applications to the U.S. Environmental Protection Agency to help support the Norwalk Brownfields Initiative. The first grant application is to seek up to $200,000 to complete the environmental assessment of properties that are impacted by hazardous substances.

The second grant application is for $1,000,000 to establish a revolving loan fund to help remediate properties. Although the application is a community wide application, the Agency will target these funds to properties in and around the South Norwalk Train Station, and will continue some of the work already started there. There is no match requirement on behalf of the Agency on the $200,000 grant. The million dollar application does require a 20% match, but that can be achieved through in kind services, such as staff, labor, and actual debt service from the loans. The Agency must use 50% of the grant funds to provide loans to property owners for remedial activities.

** **MOTION WAS MADE BY MS. COOPER THAT THE EXECUTIVE DIRECTOR OF THE NORWALK REDEVELOPMENT AGENCY BE AUTHORIZED TO SUBMIT AN APPLICATION TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR $200,000 IN FY2011 BROWNFIELDS ASSESSMENT GRANT FUNDING.**
** **MR. SERRANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

** **MOTION WAS MADE BY MR. SERRANO THAT THE NORWALK REDEVELOPMENT AGENCY AUTHORIZE 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.**
** **MS. COOPER SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

C. CEDF Small Business Loan Fund
    1. Review and discuss proposed program concept

Mr. Diesel said the Connecticut Economic Development Fund Small Business Loan Guarantee Program is a proposed partnership with the Agency to assist small business owners in obtaining credit. The CEDF would provide approximately $1.7 million in loan funds for small businesses, and the Agency would guarantee 30% of the loans, which guarantee would total $500,000. The Agency would be asked to initially fund the Guarantee Account with approximately $250,000 of Agency equity. The funding for the guarantee would come from a Section 108 loan from HUD, and repayment of the 108 loan is proposed through Community Development Block Grant funds. If the Commissioners feel the proposal is worthy of continued discussion, the Agency will then raise it with the Planning Committee to get an understanding as to whether the City is inclined to take the risk on the CDBG side.

Mr. Sheehan said there are two issues that the Commissioners need to contemplate with regard to this item. One is that the Agency is being asked to provide the enhanced security against the 108 guarantee. For example, if congress completely eliminated the CDBG program, there needs to be an alternative method of repayment, and that ultimately would become the additional security that the Agency would be providing.

The second issue is inasmuch as the 108 is actual debt, there is no point in taking down the debt and paying interest until a claim is called upon the Guarantee Fund by CEDF. In that event, the fund would disburse the appropriate amount using Agency equity as the bridge. The intent would be for the Agency to have a contract with the City of Norwalk authorizing the release of the Section 108 funds. Repayment of the 108 loan at that point reverts back to the local CDBG program.

Mr. Diesel said if the Agency were to move forward with the full half million dollars and all the loans went bad and the whole call came in, the Agency would lose $64,000 a year in CDBG funding.

Mr. Sheehan pointed out that if that were to happen, the Agency would not go forward with another $250,000, so the loss would be $32,000. He said he has some fundamental problems with the way CEDF looks at the guarantee. His experience has always been that the guarantee is the first burn on the debt, but CEDF takes you all the way down to zero on the debt so the guarantee is in for the full term of the debt.

In response to a question by Ms. Cooper, Mr. Sheehan said he thinks the level of risk that Congress is going to eliminate CDBG anytime soon is pretty limited, but what the Commissioners need to ensure is that the contract between the City and the Redevelopment Agency clearly allows the Agency to tap into the 108 resource when its money is exposed, and that there is no situation where the Agency is left holding the bag on resources that it has put out.

Mr. Serrano said while there are still issues that need to be worked out, he thinks the program is a worthwhile endeavor and should be taken to the next step of talking with the City and the Planning Committee.

Mr. Albanese said their discussion has mostly revolved around the worst case scenario as they are looking at the economic environment right now, but he thinks the proposed program would provide a very good service to small businesses in Norwalk.

Mr. Sheehan noted that if the Agency had to pay out $32,000, that would potentially mean it would not be able to do two CDBG subrecipient contracts in a given year. On the other hand, this is a different deployment of the resource that might have a beneficial impact on the City as well.

