

**CITY OF NORWALK
REDEVELOPMENT AGENCY
AND
NORTH WALK HOUSING CORPORATION
REGULAR MEETING
JANUARY 14, 2009**

ATTENDANCE: Paul Jones, Chairman, Ellen Gamer Wink, (and via
teleconference: Emil Albanese, Secretary/Treasurer)

AGENCY COUNSEL: Marc Grenier, Agency Counsel

STAFF: Timothy T. Sheehan, Executive Director; John L. Burritt,
Jr., Assistant Director; Michael Moore, Sr. Project Manager for
Development; Timothy J. Carney, Housing Development
Project Manager; Susan Sweitzer, Senior Project Manager for
Development; Sally Johnson, CDBG Administrator; John
Slovak, NRA Comptroller; Michael Solakian, CPA, Solakian,
Caiafa & Company, LLC

ROLL CALL

CALL TO ORDER

The meeting was called to order at 6:30 P.M.

- I. APPROVAL OF MINUTES – OCTOBER 8, 2008 REGULAR MEETING and
NORTH WALK HOUSING CORPORATION
MEETING
DECEMBER 18, 2008 SPECIAL MEETING

**** MR. ALBANESE MOVED TO APPROVE THE MINUTES OF
OCTOBER 8, 2008 AND DECEMBER 18, 2008.**

**** MS. WINK SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

II. FINANCE –

1. Operating Financial Statements for the Period Ending November 30, 2008
2. Operating Financial Statements for the Period Ending October 31, 2008
3. Operating Financial Statements for the Period Ending September 30, 2008

Mr. Slovak said total revenues including interest income and miscellaneous revenues for year-to-date November 30, 2008, are \$721,092 versus a budget of \$731,147, resulting in an unfavorable year-to-date revenue variance of (\$10,055) due to lower interest income.

Total year-to-date expenditures are \$706,084 versus a year-to-date budget of \$769,564, resulting in a favorable expenditures variance of \$63,481.

There is an actual net year-to-date operating surplus of \$15,009 versus a budgeted net operating deficit of (\$38,418), resulting in a favorable net year-to date operating variance of \$53,426.

**** MS. WINK MOVED TO APPROVE THE FINANCIAL STATEMENTS
STATED FOR THE PERIODS OF SEPTEMBER, OCTOBER AND
NOVEMBER 2008.**

**** MR. ALBANESE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

4. First Quarter Comparative and Combined Revenue & Expenditure Statements and Balance Sheets for All Funds
5. Approval of the Draft Audited Financial Statements for NRA and North Walke for the Fiscal Year Ending June 30, 2008

Mr. Slovak reported that there was an operating surplus at June 30, 2008 of \$45,493, offset by a deficit of \$121,000 from unfunded expenditures, and there was also a bad debt allowance of \$350,000 for CDBG affordable condominium projects that went into foreclosure. There was a good clean audit with a good unqualified audit opinion. There were no audit adjustments, no disagreements with management, and there were no difficulties performing the audit.

Mr. Michael Solakian, CPA, auditor from Solakian, Caiafa & Company, LLC, said he would echo Mr. Slovak's comment that it was a typical clean audit. The organization and staff provided a comprehensive and complete set of books. There were no audit adjustments. He pointed out on page 21 the Schedule of Findings and Questioned Costs for Federal Awards, which indicates that there were no findings or questioned costs, which is the new terminology under the new standards.

Mr. Slovak said, in terms of the deferred loans that have been reviewed to date, there are roughly \$1,828,000 of deferred loans. These are loans where payment of principal and interest was deferred for a period of ten years, and they have now started coming due. They have reviewed \$367,000 of the deferred home ownership loans, and have determined that 48% of those are going to be able to go into an amortizing basis, 27%, or \$99,000, are going to stay in forbearance for ten years, and \$91,000 are going to be put into an annual review process, but still are in forbearance. As of January 14th, they have only been able to review 21% of the deferred portfolio and would like the opportunity to review the other \$1,200,000 of rehabilitation loans and land loans, which are substantially different from the home ownership loans they reviewed, and then take the maximum bad debt reserve that they can at 6/30/09 as a prior period adjustment for all the old loans.

