

**CITY OF NORWALK
REDEVELOPMENT AGENCY
SPECIAL MEETING
APRIL 26, 2017**

ATTENDANCE: Felix R. Serrano, Chairman; Commissioners Lisa Cooper, LaTanya Langley and Tom Devine

AGENCY COUNSEL: Marc Grenier, Esq.

STAFF: Timothy T. Sheehan, Executive Director

OTHERS: Douglas Adams, GGP; Robert Jakubik, GGP; Paul Madden, GGP, William Hennessey, Esq.; Deb Goldstein, Diane Cece, Klaus Schmitt; Members of the Press

CALL TO ORDER

Chairman Serrano called the meeting to order at 5:55 PM.

ROLL CALL

Chairman Serrano noted that a quorum was present.

PUBLIC PARTICIPATION

Deborah Goldstein, Osborne Avenue, asked if the Commissioners had received the written comments she submitted. Mr. Sheehan stated that the meeting is for the Agency to make a determination relative to the mixed use requirement on the GGP project. If he understands correctly, her comments relate to a public hearing which will be held at a future date on the modification to the Urban Renewal Plan, but he is happy to forward the comments to the Commissioners now so that they have them. He will make sure that she is copied on the conveyance so she knows that they have gotten them. He apologized for any confusion.

The public participation portion of the meeting was closed.

A. REED PUTNAM URBAN RENEWAL PLAN AREA

Review the proposed modifications requested by Norwalk Land Development LLC, to amend the Reed Putnam Urban Renewal Plan dated October 29, 2015 and to modify the Land Disposition & Development Agreement dated December 15, 2000, as amended.

Attorney William Hennessey stated that they are there to amend the Land Disposition Agreement Amendment #4 and the Urban Renewal Plan for the Reed Putnam District, Parcels 1, 2 and 4. The Amendments are related to a single issue, which is the feasibility of the hotel.

Currently the redeveloper has an obligation to build a mixed use project consisting of public realm and two of four additional uses: retail, hotel, office or residential. The SoNo Collection includes public realm and retail, and also a hotel. Their request is not only to eliminate the hotel, but to amend the LDA and the URP so that only one other use would be required, as they have come to recognize that neither residential, office or the hotel, in addition to the retail, is feasible, and that event was not contemplated in the LDA. The final configuration of the project would be the identical project in terms of the retail aspect, but the hotel would be removed and converted to retail, and the lobby and 113 parking spaces on the subterranean level would be removed.

They have obligations to the two anchors to open the mall by October 19, 2019 and would like to begin construction right away while they finalize the documents. They have been working with the Building Department, and think the foundation permit will be ready by mid-May. If they start construction and the approvals don't go the way they hope, they would stop excavation at whatever stage they are at. They understand the risk, but they need to take that risk to be able to deliver.

Mr. Adams said their request is to construct the project without the third use requirement and to clarify what they believe was the intent of the language of anchors of high quality in the LDA. They were required to add a third use in addition to the retail and the public realm, and at the time they felt that the hotel was the most feasible and most likely to succeed. To build the project as approved the retail takes substantially all of the footprint of the site, coupled with the need for full structured parking, and as a result the hotel would need to be constructed on top of the mall above Bloomingdale's. The cost of high rise construction is very significant, and they would be competing against other hotels in the area with room rates driven by more traditional at grade type parking, so they began to look at alternative uses. In the package is a report from a consultant that basically confirms that the two alternative uses, office and residential, suffer from the same problems of very high construction costs and competitive markets that don't support those costs. They would have preferred to build the hotel and it is a disappointment to them that they are not adding that as a component, but building a project with that large a loss in addition to the very real potential that it could perform poorly and impact the core driver of everything was a risk they couldn't take.

Chairman Serrano stated that they will not be taking an affirmative vote as to feasibility. The intent is to make a determination relative to the mixed use requirement on the project.

Mr. Adams said there were negotiations with the Mayor and leadership of the City, and the Chair and Mr. Sheehan were present at some of those meetings, and they ended up that GGP would make a financial contribution of \$3.5 million to the City in consideration of amending the LDA. It would be the City's determination how those funds would be used. Affordable housing was mentioned, as well as work toward community centers, connectivity and business incubation.

Attorney Hennessey said two years ago they had several weekly meetings in which the classification of the mall was discussed. The City was concerned that the mall would slip and be something less than a Class A mall, so they negotiated that for 15 years there would be no tax appeal, no challenge to the assessment, and a commitment from GGP to maintain anchors of high quality in the mall, and they just want a clarification and an understanding that if they get down the road and something happens and they have to switch out an anchor, they can move to whatever the retail industry tells them to move, so long as it's always an anchor of high quality and a Class A mall.

Mr. Adams said no one is more incentivized than GGP to maintain and increase the quality of the Center. It is their asset, and like any company, their goal is to maximize the value of their assets. They just want to make sure that if for some unknown reason one of the anchors has distress in the future, that they have the flexibility to replace it with an anchor of high quality for a Class A mall, but that it doesn't have to be a traditional department store, because there are a lot of the questions lately where those are going and how many will be left ten years from now. They remain committed to the hiring commitments they made on the project, the training, the connectivity issues, and all the design features, and they think the project will have huge positive

impacts to the community. The 6% limit on restaurants is something they absolutely are committed to, so they are not seeking to change any of the other provisions that were negotiated. They are beginning outreach meetings for construction hiring in two weeks. He said he has spent a lot of time in South Norwalk and the overwhelming impression he gets is that the community of South Norwalk in particular really wants this mall.

