

**CITY OF NORWALK
REDEVELOPMENT AGENCY
SPECIAL MEETING
DECEMBER 13, 2018**

ATTENDANCE: Felix R. Serrano, Chairman; Commissioners Lisa Cooper, David Westmoreland and Tom Devine

AGENCY COUNSEL: Marc Grenier, Esq.

STAFF: Timothy T. Sheehan, Executive Director, John Slovak, Comptroller; Susan Sweitzer, Senior Project Manager; Tami Strauss, Director of Community Development Planning; Sabrina Church, Community Development Planner

CALL TO ORDER

Chairman Serrano called the Special Meeting to order at 5:02 PM

ROLL CALL

Chairman Serrano noted that a quorum was present.

PUBLIC PARTICIPATION

Chairman Serrano opened the Public Participation portion of the meeting. No one from the public came forward to speak.

I – A. APPROVAL OF MINUTES

A. Minutes of November 13, 2018 Regular Meeting.

**** MS. COOPER MOVED TO APPROVE THE MINUTES OF THE NOVEMBER 13, 2018 REGULAR MEETING.**

**** MR. WESTMORELAND SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

I – B. FINANCE

1. Approve Norwalk Redevelopment Agency Statement of Revenues and Expenditures for Year-To-Date October 31, 2018.

- Operating Fund 100 had revenues of \$632,183 versus budgeted revenues of \$716,331 with an unfavorable variance of \$84,148. This is largely due to \$55,718 of undrawn salary and benefits for an open position.
- Actual operating expenditures are \$566,429 versus a budget of \$708,707 resulting in a \$142,278 favorable variance of which \$55,718 is similarly due to the open position. There is also a favorable variance of \$38,526 for taxes and benefits expense mostly due to the switch from Anthem to the CTPP 2.0 City Medical Insurance Plan.
- There is an actual operating surplus of \$65,754 versus a budgeted operating surplus of \$7,624 resulting in a \$58,130 favorable net operating variance.

- ** MS. COOPER MOVED TO APPROVE THE AGENCY STATEMENT OF REVENUES AND EXPENDITURES FOR YEAR-TO-DATE OCTOBER 31, 2018 AS PRESENTED.**
- ** MR. WESTMORELAND SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

2. Approve Audited Financial Statements for June 30, 2018.

Mr. Slovak said the auditor presented the audited NRA financial statements for the year ending June 30, 2018 at the last meeting, which will be filed with the State of the CT by December 31, 2018. He said it was a good clean audit and, in the opinion of the auditor, the statements fairly represent in all material respects the financial condition of the Norwalk Redevelopment Agency.

Mr. Westmoreland referred to the note on page 16 under Deposits and Investments that says only \$250,000 of the \$8M in cash is insured under FDIC and asked if that is something we should have extra insurance for? Mr. Sheehan said extra insurance is not available under FDIC.

Mr. Westmoreland said on page 17 under Commitments and Contingencies, typically open litigation issues are noted. Attorney Grenier said the auditor sent letters to counsel, and based upon the opinions of Shipman & Goodwin and himself on the various matters open as of June 30, 2018, they are undeterminable as of June 30th as noted in the report.

Mr. Westmoreland said typical best practices require that you change auditors every three years, and that might be something to look into. Mr. Sheehan said the contract hasn't gone out to bid for at least five years, so that is a duly noted comment and we can get a review of other auditors and see what they come back with.

- ** MS. COOPER MOVED TO APPROVE THE AUDITED FINANCIAL STATEMENTS FOR JUNE 30, 2018 AS PRESENTED.**
- ** MR. WESTMORELAND SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

II. OPPORTUNITY ZONES

- A. Approve the Silver Creative Group Phase I marketing budget for the Opportunity Zone Fund Program in an amount not to exceed \$21,420.

Ms. Church said her memo and the accompanying documents explain what Opportunity Zones are and what Opportunity Funds will do for the City as a whole. As part of the Tax Cuts and Jobs Act of 2017, the federal administration released the Opportunity Zone Program, and at that time five of Norwalk's census tracts were eligible to receive the incentive program. We applied in April and three have been chosen by the Governor and approved by the federal government, which were 434 (Main Street and Route 7), 437 (Wall Street and West Avenue) and 441 (South Norwalk). In order to receive the benefits of the program we need to market the City to get Opportunity Funds set up to be able to invest in these tracts. We discussed with our marketing consultant, Silver Creative Group, a variety of ways to attract potential Funds to Norwalk's designated tracts. The first is to set up a website and the content for the website.