Mr. Sheehan said, in terms of the sub prime lending, the market is basically looking at writing off between 30% and 50%, and they are right in that quadrant.

Mr. Jones pointed out that the whole premise of the program was to help people get into home ownership, and if they have to extend the 10-year deferral for another period of time, if people are still enjoying the pride of home ownership, that is the goal of their organization.

Mr. Albanese agreed that the program is working very well with 48% going to performing, and noted that the other 52% will not have a hundred percent default, so they are going to be way above the 50%. He commended Mr. Slovak for a good clean audit, because in today's world he doesn't think there are an awful lot of good clean audits.

**** MS. WINK MOVED TO APPROVE THE AUDITED FINANCIAL STATEMENTS AND FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2008.**

**** MR. ALBANESE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

III. BUSINESS

A. NORWALK BROWNFIELDS INITIATIVE

1. Authorization to Apply for \$400,000 in US Environmental Protection Agency Assessment Grant Funds

Michael Moore said the Redevelopment Agency has prepared an application to the U.S. Environmental Protection Agency to secure \$400,000 in combined Brownfields Assessment Grant funds, and Agency staff seeks authorization permitting the Executive Director to execute any and all documents necessary to apply for, accept and implement this federal Brownfields Assessment Grant. In May of 2006 they had received a similar grant, whose grant period will conclude on June 30, 2009, and the Agency has drawn down a sufficient amount of money from that grant to encourage the Agency to go ahead and apply again.

**** MS. WINK MOVED THAT THE NORWALK REDEVELOPMENT AGENCY AUTHORIZE THE EXECUTIVE DIRECTOR TO COMPLETE AND EXECUTE ALL REQUIRED DOCUMENTATION NEEDED TO APPLY TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR A \$200,000 BROWNFIELDS ASSESSMENT GRANT – HAZARDOUS SUBSTANCES AND A \$200,000 BROWNFIELDS ASSESSMENT GRANT – PETROLEUM-BASED SUBSTANCES.**

**** MR. ALBANESE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

B. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1. Appoint two Agency Commissioners to serve on the Joint Committee

Sally Johnson said staff is asking for two members of the Board to serve on the Joint Committee for the new Program Year 35. The members of the Joint Committee will assist in reviewing and grading all applicants that are applying for the CDBG funds for 2009/2010.

At the request of Chairman Jones, both Ms. Wink and Mr. Albanese agreed to serve on the committee.

**** MS. WINK MOVED TO APPROVE THE APPOINTMENTS OF EMIL ALBANESE AND ELLEN GAMER-WINK OF THE REDEVELOPMENT AGENCY TO SERVE AS REPRESENTATIVES ON THE JOINT COMMITTEE TO REVIEW PY35 CDBG APPLICATIONS AND MAKE FUNDING RECOMMENDATIONS.**
**** MR. ALBANESE SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

C. SOUTH MAIN CORRIDOR URBAN RENEWAL PROJECT

1. Change program guidelines to require development entity to assume the full cost of the Third Party Architectural Consultant

Mr. Burritt noted that the third party design review procedure was implemented in January 2007, and funded through a small grant the Agency was able to secure. The first half dozen of these projects have been reviewed and the process has been working quite well. The reviews have brought a higher level of architectural design experience to bear on the projects. However, the grant funds have been exhausted, and staff is proposing that the process continue, but with the applicants picking up their full share rather than 50% of the costs.

