CITY OF NORWALK
PLANNING COMMITTEE
REGULAR MEETING
JULY 1ST, 2010

ATTENDANCE: Douglas Hempstead, Chairman; John Tobin, Kelly Straniti, Clyde Mount, Carvin Hilliard, Laurel Lindstrom, Andy Conroy

STAFF: Atty. Robert Maslan, Corporation Counsel

OTHERS: Council Member Richard Bonenfant, Mr. Emil Albanese, Norwalk Redevelopment Board; Atty. Mark Greiner, Norwalk Redevelopment Board attorney

CALL TO ORDER

Mr. Hempstead called the meeting to order at 7:10 p.m. Mr. Hempstead said the reason everyone was present was to continue the previous discussion on the Norwalk Economic Development Agency.

ROLL CALL

BUSINESS

A. Discussion of Norwalk Economic Development Corporation.

Atty. Mark Greiner, an attorney with Depanfilis and & Vallerie LLC, then said that his client, Mr. Albanese was present. He said that in the words of the late Paul Jones, this was not about R's or D's but about ends. He said that it was best to work collaboratively. Therefore, his client was open to suggestions or solutions.

Mr. Hempstead then asked Mr. Albanese to give an overview as to why the Redevelopment Agency moved towards the Economic Development Corporation model. Mr. Albanese said that it basically came about when the Norwalk Redevelopment Agency (NRA) realized that they were constrained by both charter and regulation from applying for certain types of grants, so after some research by Cummings and Lockwood and discussions with Atty. Maslan, this new model was considered.

He added that the reason some of the employees were transferred was for ease of administration and there were also some considerations regarding the requirements for grant application. He added that Norwalk also had North Walke Housing Corporation, which manages affordable housing and operates under the umbrella of the NRA.

Ms. Lindstrom asked about the façade program. Mr. Albanese then explained that the NRA only could work in certain areas in Norwalk, but that there were other areas that needed façade work. The NED would be able to work citywide.

Atty. Greiner then reviewed the fact that the five members of the NRA Board are also officers of this non-profit organization. There are no wages paid to the Board members.

Mr. Hempstead asked about the history of the communication about this. Atty. Greiner said that there had only been two exchanges of information between himself and Atty. Maslan.

Atty. Maslan said that the Redevelopment Agency had been formed in 1950 and was for Federal funding for Redevelopment purposes. There were two avenues, one of which was the formation of a Redevelopment Agency by the Council.

Atty. Maslan said that the information packet included a copy of the minutes from 1950 that included a lengthy letter from Senator Brien McMahon and others regarding this.

The Redevelopment Agency is limited by the statutes. He said that he felt it would be up to the Council to change it. He reminded that the members of Commission were all appointed by the Mayor and approved by the Council. By having the members of the Redevelopment Commission also functioning as Economic Development Agency Commission may be problematic. He said while this may be a good formation, it would be up to the Council to form this corporation, not the Redevelopment Agency.

He said that his remark should be taken as legal comments. He said that his office was in the process of getting copies of ordinances from municipalities that created Economic Development Agencies for additional research.

Mr. Hempstead said that he had some concerns about the fact that the Redevelopment Agency had taken City assets and the employees and transferred them to a non-profit agency created by the Redevelopment Agency. He said that he would suggest that everything back to the way it was and begin a dialog with the Council about this. This was apparently done in a vacuum.

Atty. Greiner said that the Agency would not have done this if they did not believe this was legal. He then said that the funding from HUD was overseen by HUD. All the staff was still employed by the Norwalk Economic Development Agency (NED) He said that this process had been started by Mr. Jones before he became ill.

Ms. Straniti said that this was her third term on the council and that she had not heard about this plan until recently. Atty. Greiner said that this issue had started with former Council President Bolden's questions about DPW and other issues.

Mr. Tobin said that he reviewed other Economic Development Corporations and how they were created in other municipalities and while an Economic Development Corporations could be a benefit, he had some serious questions about how this particular one had been set up. He said that there had only been a five minute discussion in public session in a Council meeting about this, and an hour and half of discussion in Executive Session.

Atty. Maslan said that he did not believe that the five members of the NRA Commission should be part of an Economic Development Agency. Atty. Greiner said he wished Atty. Maslan had said that much earlier in this process.

Atty. Greiner said that now HUD grant funding was restricted to being used 100% for the projects. In the past, up to 20% of the funding could be used for administration. Mr. Albanese said that it was nice to think of things as they were in 1950, but that now, things have changed in the last sixty years.

Mr. Tobin asked when Mr. Burritt had resigned. Mr. Albanese said that he believe it was in the early part of May.

Mr. Hilliard said that while he believed the NRA's intention were honorable, he felt that after listening to the Council Members comments and to Atty. Maslan's comments, he felt that it was time to cut the losses and move forward in an appropriate manner. The Council needs to be part of it.

Mr. Conroy said that the Council does not have any power that the State does not grant to them. The State gave the Council power to create the Redevelopment Agency. He said that the fact this was discussed with the Council in Executive Session bothered him. There are only three purposes that Executive Session can be called and Mr. Conroy said that he did not believe this would fit within the perimeter of the Executive Session guidelines.

Atty. Greiner said that while there may be different opinions on this, the point was to work collaboratively to move forward. He said that there had been rumors that the funding was lost. The funding was not lost. Mr. Hempstead said that the funding had been transferred to a private organization. Atty. Greiner said pointed out this private organization was controlled by the NRA. Mr. Hempstead said that he felt that having the same five members on the Board overseeing a private corporation was an issue for him.