Mr. Sheehan said the whole purpose is to market the city to the Opportunity Funds so that they know that Norwalk has investment Opportunity Zones, and to show the types of projects that have previously happened here. One of the important things that we want to make known to these Funds is that our census tracts have been approved and are established markets, and there has already been investment activity that has occurred here. Per IRS guidelines, the Fund ultimately has to have 90% of its value invested in the Opportunity Zones. The Funds run the gamut of large banks to large development entities. Enterprise is establishing its own Fund, but then you can get down to project specific Funds, Mr. Sheehan said. With the capital gains event you have 90 days to get the taxable event capital into the Fund, and then you have a deferral until 2026 to pay the capital gains on that event. You also have the ability to take down 15% of the basis, but any appreciation of the money that you have left in the Opportunity Fund beyond the 10-year window that experiences appreciation ultimately becomes tax free.

Mr. Westmoreland said the proposed budget seems very reasonable for the website and the content. He asked will there be a targeted marketing once all this is done and in place to go after specific Funds?

Paul Zullo from Silver Creative said they assume that everybody they are talking to already understands what an Opportunity Zone is, so they want to educate and teach viewers on the next wave of information, and one of those is the difference between a 1031 Exchange and an Opportunity Zone. Another one is Opportunity Zones don't have to all be for real estate, so how does it apply beyond a real estate transaction, and it's about content. He thinks a good idea would be to host an event within the zone and bring in commercial brokers and some of the investment community. There are some search engine marketing dollars that we could spend for keywords for people who are searching this information, and then there could be some dollars spent on direct mails and outreach towards these Fund managers. This is all on the forefront. Everything is just happening. He was talking to the gentleman who is working right now on developing a data base of Opportunity Zone Fund managers, and once that happens, you would contact them to buy the list and then start advertising to those people directly.

Mr. Sheehan said we already know there are going to be at least five Funds coming out of Fairfield County alone.

Chairman Serrano said this is an opportunity that we need to jump on, so this is a good start.

**** MR. WESTMORELAND MOVED TO APPROVE THE SILVER CREATIVE GROUP PHASE I MARKETING BUDGET FOR THE OPPORTUNITY ZONE FUND PROGRAM IN AN AMOUNT NOT TO EXCEED \$21,420.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

III. CHOICE NEIGHBORHOODS

Review and approval of proposed contract with Norwalk Arts Commission for implementation of CNI public art project.

Ms. Sweitzer said in their package is a memo describing the Choice Neighborhoods initiative part of the critical community improvements plan, which is specifically dedicated to public art installation. Because it is so specific, the Agency is suggesting that we contract directly with the Norwalk Arts Commission for the implementation of this project. Phase I will look at the community engagement component and determine whether it goes to the Commission as one piece or whether to purchase directly already created art pieces, and where these art pieces will be distributed, which will come out of the community engagement. Phase II of the contract would then be to implement the strategy that has been selected. The total budget for the project is \$100,000, which is the line item in the HUD grant for this purpose. The Phase I budget is \$15,000, which is the cost of a project manager to manage the community engagement process, and then the Phase II budget would emerge from the selected process of Phase I. We would like to have approval for both Phase I and Phase II of the contract with the Arts Commission, but if the Commissioners prefer to see the Phase II contract come back to them, that is perfectly fine.

Mr. Sheehan said what this allows is evidence to HUD that there is a commitment on the funding source in terms of approving both Phase I and Phase II in the one contract.

Ms. Sweitzer said Susan Wallerstein, who will be the acting member from the Arts Commission, is there if there are any questions.

Ms. Wallerstein said Julio Pardo, the project manager for the project, just texted saying he had car trouble, but she hopes they will have a chance in short order to meet him. He has lived in Norwalk for a number of years and has stellar credentials that are very much aligned with this. He has a good network within the community, and has a community voice and engagement, which is obviously key. Whatever gets selected, we all know that at the end of the day some people will like it and some people won't, so the community engagement process is particularly important, as will be the procurement process for the individual artists and park pieces.

Ms. Strauss said even though the Agency is going to contract with the Arts Commission, we are not going to remove ourselves from the process completely, and we will be providing administrative support and making sure that HUD requirements are met.