**** MS. WINK MOVED FOR THE APPROVAL OF A CHANGE IN THE AGENCY'S THIRD PARTY DESIGN REVIEW PROCEDURES TO ASSIGN THE FULL COST OF THE DESIGN REVIEW PROFESSIONAL TO THE APPLICANT. ALL OTHER PROVISIONS OF THE PROGRAM TO REMAIN THE SAME.**
**** MR. ALBANESE SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

2. Design Review – Proposed Hotel Project – 33-41 South Main St.

Mr. Burritt said the project initially was presented to staff in October 2008 when TR Sono Partners, an affiliate of the F.D. Rich Company, the new property owners in much of South Norwalk, proposed a hotel at 33-41 South Main Street. The request is in two parts, but they are only asking the Commission to consider the first part, which is to look at the design of the proposed hotel and to determine whether the Agency wishes to proceed with the second part, which would be approval of an amendment to the South Main Corridor Urban Renewal Plan to accommodate the design as proposed.

As the project is in the South Main Corridor Urban Renewal Plan area, it requires the review and approval of the Redevelopment Agency, and is also subject to the third party design review. The applicant has selected Mr. Harrison Gill of Gill and Gill Architects to undertake the review and render a report, a copy of which is in the packages.

The proposed hotel is a 120 room structure contained in an eight story building. The parking is contained within the structure itself. There will be a lobby, meeting room, breakfast area and small retail space on the ground floor, which is designed to address the specific objective of activating the corridor between the South Norwalk railroad station and the Washington Street Historic District, which strip is in need of better pedestrian activity.

An amendment to the Urban Renewal Plan is a fairly complicated process, and the reason the applicant wanted to go through the design with the Commission first was to illustrate what the project would look like. The Commissioners have a complete set of schematic plans outlining the project details. One of the principal tenets is to foster the revitalization of the Washington Street district. The plan does not, however, currently provide for a hotel use, nor does it provide for a structure of this size, and those are two of the principal issues that will ultimately come before the Commission for consideration.

Mr. Harrison Gill said he has been before the Commission 3 or 4 times reviewing Norwalk Urban Redevelopment projects, and this is by far the most ambitious project they have had the opportunity to look at. He said there is no question that this building would be a very dramatic improvement to the streetscape in South Norwalk and would form a very critical link between the railroad station and Washington Street, and generally they are positive about the project.

The street level façade is to be of aluminum and glass that in many ways relates to the iron and glass architecture on the opposite side of the street. Because of its size, the north and south elevations are going to be very prominent in the streetscape of South Norwalk, and the architects have been trying to find innovative ways to soften those elevations by adding some art installations.

He pointed out material samples for the glass proposed for the front façade and the brick on the north and south elevations as well as the elevation facing the railroad tracks. The second level is going to be a parking garage, which will not be accessible to the general public. The building model is based on the Courtyard by Marriott that F.D. Rich developed in downtown Stamford at the corner of Summer and Broad Street, which is very successful and also involves a valet parking system. Fresh air ventilation is proposed across the front, and samples of the metal screens are present. Mr. Gill said they have looked at almost all of the design and material elements that are going to be visible from the street, and they deem them to be acceptable and it is their recommendation that the project be approved as presented.

Mr. Burritt noted that the front portion of the third floor is office space, so it is only the second floor that requires the fresh air ventilation. There is a hotel lounge and bar on the top floor overlooking the waterfront. The biggest challenge are the sides and the back of the structure, and in the Agency package is some artwork that is proposed similar to the murals that exist elsewhere in South Norwalk that are somewhat symbolic of South Norwalk. They have discussed the possibility of using the Arts Commission to help select the artwork. It will be quite a dramatic change in South Main Street.

Mr. Jones excused himself for a brief housekeeping issue, and said he would like the record to reflect that the attendees of the meeting are Ellen, Emil and himself, so they have an official quorum.

Mr. Burritt said they did not want to put the Commissioners through the exercise of amending an urban renewal plan without an understanding of what is being proposed, so the purpose of the design review is to determine whether this is a design that is acceptable to the Commissioners for the purpose of advancing to the URP amendment. In terms of feasibility, that issue is not an issue that the staff felt was their call insofar as this property is not the subject of an LDA. This is an application before the Commission relative to a private party that owns the property that wishes to propose a change and believes that it will be successful.

