CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
JULY 14, 2010

ATTENDANCE:	Emil Albanese, Chairman; Commissioners Felix Serrano, Randy Napoletano, Lisa Cooper and Lori Torrano
AGENCY COUNSEL:	Anthony DePanfilis, Esq.
STAFF:	Timothy T. Sheehan, Executive Director
OTHERS:	William Nightingale

CALL TO ORDER

The Regular Meeting was called to order at 4:31 P.M by Chairman Albanese.

ROLL CALL

Mr. Albanese called the roll. A quorum was present.

I. APPROVAL OF MINUTES – June 8 , 2010, Regular Meeting

** **MS. TORRANO MOVED TO APPROVE THE MINUTES OF THE JUNE 8, 2010 REGULAR REDEVELOPMENT AGENCY MEETING.**
** **MS. COOPER SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

II. BUSINESS
A. 310 ELY AVENUE
1. Approval of loan modifications and related documents
2. Authorize the Chairman to execute related documents

Mr. Sheehan said in September 2009, a Construction Loan to Cutrone Properties, LLC in the amount of $915,472 was approved by the Commission for the construction of eight affordable housing units on Ely Avenue. The units have been completed. To date, one of the units has been sold and there has been significant interest in two additional units. The Agency's obligation is for a total of six of the eight units to be either sold or purchased by the Agency.

The four modifications being requested are (1) the extension of the maturity date of the mortgage to May 1, 2011; (2) extension of the date by which Cutrone can require the Agency to purchase any unsold units to May 1, 2011; (3) modification of the Mortgage by reducing the amount the Cutrones will be required to pay the Agency to obtain the releases from 100% of the net proceeds to 90% of the net proceeds for the final six units; and (4) all interest accruing on or after January 1, 2011 to be due and payable at the Maturity Date of the Note. The Note currently requires Cutrone to pay interest monthly, so the request is after January 1st to have the interest paid in full at the maturity date of the loan.

** **MR. NAPOLETANO MOVED TO:**

1. **APPROVE A MODIFICATION OF THE NOTE, MORTGAGE AND AGREEMENT BETWEEN CUTRONE PROPERTIES, LLC AND THE AGENCY DATED OCTOBER 1, 2009 AS FOLLOWS:**
   - A. **EXTEND THE MATURITY DATE OF THE NOTE AND MORTGAGE TO MAY 1, 2011.**
   - B. **EXTEND THE DATE BY WHICH CUTRONE CAN REQUIRE THE AGENCY TO PURCHASE ANY UNSOLD UNITS TO MAY 1, 2011.**
   - C. **MODIFY THE MORTGAGE BY REDUCING THE AMOUNT CUTRONE WILL BE REQUIRED TO PAY THE AGENCY TO OBTAIN A PARTIAL RELEASE OF A UNIT FROM 100% OF THE NET PROCEEDS TO 90% OF THE NET PROCEEDS FOR THE FINAL SIX (6) UNITS**
   - D. **ALL INTEREST ACCRUING ON OR AFTER JANUARY 1, 2011 SHALL BE DUE AND PAYABLE AT THE MATURITY DATE OF THE NOTE.**
2. **AUTHORIZE THE CHAIRMAN TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE THE FOREGOING MODIFICATIONS.**

** **MS. TORRANO SECONDED.**

** **THE MOTION PASSED UNANIMOUSLY.**

B. <u>Election of Redevelopment Agency Officers for FY 2011</u>

Mr. Serrano, as Chairman of the Nominating Committee, presented the slate of officers for the Norwalk Redevelopment Agency for fiscal year 2011 as follows:

Emil Albanese – Chairman
Felix Serrano – Vice Chairman
Randy Napoletano— Treasurer/Secretary

** **MS. TORRANO MOVED TO APPROVE THE PROPOSED SLATE OF OFFICERS.**

** **MS. COOPER SECONDED.**

** **THE MOTION PASSED UNANIMOUSLY.**

Mr. Albanese thanked the Commissioners for their service to the Agency and the City, which he noted is oftentimes above and beyond the call of duty.

IV NEW BUSINESS
(None.)

V. OLD BUSINESS
(None.)

ADJOURNMENT

There being no further Old or New Business, upon motion duly made by Mr. Napoletano, seconded by Ms. Cooper, the Norwalk Redevelopment Agency meeting was adjourned at 4:38 P.M.