Ms. Lindstrom said that at the last meeting was the first time she had heard about this. She said that while it may be a good thing for Norwalk, in hindsight, it would have been good to have the Council involved from the beginning, so that the current feeling of having to start all over again would have been avoided. The Redevelopment Agency was set up with a very narrow focus and the Council needs to be the one to broaden the focus since the Council members are the ones that are elected to represent the City.

Mr. Albanese said that two years ago, when the idea came up, he had indicated that it was a poor business practice to go so far down a road and then have to retrace one's steps. However, it is critical to work together with the Council in this.

Mr. Conroy said that he felt that the Council as a whole seemed to have difficulty with this corporation. Mr. Conroy said that he also had concerns about the transfer of assets. Atty. Greiner said that the bylaws could be amended or adjusted as needed. He said that it would be important to have the Council at a comfort level and to work together.

Mr. Mount said that he would like to see this project rolled back, but not disband the Economic Development Agency, so that it could be re-constructed with Council knowledge so that everyone was comfortable. Atty. Greiner said that he did not think that the Council wanted to be involved in the day to day functioning of the Agency. Mr. Hempstead then outlined some of the problem areas. Atty. Greiner said that he would agree that the Director of Redevelopment being staff to the Planning Committee was a conflict. Mr. Hempstead said that Mr. Sheehan had brought up the issue and he had never had a problem with Mr. Musante or with Ms. Hannert when they were head of the Agency. Discussion followed.

Mr. Bonenfant said that he felt that there was a basic difference of opinion about whether the NRA had the authority to designate a private agency to do work. He also asked who would be the staff member who would be working with the Planning Committee. He mentioned Mr. Sheehan has told the Council that he worked for a private agency and it would be a conflict of interest to work as staff for the Council. Mr. Albanese said that the particular comment had been mentioned by several different Council Members. Atty. Greiner agreed and said that he felt that it would be best to consider the comment as "Mr. Sheehan misspoke". It was then pointed out that Mr. Sheehan's comment was recorded on page 8, paragraph 5 of the June 3rd minutes along with the fact that Mr. Sheehan had made the similar statements previously.

Mr. Hempstead said that he would like to see all the funding transferred back to the Redevelopment Agency and have that piece of the puzzle back in place.

Atty. Greiner said that he would like to have a further discussion about this. Mr. Hempstead said that the Council had given funding to the Redevelopment Agency funding and that the NRA had turned around and then given the money to a private agency.

Ms. Lindstrom asked why Mr. Sheehan was not present. Mr. Hempstead said that Mr. Sheehan was not invited because he had made it very, very clear at the last meeting that it would be a conflict of interest. He said that he was not going to put the Commission in a questionable position Ms. Lindstrom said that she felt that what Mr. Sheehan said was a conflict of interest was more of a conflict of opinion. Discussion about this then followed.

Mr. Conroy asked about the point of order. He then asked if the Commission could take on this issue if the Agency was done illegally. Mr. Hempstead said that the first step would be to put the agency back to the way that it was before. Mr. Conroy suggested that the NED Agency become a shell corporation and on hold. Once the Council decides, the project can be either move forward, or announce that the shell corporation is defunct.

Atty. Greiner said that he needs a chance to speak to Corporation Counsel about this.

Mr. Mount said that he agreed with Mr. Conroy. Ms. Straniti said that she felt that there was some resistance still there. Mr. Tobin said that he agreed with Mr. Mount and Mr. Conroy's suggestion and felt that it was the best course of action. Ms. Lindstrom said that she also agreed. She said that after hearing Atty. Maslan's comments, she felt there were some serious legal issues that needed to be addressed. Mr. Hilliard also agreed. Mr. Conroy said that he would also like to insure to make sure that any agreements such as employment and rental agreements had not been entered into by the NED Agency.

Atty. Greiner said that it would be important to move forward.

Mr. Bonenfant said that at this point he had a hard time recognizing how a private corporation could go out to do City business.

Mr. Hempstead asked when the next meeting could be scheduled. Mr. Hempstead said that the next Council meeting was on the 13th of July. He then asked if Atty. Maslan could update the Committee members about this issue. Atty. Greiner said that he believed that it would be able to be resolved by the 23rd. Mr. Hempstead asked if there was a listing of the transfers that were made. Mr. Hempstead said that if there were any issues on the horizon about things like CDBG funding, he would have those conversations with Mr. Albanese, the chairperson of the Agency, rather than a staff member.

Mr. Tobin thanked both men for coming to hearing the Committee's concerns.

<u>APPROVAL OF MINUTES – June 3, 2010 Regular Meeting</u>

The following corrections were noted:

Page 8, paragraph 4, line 6 and forward: Please change “loosing” to “losing”
Page 8, paragraph 6, line 2, please change the following from: “HUD gives difference to the” to “HUD gives deference to the”

**** MS. STRANITI MOVED TO APPROVE THE MINUTES OF JUNE 3, 2010 AS CORRECTED.**
**** THE MOTION PASSED UNANIMOUSLY**.

Ms. Lindstrom said that she had concerns about whether or not anyone had approached Mr. Sheehan about attending the meetings and that he had not been invited to the meeting. Mr. Hempstead reiterated his reasoning for not inviting Mr. Sheehan to attend.

ADJOURNMENT

**** MS. STRANITI MOVED TO ADJOURN**
**** THE MOTION PASSED UNANIMOUSLY**.

The meeting adjourned at 8:41 p.m.

Respectfully submitted,

Sharon L. Soltes
Telesco Secretarial Services