Mr. Sheehan said, to clarify, there are two issues in front of the Commission; one is the design review and the other is the use as a hotel that would require an amendment to the Plan.

Mr. Albanese asked what is the status of the other hotel proposed up the street. He feels having two hotels in the same neighborhood is a lot of hotels. Mr. Burritt said they did not want to put the staff or the Agency in the role of arbiter. The applicant came before them, and he thinks they were duty bound to deal with the application that was presented, and consequently they presented it.

Ms. Elizabeth Suchy of Sandak Hennessey and Greco said that a CEAC meeting was conducted in December with department agencies and others for constructability and issues related to the design and the construction itself. They were before the Plan Review Committee of the Zoning Commission last Thursday giving them a status update on the project and to notify them that the project is in fact moving forward and that they would be filing the required applications within the next week or so. The feasibility issue was not something that came up before the CEAC committee, as it has nothing to do with their jurisdiction and review. It was an informal meeting, because there is no application currently pending.

Mr. John Lindell of F.D. Rich Company said they have an application before Marriott Courtyard for the proposed location, and have received a very favorable response. The Courtyard model is a limited service product, so it costs less than building a full service Marriott or another brand, which is one of the reasons they think it is very feasible. This is a better location than what they have in Stamford, and last year the Stamford hotel was the number two performing Courtyard by Marriott out of 880 Marriotts in the entire Marriott chain. F.D. Rich made a major investment in South Norwalk and they think this is exactly what the downtown needs. They have met with the merchants in the area, who are clamoring for this type of development.

Mr. Albanese said he would like to look at their feasibility studies. He said he has not heard anybody clamoring for a hotel, and thinks it is an unusual place for a business person's hotel. He would be more comfortable with a business person's hotel up the street at the corner of 95 and West Avenue.

Mr. Lindell said their hotel in Stamford works because when people come back from their meetings, they can walk out the door and there are 30 restaurants and bars, as well as theatres. They don't have to get back in their car and drive, and the South Norwalk location provides for the same situation. He said, to put it in numbers, it is a hotel of 121 rooms, which is anticipated to run at 80% occupancy, so it is about 35,000 guestroom nights a year. The hotel does not have a restaurant, so everyone is going to eat out, which is why merchants want the hotel down there.

Mr. Albanese sought clarification regarding the proposed action as acceptance and approval of the design review only. Mr. Sheehan confirmed this.

**** MR. ALBANESE MOVED FOR THE ACCEPTANCE OF THE THIRD PARTY DESIGN REVIEW OF THE SONO HOTEL AT 33-41 SOUTH MAIN STREET, SOUTH NORWALK, CT AS PREPARED BY GILL & GILL ARCHITECTS FOR THE REDEVELOPMENT AGENCY AND TR SONO PARTNERS, AND APPROVAL OF THE DESIGN PLAN DATED DECEMBER 18, 2008, FOR THE SONO HOTEL AS PREPARED BY BEINFELD ARCHITECTURE PC FOR TR SONO PARTNERS.**

**** MS. WINK SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

D. REED PUTNAM URBAN RENEWAL PROJECT

1. 95/7 Ventures, LLC – Submission of Construction Documents and report on Review Process
2. Review of “Construction Documents” for District 95/7 – West Building, Center Building and Parking Garage

Mr. Burritt said this item concerns the construction documents as submitted by 95/7 Ventures LLC for Phase I of the Reed Putnam parcels 1, 2 and 4, and represents the final public approval for this portion of the project. The construction documents are extensive. They represent over 500 pages of architectural drawings, engineering plans, and 1,600 pages of specifications.