MEETING REOPENED

At the request of Mr. William Nightingale, who arrived late at the meeting, the Norwalk Redevelopment Meeting was reopened at 4:50 PM

Mr. Nightingale said he feels the public is not adequately aware of the $950,000 loan, and he would like there to be a better discussion between the Agency and the public when public money is being used for these types of loans. He said the original loan provided that certain fees kicked into the borrower if he didn't pay the loan back in a year, and now the borrower is trying to change the date by extending it approximately six months. He said he presumes the modification is giving the developer a waiver on the excess fees, as the Agency would be capitalizing interest after January. He questioned the reason for the extension, whether it was because the developer has not completed construction and gotten the COs, or because he cannot sell the units.

Mr. Sheehan said the project is complete and the developer has all of the COs, and in fact has already sold one of the units and is in negotiations on two others. He said there is a give and take for the extension. The change in the terms helps the Agency as it offers the Agency more time, from October until May, before the developer could call upon the Agency to have to purchase the units.

Mr. Albanese noted that the modification benefits both the Agency and the developer, but only if the developer exercises the option now. Without the extension, the developer would have to wait the six month period.

Mr. Nightingale said he thinks public input could improve on how these transactions are structured, and maybe even show that the public doesn't want to be doing these types of transactions. He would like to see more transparency in the process.

Mr. Albanese noted that the Agency's meetings are open to the public, and that the 80,000 citizens of the City have access to the Agency's agendas online and know when the meetings are held.

Mr. Napoletano asked Mr. Nightingale how he would propose to have more public input other than what the Agency does now, which is to have an open public forum.

Mr. Nightingale said a typical citizen looking at the agenda for this meeting and seeing "310 Ely Avenue, Approval of loan modifications" would not know that this loan even exists. He thinks the Agency should be more forthright in the way it publishes in the newspaper. He said, for example, a real debate ensued on the Way Pointe issue, and there were public hearings where people got up and spoke about it. The Ely Avenue loan and other things like it are going through with just a simple line on the agenda.

Ms. Torrano pointed out that when the item came up on their agenda, the Commission discussed it and went through the terms that they were modifying. She said it would be unrealistic to expect that the public would be an explicit party to the Agency's negotiations with the developer.

Mr. Nightingale noted that the Commissioners do so much Executive Session negotiating on things like this.

Mr. Albanese said he takes exception to that remark.

Mr. Sheehan said he would also take some exception, because while the Commissioners did go into Executive Session, it was to discuss the personal financials of the Cutrones.

Mr. Nightingale said the Cutrones are a guarantor to a pubic loan, which is a big factor in this loan, and so it is public business.

Mr. Albanese said it is not up to the public to approve the Cutrone's finances. That was up to the Commission. And it was up to Agency counsel and the Agency's financial people to advise the Commission on whether it was a loan they should make or not make. The Commission is fortunate in that it has three financial people, including himself, on the Board. He said, with all due respect to the public, he doesn't know if they would provide much help in determining whether a loan should be approved or not.

Mr. Nightingale said the public may have wanted the million dollars going to something else.

Mr. Serrano said the Commissioners did take up the financials of the Cutrones in Executive Session, but when they came out of Executive Session, they reported that, based on the financials, it was appropriate that the approval should come from a regular meeting and it was put back on the record.

Mr. Albanese noted that the loan was discussed over the course of a couple of meetings, and information about it was put on the Agency's website before the Commissioners met and after they met.

Mr. Nightingale said he thinks if people in town knew the types of things being discussed at the Agency meetings and that public money is being lent to finance projects, such as affordable housing, there would be more people at the meetings.

Mr. Albanese expressed his opinion that the Ely Avenue project is essentially a partnership with the public and the developer, and is a really good example of a public/private partnership, and he would love to see more projects like it.

Ms. Torrano said she would encourage Mr. Nightingale to drive by some of the projects and look at the enhancements that are being made to the community. People are able to get into homes at a more affordable level, and it keeps people that are working in the community in the community.

Mr. Nightingale noted that a home in Norwalk has one point seven times the taxes as in every town surrounding it, and certainly adding more homes that don't pay their fair share of property taxes does not mitigate that.

Mr. Albanese noted that Norwalk is a City and provides extensive services. To compare Norwalk with Westport, Westport's mill rate is a little less, but Westport does not have trash collection. The residents have to pay approximately $150 a month for trash collection.

Mr. Albanese said the Agency is about to adjourn for its Annual Meeting and reception, and invited Mr. Nightingale to attend so they could continue their discussion.

Mr. Nightingale thanked him for the invitation. He said just in terms of the public financing of these projects, he thinks there needs to be more transparency in the process and more public participation on how the money is allocated and what its priorities are.

Mr. Albanese said if he has any good ideas, he should feel free to contact him by email.

Upon motion duly made by Mr. Napoletano, seconded by Ms. Cooper, the Reopening of the Norwalk Redevelopment Agency meeting was adjourned at 4:56 P.M.

Respectfully submitted,

Karen Pacchiana