Chairman Serrano said he thinks working with the Arts Commission makes total sense to bring it together and get the buy-in from the community and the residents, which is important because they are going to look at it as well.

Mr. Westmoreland said he was the chair of the Mayor's Design Advisory Committee for Ryan Park, so he is obviously very focused on what happens there, but he would be concerned about ultimately spending \$100,000 for a single art work. There may be good reason to do that, depending on what they come up with, but he would like to approve the whole thing but come back after Phase I for their input and review on the results before moving forward. It would be great to get multiple artists engaged instead of just the one.

Ms. Sweitzer said she thinks that's fine, and in fact would be disappointed if they didn't want to see what was being proposed.

Ms. Wallerstein said Mr. Pardo actually proposed multiple, but they have to respect the landscape architects and site plans as well, and the conversation phase has certainly involved people that many of us know, like Sive Fingaz and Jermaine. There is community buzz already about the potential and the opportunity at that location.

Mr. Sheehan said we will make sure that it comes back to the Commission before it advances to Phase II. Attorney Grenier said he has reviewed the draft contract, and the proposed budget is not to exceed \$15,000 for Phase I, so he has no problem with the language with the understanding that it will be coming back to talk about the other \$85,000 and how they are going to allocate that.

**** MR. DEVINE MOVED TO APPROVE THE NORWALK REDEVELOPMENT AGENCY PHASE I AND PHASE II CONTRACTS WITH THE NORWALK ARTS COMMISSION TO COMPLETE THE IMPLEMENTATION OF THE CHOICE NEIGHBORHOODS INITIATIVE CRITICAL COMMUNITY IMPROVEMENTS PLAN PUBLIC ART SUBJECT TO THE REVIEW AND APPROVAL OF AGENCY COUNSEL IN AN AMOUNT NOT TO EXCEED A COMBINED TOTAL OF \$100,000; AND ALSO TO AUTHORIZE FELIX R. SERRANO, CHAIRMAN, TO EXECUTE ALL DOCUMENTS AS REQUIRED TO DISCHARGE PHASE I AND PHASE II PUBLIC ART CONTRACTS WITH THE NORWALK ARTS COMMISSION IN AN AMOUNT NOT TO EXCEED A COMBINED TOTAL OF \$100,000.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

(Mr. Devine left the meeting at 5:45 PM.)

IV. FAÇADE IMPROVEMENT

Ms. Sweitzer said this item is an amendment of what was approved by the Common Council to enable the Agency to engage in a bridge funding agreement with a grantee to cover the shortfall that a grantee will experience in exercising the project that was approved and receipt of the matching funds. The matching funds have typically come from the State Historic Preservation Office or Connecticut Trust grants, and reimbursement will only come to a grantee at the conclusion of the project, putting the onus for upfront funding on the grant award recipient, so we would ask that the Agency consider a short term bridge funding agreement with our grantee, the Canaan Institution Baptist Church, for the amount of \$50,000 to cover the gap between payments to vendors for the restoration work and receipt of the grant funds from state agencies. They have an approved assistance agreement with SHPO for an amount of \$50,000 which will come to them at the conclusion of their historic preservation project, which is the stained glass window restoration. In the past SHPO has not required this, but the SHPO agreement now is very firm that it is an implementation grant.

Attorney Grenier said the project is close to completion and the bridge financing will provide financing so the stained glass vendor can get paid, and once the stained glass is done, the representative will come down from the state to confirm the process. We will do a note and a mortgage on the property, which will be zero interest for six months.

Ms. Sweitzer said the windows themselves are almost 98% restored. The final work will be the restoration of the wood frames that the windows go back into, which is a little weather sensitive, so they would like to finish the work in early March when they can get a day to take off the coverings and start the restoration of the frames. The windows are on the corner of the church, so they are out there for everybody to see.

Mr. Westmoreland said this is a wonderful project. It is a great church and they do an amazing job protecting and restoring that building, so he is for whatever we can do to help them.

