CITY OF NORWALK
REDEVELOPMENT AGENCY
REGULAR MEETING
JUNE 10, 2009

ATTENDANCE: Emil Albanese, Acting Chairman, Commissioners Felix Serrano, Randy Napoletano and Lisa Cooper

AGENCY COUNSEL: Marc Grenier, Esq.

STAFF: Timothy T. Sheehan, Executive Director, John L. Burritt, Jr., Assistant Director, Michael T. Moore, Sr. Project Manager for Development, Susan Sweitzer, Sr. Project Manager for Development, and John Slovak, NRA Comptroller

CALL TO ORDER

ROLL CALL

The Regular Meeting was called to order at 6:33 P.M by Acting Chairman Albanese.

I. APPROVAL OF MINUTES – May 20, 2009 Regular Meeting

** **MR. SERRANO MOVED TO APPROVE THE MINUTES OF THE MAY 20, 2009 REGULAR MEETING.**
** **MR. NAPOLETANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

II. FINANCE
1. Operating Financial Statements Month Ending April 30, 2009
2. Approve Norwalk Redevelopment Agency Pension Plan Amendments

Mr. Slovak reported on the financial statements as follows:

Total revenues including interest income and miscellaneous revenues for year-to-date ending April 30, 2009 are $1,448,243 versus a budget of $1,462,294, resulting in an unfavorable year-to-date revenue variance of ($14,051) due to lower interest income.

Total third quarter year-to-date expenditures are $1,454,475 versus a year-to-date budget of $1,539,128 , resulting in a favorable expenditures variance of $84,654.

There is an actual third quarter net year-to-date operating deficit of ($6,232) versus a budgeted net operating deficit of ($76,834), resulting in a favorable net year-to-date operating variance of $70,602.

Mr. Albanese noted that it was a remarkable performance given the reduced interest revenue, and everyone at the Agency is to be commended.

Mr. Slovak said Pension Specialist Attorney Janet Lanyon of Dean & Fulkerson wrote Pension Plan Amendment No. 5, which is intended to satisfy specific IRS tax law requirements under the new Code Section 415(c) related to maximum permitted contributions to the Retirement Plan. The amendment is to the Master Plan, and is related to the maximum contributions under IRS code. Attorney Lanyon also wrote Pension Amendment No. 6, which allows a plan participant who has attained age 59 ½ the ability to elect to receive payment of all or part of his vested Employer Contribution Account in accordance with Federal Law. The Agency is respectfully asking the Commissioners to consider approving the amendments.

Mr. Sheehan noted that basically the amendments are just an update to bring the plan into compliance with current laws.

** **MR. SERRANO MOVED TO APPROVE THE FINANCIAL STATEMENTS FOR MONTH ENDING APRIL 30, 2009, AND TO APPROVE PENSION PLAN AMENDMENT NO. 5 WHICH IS INTENDED TO SATISFY SPECIFIC IRS TAX LAW REQUIREMENTS UNDER CODE SECTION 415(C) RELATED TO MAXIMUM PERMITTED CONTRIBUTIONS TO THE RETIREMENT PLAN, AND ALSO TO APPROVE PENSION PLAN AMENDMENT NO. 6 WHICH ALLOWS A PLAN PARTICIPANT WHO HAS ATTAINED THE AGE OF 59 ½ THE ABILITY TO ELECT TO RECEIVE PAYMENT OF ALL OR A PART OF HIS VESTED EMPLOYER CONTRIBUTION ACCOUNT IN ACCORDANE WITH FEDERAL LAW.**

** **MR. NAPOLETANO SECONDED.**

** **THE MOTION PASSED UNANIMOUSLY.**

III. BUSINESS

A. <u>WEST AVENUE REDEVELOPMENT CORRIDOR</u>

1. DECD Urban Act Grant Professional Service Agreement between the City of Norwalk and the Norwalk Redevelopment Agency

Ms. Sweitzer said the State Department of Economic and Community Development has received State Bond Commission approval to invite the City of Norwalk to submit a Financial Assistance Proposal under the Urban Act Grant Program in the amount of $5 million for the Waypointe Project. The work for this grant includes master planning, surveys, engineering, and design services to advance the mixed use development program in accordance with the Master Development Agreement. The intent of the City is to designate the Redevelopment Agency as the management entity for the expenditure of the funds, overseeing that the funds are expended in accordance with the grant agreement and in accordance with the Master Development Agreement.

Mr. Albanese asked what the Agency envisioned its role would be in administering the $5M. Mr. Sheehan said they essentially would take on the administrative aspects in terms of reporting back to the DECD with regard to expenditures associated with the grant, and provide all of the backup auditing work to insure that the money has been spent in compliance with the approved grant. He said there has been discussion about having an additional entity coming in for economic development, which entity would be contracting with the Redevelopment Agency to provide planning services, of which the $482,000 would be a component. Essentially, there would be a contract for planning services between the City of Norwalk and the Redevelopment Agency, and the Redevelopment Agency would then farm the work out to a third party.

