

**CITY OF NORWALK
PLANNING COMMITTEE
PUBLIC HEARING
&
REGULAR MEETING
MAY 4, 2017**

ATTENDANCE: John Kydes, Chair; Douglas Hempstead; John Igeneri;
Thomas Livingston; Shannon O' Toole Giandurco;
Faye Bowman (7:08 p.m.); Travis Simms (7:21 p.m.)

STAFF: Timothy Sheehan, Executive Director; Tami Strauss, Director
Community Development Planning;
Eric Bernheim, Corporation Counsel

OTHERS: Richard Bonenfant; Bruce Kimmel, Common Council members

PUBLIC HEARING

NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM FOR 2017

Mr. Kydes opened the public hearing at 7:00 p.m.

Mr. Jerry Stillman thanked the Committee for approving their past application for the Broad River Homes and said they are asking for \$110,000.

Ms. Diane Cece spoke about the application form a North Gilford company that professes to do Google searching views for other businesses. She said she does not understand the coalition. In addition, she said that she felt it was a conflict of interest because the members are City of Norwalk employees.

There were no other members of the public who wished to speak and Mr. Kydes closed the public hearing at 7:05 p.m.

CALL TO ORDER

Mr. Kydes called the regular meeting to order at 7:05 p.m.

ROLL CALL

Mr. Kydes called the Roll.

PUBLIC PARTICIPATION

Public participation comments are not verbatim and represent a summarization of statements unless otherwise noted.

Ms. Diane Cece said she spoke with a representative from the State who said it was highly unusual for a City to not pass all of the requests for the Neighborhood Assistance Act Tax Credit. There is not a lot of vetting at this level before it goes to the State and not a lot of vetting happens there either. She added that she had concerns about the Mechanics lien against the Wall Street project.

Ms. Bowman joined the meeting at 7:08 p.m.

Ms. Cece said that she wanted to be sure no action would be taken this evening following the discussion about GGP.

Ms. Deborah Goldstein spoke about amending the GGP items. She said the agreement has two parties and they should look at this as an opportunity to get what is fair and equitable. She said that Norwalk has a lot invested in this property and wanted a mixed use. The cash alone is not going to cut it. She suggested going for an A+ assessment.

There were no other members of the public who wished to speak this evening.

APPROVAL OF MINUTES

April 6, 2017 Regular Meeting

**** MR. LIVINGSTON MOVED TO ACCEPT THE MINUTES AS PRESENTED**
**** MOTION PASSED UNANIMOUSLY**

April 17, 2017 Special Meeting

**** MR. IGNERI MOVED TO ACCEPT THE MINUTES AS PRESENTED**
**** MOTION PASSED WITH TWO (2) ABSTENTIONS (MS. BOWMAN AND MR. HEMPSTEAD**

BUSINESS

NEIGHBORHOOD ASSISTANCE TAX CREDIT PROGRAM FOR 2017

**** MR. IGNERI MOVED TO ADVANCE THE 2017 NAA TAX CREDIT PROGRAM APPLICATIONS TO THE COMMON COUNCIL**

Mr. Sheehan gave an overview of the program. He said the City received 13 applications. The Common Council acknowledged receipt of the applications and the projects will take place in Norwalk. Ms. Strauss explained the role of the Common Council. Mr. Sheehan said that the Common Council would be within its rights to remove an application if it did not receive the requisite document. He added that there is no statute that prevents a City employee from applying; however, the Common Council can take action to exclude applicants from a list.

Mr. Hempstead noted that the tax credits allowed to Norwalk are in the millions and Norwalk never came close to meeting that amount. Ms. Strauss said they only had six applications last year.

The Committee members discussed the application submitted by the North Guilford Studios and said that their program does not qualify for this program.

**** MR. IGNERI MOVED TO AMEND THE MOTION TO REMOVE BOTH OF THE NORTH GUILFORD STUDIOS FROM THE TAX CREDIT PROGRAM**

**** MOTION PASSED UNANIMOUSLY**

**** MOTION AS AMENDED PASSED WITH ONE (1) ABSTENTION (MS. BOWMAN)**

WALL STREET

**** MR. IGNERI MOVED TO APPROVE TERM SHEET FOR SECTION 108 LOAN TO NORWALK REDEVELOPMENT AGENCY ON BEHALF OF THE CITY OF NORWALK**

Mr. Kydes said that there is a Mechanic's lien on the property and as a result, is inclined to recommend tabling this item.

Mr. Simms joined the meeting at 7:21 p.m.

Mr. Frank Farraker explained that the only thing left to do is hang the sign, but they received a letter from the attorney for their contractor telling them to sign a paper that they were giving them \$2 million dollars or the theater will not open. Mr. Farraker said they paid the contractor in full. Ms. Srauss said that the Wall Street theater will not have access to funding until the lien is cleared.

Mr. Hempstead explained that they have to have a Certificate of Occupancy; they currently only have a temporary Certificate of Occupancy. He said they could be putting the City and HUD funding at risk. He said he was not in favor of moving this item forward. Mr. Kydes said it would be irresponsible to move this forward and is inclined to table this item until there are no liens on the property.