The Land Disposition Agreement calls for the construction documents to be reviewed by the City's chief building official, Bill Ireland who is head of Code Enforcement for the City, and the Department of Public Works. There is a rather extensive report from the City's chief building official and a rather brief report from the Department of Public Works in the packages. In addition to the engineering review, staff felt it was important to have an architectural review, and Joe DesRosier from BFJ/Perkins Eastman was asked to prepare a report, which is also in the Agency packages. This is to insure that there are no “material changes” to the construction plans as reflected in these rather large construction documents, which is a very technical review and goes well beyond the capabilities of the Redevelopment staff.

Mr. DesRosier said they were retained to review the construction documents submitted by Byer Blinder and Belle and Beinfeld Architects and compare them to the Reed Putnam redevelopment construction plans submitted in February 2008.

The three buildings they were asked to review were the northwest office building, the central market building and the northeast parking garage. They found no significant discrepancies from the construction plans and only the expected development of the buildings that occurs during the architectural process.

The northwest office building is essentially the same building they reviewed last February with just a few changes at the second level setbacks along the building's east and north sides. The loading bay was redesigned and modified for easier access. The 30' bay setback was created at the upper floors above the loading zone to eliminate the office space above that area. More steel and glass canopies were added along the store fronts on North Putnam Avenue, which is a nice design change.

The central market building is different than the design and construction plans by Beyer Blinder & Belle, but is still in character and it scales the original design. The building is now a symmetrical building due to structural changes, and the office lobby is currently centered on the east façade. The original building had a partial mezzanine floor, but the new design has a full mezzanine level to be used as office area and results in an increase to the building floor area by 12,000 square feet. There is a change in the original profile from a flat roof to a barrel vaulted roof. There is significantly more detail in the design of the building giving the building more architectural character, and Mr. DesRosier said he thinks it is a better design.

The most significant aspect of the northeast parking garage is the possibility of it being developed in two phases depending on the amount of funding provided by the economic stimulus package of the State of Connecticut. Essentially, it may have only half of it being built depending on how much money gets funded.

Mr. Burritt said the City Departments have not completed their review of the parking garage, and they are not asking for the Commission's approval on the parking garage this evening. They are only asking for approval on the northwest office building and central market building, and they hope to be back before the Commission in February with the final reviews on the parking garage.

He noted that in the packages there are also letters of certification from both architects certifying as to the consistency of the construction documents with the construction plans and calling out the specific differences.

Mr. Jones asked if representatives of 95/7 Ventures had anything they wished to add to the comments.

Mr. Clay Fowler said he agrees that a hotel in the particular location that F.D. Rich Company is proposing would be a boost to South Norwalk as a whole, but he thinks that the question of two hotels being in a similar area and at a similar time is something that should be discussed.

He said they are struggling with their hotel, which is something that they may come back and ask for some flexibility on in the coming weeks or months. They do not have a hotel tenant nailed now. They concur that the area is deficient in hotel rooms and does not service the Merritt 7 area sufficiently.

He said the construction documents have been put out to bid on all three buildings, and just recently seven bids came in which were quite competitive. They were very surprised at how close the bids were, which is a testament to how complete the documents are. The construction documents are documents that they can build the project by, and they are indeed shovel ready. However, the ability to build in today's financing market is questionable. They do have significant progress with their retail tenants and have received Letters of Intent that they are discussing. In fact one of their tenants has put its architect in touch with their architect. However, the real viability of starting without an office tenant is questionable.

In order to adjust to the market reality, they are looking at moving the pieces around, and may come back in the coming weeks or months and say they would like to move a piece into one of these building locations, which means they would throw away part of the plans. They are a little disappointed that they are not on the City's shovel ready list, although they are shovel ready, and they would like to see that addressed by the Commission.

They appreciate the solid and steady progress they have seen on the underpass. That is a huge sign post, and they look forward to the construction moving onto the more visible side of the road of the train tracks. Mr. Burritt said they are just waiting for MetroNorth to put the track down, which was supposed to be in January, but may be in March.

Mr. Fowler said, on a general basis, they remain very positive about the project. They have spent a lot of time and a lot of money and remain highly committed to seeing the project through.