Mr. Sheehan said it is a similar process to what the Agency has been doing with the 95/7 grant in terms of the $20 million that was awarded by the State. The Agency is the administrative entity, and takes 5% of that grant for salary and benefits associated with Agency staff. However, DECD has changed that rule and they no longer allow the Agency to include administrative services in the grant budget, so now the Agency will have to do planning and work associated with the grant.

** **MR. NAPOLETAN MOVED FOR THE APPROVAL OF THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF NORWALK AND THE NORWALK REDEVELOPMENT AGENCY IN THE AMOUNT OF $482,000 TO MANAGE ALL DECD $5M GRANT EXPENDITURE CONTRACTS FOR THE WAYPOINTE PROJECT AND AUTHORIZE TIMOTHY SHEEHAN, EXECUTIVE DIRECTOR, TO EXECUTE ALL DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT.**

** **MR. SERRANO SECONDED.**

** **THE MOTION PASSED UNANIMOUSLY.**

2. Waypointe Reimbursement for Agency expenses incurred in negotiation of the Master Development Agreement (MDA)

Ms. Sweitzer said the item is just for the Commissioners' information so that they are aware of the existence of the agreement. Upon the designation of Seligson Properties as the Redeveloper for Plan Area B, the Redeveloper agreed that upon the final approval of the Master Development Agreement they would reimburse the Agency up to a maximum of $200,000 for all costs and expenses incurred by the Agency in connection with the negotiation of the document. Since the agreement was approved by the Council and received final Agency approval at its last meeting in May, it is the Agency's intent to seek the compensation of these monies, and they would make it a requirement that the Agency be compensated prior to signing the Master Development Agreement.

Mr. Sheehan said that the purpose for including this item on the agenda is simply to let the Commissioners know that the invoice will be going out to the developer.

Ms. Sweitzer said the Agency has delivered the accounting to the developer, but has not invoiced them.

B. WALL STREET REDEVELOPMENT AGENCY

1. Approve the Agency's Application for a Section 108 Loan from HUD

Mr. Sheehan said at the last meeting the Commissioners were provided with an update of where the Agency is in property negotiations with regard to the Globe Theatre. The Agency attempted to make clear that a community cultural use in the Globe Theatre has very little chance of being conventionally financed, and therefore the developer sought the participation of public sector financing to try to make the project happen. They are considering the utilization of the Community Development Block Grant 108 Loan, which is a tool that HUD has allowed communities to utilize for economic development on initiatives such as this, and is a very good tool in that the cost of funds is very low, and provides a tremendous amount of flexibility in terms of when the actual repayment of the debt comes online. It can be interest only for a period of up to seven years, and the Agency is seeking to apply to utilize $2,000,000 of 108 in contemplation of acquisitions within the Wall Street Redevelopment Plan area.

The BEDI application is to allow the developer to deal with the commercial uses within the plan area. The Brownfield economic development initiative essentially is for Brownfield remediation and there is a significant amount of that within the site. The concern is, once you add in all of the costs associated with bringing the ground floor commercial space on line, you end up with a rent that cannot be supported in that area. The hope is that in bringing the loan and grant into play, the rental rates can get to an affordable level for what the market will sustain. The last offer that they had gotten on the Globe is still in place.

Mr. Sheehan suggested that they go into Executive Session so they can get into the real estate aspects, because that will probably explain some of the Commissioners' questions.

** **AT 6:45 P.M., MR. ALBANESE MOVED TO CLOSE THE MEETING AND GO INTO EXECUTIVE SESSION.**
** **MR. SERRANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

(EXECUTIVE SESSION)

** **AT 7:05 P.M., MR. ALBANESE MOVED TO COME OUT OF EXECUTIVE SESSION**
** **MR. SERRANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

Mr. Grenier said he would like the record to reflect that there was a motion made to go into Executive Session under new business, Article 5, to discuss updates regarding the status of negotiations with property owners within the Redevelopment Areas.

** **MR. NAPOLETANO MOVED (1) THAT THE BEDI APPLICATION FOR UP TO $2 MILLION (MAXIMUM ALLOWED BY HUD); (2) THAT ONE (1) 108 APPLICATION AT A 100% MATCH TO THE BEDI, SPECFICALLY FOR THE GLOBE THEATER'S ACQUISITION; AND (3) ONE (1) 108 APPLICATION FOR A NON-GLOBE-RELATED ECONOMIC DEVELOPMENT LOAN FUND FOR THE BALANCE OF THE CITY'S ALLOWABLE LOAN CAP OF ALMOST $5 MILLION.**
** **MR. SERRANO SECONDED.**
** **THE MOTION PASSED UNANIMOUSLY.**

C. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1. Approve the Substantial Amendment to 2005-2009 Consolidated Plan for Housing and Community Development – Section 108 Loan Guarantee

Mr. Moore said for the Commissioners' consideration is a substantial amendment to the City's Consolidated Plan for Housing and Community Development, which is directly related to the issue Mr. Sheehan just discussed. In order to submit a Section 108 application to HUD, both the City's Annual Action Plan and Consolidated Plan for Housing and Community Development must include language that identifies such an application as a priority of the community. The Annual Action Plan for Program Year 35 already includes this language, and this item is strictly an administrative item to catch the Consolidated Plan up to the Annual Action Plan. A substantial amendment requires a public hearing, a 30 day comment period, and votes of the Agency and the Common Council. To date the Agency has held the public hearing, and is in the midst of the public comment period, which will conclude on June 18th. Upon completion of the public comment period, they will take the item to the Common Council for approval. So far they have received zero comments.