Mr. Albanese pointed out that they could be talking about 15 or 20 recipients in the loan program, and it certainly would be a real boon for the City to have that many small businesses benefit.

The Commissioners concurred that the discussion should be moved up to the Planning Committee to get an understanding of where the City is with the program.

4. Legal
    A. Freedom of Information Act

Mr. Grenier said he had sent the Commissioners information with regard to the Freedom of Information Act including a brief memorandum of the overview of the act, the highlights of the FOIA, as well as an entire copy of the statute. He said the highlight section from the FOIA Commission answers general questions and discusses some of the intricacies regarding what information needs to be made available to the public and when it needs to be made available. It also discusses when the Commission can go into executive session and the specific reasons it can go into executive session, such as when the attorney/client privilege is involved, discussions pertaining to personnel decisions and discussions regarding acquisition of property.

The legislative history, which he did not include, is pretty lengthy, but the purpose is to make the public agencies accountable to produce information when reasonably requested so that the general public has an idea of what is going on. The Agency does a great job of posting the minutes online in a timely manner and all the financials that need to be disclosed are posted. He noted that the internet has done wonders in getting information out.

Mr. Sheehan observed that no developer wants to have their financial information in a public domain, and asked for clarification whether discussion with regard to developer financials should be handled in executive session.

Mr. Grenier said if there are ongoing negotiations for real estate as part of an acquisition plan of acquiring property, clearly that is information that someone could use to their advantage and the other person's disadvantage, so he thinks each matter needs to be evaluated on a case by case basis, as they have done in the past.

Mr. Serrano said, on the other side, if the Commission is being asked to make a decision on whether a developer has the ability to make a commitment on a property, it needs to have information to base that decision on. Mr. Grenier agreed that that information is relevant for the general public to know as to how the determination was made.

Mr. Sheehan said rather than have financial information actually come in to staff, the Agency usually has a third party review the information from an accounting perspective and provide a letter indicating that, based on their review, the developer can sustain the financial demands of the project. Mr. Grenier said, again, that is something that would need to be evaluated on a case by case basis as each case is unique.

Mr. Sheehan noted that when the Agency receives a request for basically every piece of paper it has with regard to a particular project, a huge amount of staff time can be involved in producing the information, and it is pretty much lost time.

Mr. Grenier said the law requires that documentation be provided, and a member of the public can come in and look at the documents and ask for copies. In a situation where the file is voluminous, he will generally send a letter to the requesting party or their counsel asking if they could limit the scope or be a little more specific as to what they are looking for. Where it is a regular request for information as opposed to a legal matter where the Agency gets subpoenaed, the production has to be within a reasonable time period. So, again, it is on a case by case basis. He noted that it has been over eleven years that the Agency has had any issue with FOIA. The Agency is very compliant, and always will be compliant.

Mr. Albanese thanked Attorney Grenier for providing the FOIA information.

Mr. Grenier said as new Commissioners come on board, they will be given a quick primer as to FOIA so they know what is happening and what the expectations are. He said the act certainly does not prevent people from getting together on a social occasion or seeing each other at outside events.

5. NEW BUSINESS

Mr. Albanese noted that there will be an ongoing discussion with himself, Council President Douglas Hempstead, Torgny Astrom from the Planning Commission, Michael Greene, Director of Planning & Zoning, and Robert Keyes, Vice Chair of the Zoning Commission, regarding how to better manage the City's approval process, which will be on September 30th.

In response to a question by Mr. Serrano, Mr. Sheehan said the order for the lights for the Norwalk Company building was placed as soon as the Commissioners approved the expenditure, and he believes that Don Eleck has gotten all of the hookups ready, so as soon as the lights are received he can just screw them in and get them operational.

OLD BUSINESS
None.

ADJOURNMENT

There being no further Old or New Business, upon motion by Mr. Serrano, seconded by Ms. Cooper, the Norwalk Redevelopment Agency meeting was adjourned at 6:47 P.M.

Respectfully submitted,

Karen Pacchiana