**** MS. COOPER MOVED TO APPROVE THE CANAAN INSTITUTIONAL BAPTIST CHURCH FOR BRIDGE FUNDING IN THE AMOUNT OF \$50,000 IN ACCORDANCE WITH THE AMENDED CAPITAL BUDGET FAÇADE IMPROVEMENT GRANT PROGRAM GUIDELINES REVISIONS ALLOWING FOR SHORT-TERM BRIDGE FUNDING IN AN AMOUNT NOT TO EXCEED THE AMOUNT OF THE AWARD OF THE MATCHING REIMBURSABLE GRANT AND CAPPED AT \$50,000 FOR A PERIOD NOT TO EXCEED 6 MONTHS, SUBJECT TO REVIEW BY AGENCY COUNSEL; AND ALSO TO AUTHORIZE FELIX R. SERRANO TO EXECUTE THE BRIDGE FUNDING AGREEMENT WITH CANAAN INSTITUTIONAL BAPTIST CHURCH FOR AN AMOUNT NOT TO EXCEED \$50,000 FOR A PERIOD NOT TO EXCEED 6 MONTHS.**

**** MR. WESTMORELAND SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

V. LANDSCAPE AND MAINTENANCE SERVICE

Mr. Shockley said he is there with Ms. Conte and Joe Tamburro of Meticulous Landscaping. We have had three very successful years with Meticulous carrying out the landscape needs with Redevelopment in the business districts, and are looking to do a three year contract to begin on January 1, 2019 ending on December 31, 2021 in an amount not to exceed \$111,250 for the 2019 calendar year ending December 31, 2019, subject to all necessary reviews and approvals of the City and public agencies involved. At the end of every year we will reevaluate the needs and what the price factor will be.

Mr. Sheehan said what you are allowing is establishing the base of the contract to be \$111,250 and if there is anything that goes beyond that, it has to come back to the Commission and we need to explain and justify the requested increase.

Mr. Westmoreland said they do a great job. It is amazing how good the hanging baskets and all the plantings look, and he thanks them for all that they do. He asked if in the three year contract at \$111,250 per year, could they include the maintenance of the hanging baskets on Cedar Street. There are 31 pots that the Golden Hill Business Association pay for but maintenance has been a problem. They are just volunteers and can't do the fertilizing and watering and all that stuff.

Mr. Shockley said maintenance is a big expense, so adding those would be an additional burden for them. They can itemize that and tell you what the cost would be.

Attorney Grenier said the Agency is constrained to a project area, and that is not one of their project areas, so to include it in here would be outside the scope of the plan area.

Chairman Serrano said we have definitely gotten a lot of compliments, so he thanks them. Mr. Sheehan said please notice the Christmas trees in SoNo, at the wharf and at 50 Washington Street, which are part of the improvements, as well as the Christmas baskets.

**** MR. WESTMORELAND MOVED TO AUTHORIZE THE CHAIRMAN TO EXECUTE THE THREE YEAR CONTRACT WITH METICULOUS LANDSCAPING AND DESIGN, INC. FOR LANDSCAPE MAINTENANCE SERVICES TO BEGIN ON JANUARY 1, 2019 ENDING ON DECEMBER 31, 2021 IN AN AMOUNT NOT TO EXCEED \$111,250.00 FOR THE 2019 CALENDAR YEAR ENDING DECEMBER 31, 2019, SUBJECT TO ALL NECESSARY REVIEWS AND APPROVALS OF THE CITY AND PUBLIC AGENCIES INVOLVED. THE SCOPE OF WORK FOR THE 2020-2021 CALENDAR YEARS WILL BE SUBJECT TO REVIEW AND ANY INCREASE IN THE BASE CONTRACT BEYOND \$111,250.00 WILL REQUIRE AGENCY APPROVAL.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

VI. EXECUTIVE SESSION

Real Estate Negotiations with the First Taxing District of the City of Norwalk.

. MS. COOPER MOVED TO ENTER EXECUTIVE SESSION AT 5:49 P.M. AS SET FORTH IN ARTICLE VI OF THE AGENDA.**

**** MR. WESTMORELAND SECONDED.**

**** THE MOTION PASSED.**

Chairman Serrano noted that the Redevelopment Agency came out of Executive Session at 6:15 P.M., and that no action was taken.

VI. NEW BUSINESS

(None.)

VII. OLD BUSINESS

(None.)

ADJOURNMENT

Upon motion of Ms. Cooper, second by Mr. Westmoreland, the Norwalk Redevelopment Agency meeting was adjourned at 6:16 P.M.

Respectfully submitted,
Karen Pacchiana