** **MR. SERRANO MOVED THAT THE NORWALK REDEVELOPMENT AGENCY APPROVE AN AMENDMENT TO PAGE 42 OF ITS 2005-2009 CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT TO INCLUDE THE FOLLOWING LANGUAGE: THE CITY OF NORWALK, IN ORDER TO EXPAND THE ARRAY OF FINANCIAL TOOLS AVAILABLE TO PROMOTE ECONOMIC DEVELOPMENT AND EXPAND EMPLOYMENT OPPORTUNITIES FOR ITS LOW/MODERATE INCOME RESIDENTS, MAY PURSUE AN APPLICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IN ORDER TO ACCESS FUNDING THROUGH THAT ENTITY'S SECTION 108 LOAN GUARANTEE PROGRAM. THIS APPROVAL IS CONDITIONED ON THE CLOSURE OF A THIRTY-DAY COMMENT PERIOD ASSOCIATED WITH THE SUBSTANTIAL AMENDMENT.**

** **MR. NAPOLETANO SECONDED.**

** **THE MOTION PASSED UNANIMOUSLY.**

D. WATER STREET INDUSTRIAL DEVELOPMENT PROJECT

1. Authorization Permitting the Norwalk Redevelopment Agency to Undertake Administrative Steps to Revise Land Use Restrictions at 13 and 20 Day Street

Mr. Moore said in 1977, and later revised in 1981, the City created a Project Development Plan for the Water Street Industrial Development Project in accordance with Chapter 132 of the Connecticut General Statutes and with the financial assistance of the predecessor to the State Department of Economic and Community Development. A result of that plan was the assembly of properties for the purpose of creating industrial subdivisions, two of which are at 13 and 20 Day Street in South Norwalk. Per Chapter 132 and the Project Development Plan, the properties have land use restrictions that permit industrial uses only, and staff is seeking permission to approach State DECD to pursue the process to change the land use restriction so that residential development would be allowed on these properties. The Agency believes that residential development is more appropriate on these properties than industrial, and it would also bring them into compliance with the City's recently completed Plan of Conservation and Development, which specifically states that 13 and 20 Day Street should be considered for residential development. The proximity of the properties to the South Norwalk Train Station and the fact that they are City held would be valuable points in creating an affordable housing development or any residential development.

Mr. Sheehan explained that the item came before the Council last night and was tabled as there seemed to be some confusion as to what the Agency was actually looking for. There was discussion about a zone change, but this is not a zone change. It is a request to the State simply to relieve the use restriction. The Council is intending on taking it up two weeks from now. The issue is specifically referenced in the City's Master Plan of Conservation and Development.

** **MR. NAPOLETANO MOVED TO AUTHORIZE STAFF OF THE NORWALK REDEVELOPMENT AGENCY TO PURSUE THE NECESSARY REVISIONS TO THE EXISTING PROJECT DEVELOPMENT PLAN FOR THE WATER STREET INDUSTRIAL DEVELOPMENT PROJECT ALLOWING RESIDENTIAL DEVELOPMENT ON THE CITY-OWNED PROPERTIES AT 13 DAY STREET AND 20 DAY STREET.**

** **MR. SERRANO SECONDED.**

** **THE MOTION PASSED UNANIMOUSLY.**

IV. OLD BUSINESS.

No old business.

V. NEW BUSINESS

Mr. Sheehan said a slate of officers needs to be appointed, which will be voted on at the July 15th Annual Meeting.

** **MR. SERRANO MOVED TO APPOINT PAUL JONES AS CHAIRMAN, EMIL ALBANESE AS VICE CHAIRMAN AND RANDY NAPOLETANO AS TREASURER AS THE SLATE OF OFFICERS FOR THE NEXT TERM STARTING JULY 1, 2009 TO JUNE 30, 2010.**

** **MS. COOPER SECONDED.**

** **THE MOTION PASSED UNANIMOUSLY.**

Ms. Sheehan noted that on July 15th they will also have the annual budget for the Agency.

ADJOURNMENT

There being no further Old or New Business, upon motion duly made by Mr. Albanese, seconded by Mr. Serrano, the meeting was adjourned at 7:15 P.M.

Respectfully submitted,

Karen Pacchiana