**** MR. KYDES MOVED TO TABLE THIS ITEM UNTIL THERE ARE NO LIENS ON THE PROPERTY**
**** MOTION PASSED UNANIMOUSLY**

REED PUTNAM URBAN RENEWAL PLAN AREA

Discuss GGP's Proposal to Modify the Reed Putnam Urban Renewal Plan and Amendment #4 to the Governing LDA

Mr. Kydes announced that there will be two public hearings; the first on May 9th and the second on May 15th. Mr. Sheehan added that there will be roughly a half dozen public hearings. Ms. Bowman asked if there will be discussions after the public hearings. Mr. Kydes said there will be an action item to move this to the full Common Council at the May 15th public hearing.

Ms. Bowman said other uses came up at the District B meeting, such as educational uses. She said they need to think about everything. She said she hoped everyone is talking to each other. She also suggested putting some classes at the mall, even if it included selling some space back to the City.

Mr. Livingston asked Mr. Adams about the earnings call and asked how the Common Council should view everything on the table. Mr. Adams said that what drove that question was about the fundamental strength when the CEO said that the valuation is above the net asset of the company. He added that he is not privy to how it is being addressed, but it will be addressed.

Mr. Adams said this a high quality class A mall and is not purely a luxury center. The sales productivity do extremely well. He said they are not asking for an increase in size and anticipate filling the 300,000 sq. ft.

Mr. Kydes asked about the anchors. Mr. Bernheim explained they have a fully executed lease with Nordstrom for 20 years with six – 10 year options. Currently, Bloomingdales' has not filed their notice of lease, but it has similar terms. They also added in the LDA an acknowledgement that they fully expect the two anchor stores to open when the mall opens. Mr. Bernheim said the City should be fairly confident they will have a Bloomingdales' and Nordstrom when the mall opens.

Mr. Simms said he does not want to lose sight that he is thinking about the LDA with regard to the 10% housing on the property. He said he is now hearing they want to take out the hotel; that means they are going back to the original agreement of putting housing on the property. He said he wants to concentrate on the LDA.

Mr. Kimmel asked Mr. Sheehan what references were made to housing in the LDA. Mr. Bernheim said what they have now is the LDA to build the mall with housing, hotel or office on top of Bloomingdales'. They have to have the mall, public space and housing.

Mr. Bonenfant asked about the concept of the Enterprise Zone. He said he understood that they negotiated to pay 50% property tax for seven years. He asked if they would be taxed at 50% for personal property. Mr. Bernheim said personal property would be taxed at the full rate. The 50% tax rate starts with the first tax bill after the Certificate of Occupancy is issued.

Mr. Sheehan said if they did another investment, under the Enterprise Zone, they would be eligible for consideration. This piece has a phase in time frame. In addition, the Common Council would have to approve the application.

Ms. O'Toole Giandurco asked about a time frame for ground breaking. Mr. Adams said they hope to begin next week. He said they are prepared to pay the easement between now and next Wednesday.

Ms. O'Toole Giandurco asked Mr. Bernheim if there is any protection from them selling the property. Mr. Bernheim said they can sell the property with Common Council approval. He added that the Class A designation runs with the property, no matter who owns it.

Mr. Hempstead asked if any asked for a valuation of the property with the restriction of making it all retail. Mr. Sheehan said they have a valuation of the property with the mall and the hotel. They do not have a valuation with just the mall. Mr. Hempstead asked if they have the tax projection with and without the hotel. Mr. Bernheim said he will look into that.

Mr. Hempstead asked if the City opened the LDA contract and have its own ask. Mr. Bernheim said there were some leadership meetings and asks were made. Mr. Hempstead asked how they came up with \$3.5 million. Mr. Bernheim explained the City asked for funding and the developer left and did not respond for a few weeks. They came back with a figure that leadership felt was fair.

Mr. Sheehan said the Redevelopment Agency did an analysis of 10 years of tax revenue for the hotel and the amount was close.

Mr. Kimmel said the use of the term leadership is used loosely; it was representatives of the Caucuses. Ms. Bowman said she would like to revisit all of this; there is no rush. Mr. Bernheim said if the anchor can't open in November 2019, they will back out. He said he does not know the construction time frame, but they said at all the meetings the reason for the rush.

Mr. Hempstead asked if anyone asked for a feasibility study. Mr. Bernheim said GGP provided one for three different ones, but none are feasible.

Mr. Kimmel said that he believed housing on top of Bloomingdales' with a view of Long Island Sound could be done. He asked how they came up with a 3% return. Mr. Adams said they spoke with the developer. The cost structure to build on top of the mall is such that the numbers will not work.

Mr. Kydes said that the Common Council members are free to vote and amend this. This is the recommendation of the leadership members who were at the meetings. He said the \$3.5 million took in a lot of factors. Mr. Sheehan added that the amount is based on the existing hotel rooms and tax at the full rate.

Mr. Kydes asked for a breakdown of the tax value for the next meeting.

Mr. Cafero said that in the last two-week period, between the circulator money and the easement money, GGP will have paid the City \$1.9 million. That is being paid without any guarantee that any approvals will take place. He said that the revenue generated from this project is something the City has not seen before and that is without the assumption of a hotel.

OLD BUSINESS

No old business was discussed this evening.

NEW BUSINESS

No new business was discussed this evening

ADJOURNMENT

**** MR. IGNERI MOVED TO ADJOURN
** MOTION PASSED UNANIMOUSLY**

There was no further business and the meeting was unanimously adjourned at 8:10 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services