Mr. Sheehan said, with regard to the stimulus package that the federal government is looking at, the City has compiled a list of projects it considers "shovel ready" to be submitted to the State. The Agency had a conversation with the Commissioner of DECD some months ago, and DECD put the 95/7 project on the City's list based on that presentation. The question that is coming up is if this project were to be awarded funds out of the stimulus package, how would those public funds come into the project. The parking garage was never intended to be publicly owned or managed, and that is the question that needs to be resolved.

MS. WINK MOVED FOR THE APPROVAL OF THE PHASE I CONSTRUCTION DOCUMENTS AS REQUIRED BY SECTION 10.2A OF THE LAND DISPOSITION & DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF NORWALK, THE NORWALK REDEVELOPMENT AGENCY AND 95/7 VENTURES LLC, REDEVELOPER (AS AMENDED) FOR THE NORTHWEST AND CENTER BUILDINGS OF THE DISTRICT 95/7 PROJECT. SAID

**CONSTRUCTION DOCUMENTS BEING THOSE PREPARED,
ENTITLED AND DATED AS FOLLOWS:**

- **NORTHWEST BUILDING AND WEST BUILDING BIDDING DOCUMENTS VOLUME II AS PREPARED BY BEYER BLINDER BELLE, DATED OCTOBER 30, 2008 (NOTE: WEST BUILDING IS EXPRESSLY EXCLUDED FROM THIS APPROVAL) AND,**
- **MARKET BUILDING – DISTRICT 95/7 SONO AS PREPARED BY BEINFELD ARCHITECTURE PC DATED OCTOBER 30, 2008 LABELED AS “BID SET”.**

**** MR. ALBANESE SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

E. WEST AVENUE REDEVELOPMENT PLAN

1. Waypoint Master Development Agreement
Mayor’s Review Committee Report
Discuss further information to be reviewed by the Redevelopment Agency prior to voting on the Waypointe MDA

Mr. Sheehan informed the Agency Commissioners that the Planning Committee of the Common Council was nearing the completion of their review of the Waypointe Master Development Agreement. The Agency was provided a presentation of the Agreement terms and conditions by Robinson & Cole and are now receiving the final report of the Mayor’s Advisory Review Committee on the Waypointe MDA. The Agency would be voting on the document prior to the Planning Committee and the Council and therefore needed to decide what additional information the Commissioners would need prior to that action.

Chairman Jones said this document has gone through significant review from many parties within the City, certainly in regards to the Mayor’s Advisory Committee, as well as the Planning Committee that went through it article by article.

He said it would be his intention, if his fellow Commissioners are agreeable, to put this on their February agenda for discussion, and then move it onto the Planning Committee to be put on their March agenda, and hopefully have the Common Council, either at the end of March or the first meeting in April, approve it so they can further the project along. Mr. Albanese and Ms. Wink agreed with the proposal.

IV. OLD BUSINESS

V. NEW BUSINESS

Mr. Moore said he is raising a second application to EPA for Brownfields funding, which is an application to secure a grant of service as opposed to funding to complete the environmental assessment activities at the surface parking lot serving the eastbound side of

the South Norwalk train station. This will help match a grant they are receiving from the State Department of Economic and Community Development to actually remediate the site. To repeat, the EPA grant will match DECD funds. He is asking for authorization permitting the Executive Director to apply for, accept and implement an award.

**** MS. WINK MOVED THAT THE NORWALK REDEVELOPMENT AGENCY AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE ANY AND ALL DOCUMENTATION NEEDED TO APPLY FOR, ACCEPT AND IMPLEMENT AN AWARD FROM THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S TARGETED BROWNFIELD ASSESSMENT PROGRAM FOR 30 MONROE STREET.**

**** MR. ALBANESE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

There being no further Old or New Business, upon motion duly made by Ms. Wink, seconded by Mr. Albanese, the meeting was adjourned at 7:47 pm.

Respectfully submitted,

Karen Pacchiana