In stating her concerns, Ms. Langley compared the project to a BMW that was promised but was then stripped of its tires, leather seats, etc., so that now it is a BMW motorcycle, but it is still a BMW and will still get you to where you want to go. The initial approval had public access to the waterfront, housing opportunities, and all this reinvestment positioning, and she feels like she no longer has her BMW and is no longer getting the same deal, and they are paying her to agree to something less. They were excited about the project because there were so many elements to the project that would impact and benefit Norwalk citizens. She feels like they are losing the human aspect of this project, and asked them to keep the Norwalk citizens in mind. If the money that they are intending to give to the City is not earmarked, how do they make sure that it will go to housing, or that their citizens will get the benefit of that money? She noted that there have been a number of meetings going on regarding the mall that don't include everyone, and there were decisions made that were published in the paper that Council and Redevelopment people knew nothing about, and she wants it on the record that all of these side meetings and conversations with certain members of commissions and agencies should not be happening if it impacts the City of Norwalk and money that is being earmarked for the City of Norwalk.

Mr. Devine asked if there would be public hearings. Mr. Sheehan stated that the Agency will have two public hearings, the Planning Committee of the Common Council will have two public hearings and the Zoning Commission will have one.

Ms. Langley said she just asks that they keep the community in mind and that they be transparent. There is more than one voice in Norwalk other than the Mayor and the two heads of Common Council, and she asked that they stop with the side conversations and side deals.

Ms. Cooper said she agrees. As a member of the Ad Hoc meetings that met on Saturday mornings in early 2015 to discuss the beginning details of the mall, she remembers discussing mixed use. They made it sound wonderful, like something they should invest in, but now to hear that it is completely gone, she does have mixed feelings. What is being presented now wasn't what was presented when they were going through those meetings, so it makes her kind of leery of what's going on.

Attorney Hennessey said they know it is an important change, and they know how much they discussed that third use, but it doesn't work and they still desperately want to build this project in a way that will make it financially successful and which will increase the tax base, because the one thing that nobody wants is a failed hotel at the top of the mall. The mall has to be successful in every regard.

Chairman Serrano pointed out that this is the start of the process, and as they can hear, there are concerns as to how this will be undertaken and how this got to where they are today, and he thinks it is important as they move through the modification process that they put things in place so they have a foundation.

Ms. Langley said also to create an inclusive dialogue around all the next steps that includes their community and all of the leaders, not just some subset, and make sure that people are being included in the discussions and not finding out what's going on after the fact.

Mr. Sheehan stated that there has not been any agreement made by any individual or board or commission with regards to this, and what GGP is bringing forward for the Redevelopment Agency's and the Common Council's consideration, as well as other boards and commissions, is a proposal, not an agreement. If the Commissioners are supportive of the proposal, then they would advance it to the various boards and commissions for their feedback. There is a statutory requirement for a public hearing on the modification to the Urban Renewal Plan, and he assumes there would be a simultaneous public hearing relative to how that impacts the LDA as well.

Attorney Hennessey said they are moving forward because that is their only way to get the project built, and if the Commission determines that that is not the project they want, they are prepared to stop. They understand the risks. It is not a presumptuous act on their part. Their intent is to move forward with the hope that the City and the Agency are their partners in this to get it completed, because they need to get it completed by October 2019.

Chairman Serrano thanked everyone. What this does is give staff the ability to commence the process and move forward to a public hearing on the amendment to the URP.

Attorney Grenier said the URP amendment process statutorily has certain requirements, and this action will authorize staff to do the process for the URP. There is the 4th amended LDA, which is the governing document and the developer does have a right to come in and say things have changed and ask for a modification. There was discussion that they knew what they bought, they negotiated it, but as Councilman Kydes had indicated, they deserve an opportunity to present their side to all the various boards and the City so that the elected officials can make a determination of what is best for the citizens of Norwalk.

Chairman Serrano said this process is a public process, and by authorizing staff to commence the process to prepare a draft amendment will move this forward toward the public hearings, and make a determination relative to the mixed use requirement on the GGP project.

- ** MS. LANGLEY MOVED THAT AGENCY STAFF IS AUTHORIZED TO COMMENCE THE PROCESS TO PREPARE A DRAFT AMENDMENT TO THE REED PUTNAM URBAN RENEWAL PLAN DATED OCTOBER 29, 2016 AS THE COMMISSIONERS ARE OPEN TO RECONSIDER NORWALK LAND DEVELOPMENT LLC'S REQUEST TO AMEND THE LAND DISPOSITION AGREEMENT DATED DECEMBER 15, 2000 AS AMENDED.**
- ** MS. COOPER SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

The Norwalk Redevelopment Agency meeting was adjourned at 7:25 P.M.

Respectfully submitted,

Karen Pacchiana