

**CITY OF NORWALK
PLANNING COMMITTEE
SPECIAL MEETING
PUBLIC HEARING
MAY 15, 2017**

ATTENDANCE: John Kydes, Chair; John Igneri; Thomas Livingston;
Shannon O' Toole Giandurco; Faye Bowman (7:10 p.m.)

STAFF: Timothy Sheehan, Executive Director, Norwalk
Redevelopment Agency;
Eric Bernheim, Corporation Counsel

OTHERS: Bruce Kimmel, Common Council member

PUBLIC HEARING

Mr. Kydes opened the public hearing at 7:03 p.m.

**THE PROPOSED MODIFICATIONS TO THE URBAN RENEWAL PLAN AND
LAND DISPOSITION AGREEMENT OF THE REED PUTNAM URBAN
RENEWAL PROJECT**

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

Mr. Lawrence Cafero, attorney working with GGP said he was here to ask the Committee for their approval for the modifications to the urban renewal plan and the land disposition agreement. In addition, he asked that the third use that was previously approved be waived, because of the unfeasibility of the use. He said housing and office uses were unfeasible.

In lieu of that they are willing to pay the City \$3.5 million, which equates to 20 – 22 years of real estate tax if the hotel use went through. Mr. Cafero said they met with several hotels, but it would be economically unfeasible. The other two uses were also unfeasible.

Mr. Cafero said they are asking for clarification for “anchors of high quality” to give them some flexibility in the unlikely event they are not with the project in the next 10-15 years. He said they want to be sure the City knows it has the right to challenge the anchors of high quality. He said they paid over \$1.9 million to the City on the hope that

the modification request would be approved. If GGP is unable to turn the property over for them to open in 2019, they will not be able to move forward.

Ms. Sue Haynie spoke in support of the mall. She said the land has been vacant and under used and under taxed for over 20 years.

Ms. Wini Mola spoke in support of the modifications being requested by GGP. She said that GGP actively sought out hotel companies, but noted that another hotel is being built down the street. Ms. Mola said it is obvious that the Common Council worked diligently to bring this to fruition. She said that after waiting for over 25 years, and losing taxes on the property, it is time to move forward. She asked the Committee members to think about the jobs this project will bring to the community.

Ms. Bowman joined the meeting at 7:10 p.m.

Ms. Mola said it is time to vote in favor and give GGP the modifications they are requesting. She asked the Committee members to vote yes, so they can meet their commitment for June 8th.

Ms. Sally Marsico said that the hospitality industry is quite large and feels that a hotel deal is doable. She said the Common Council has the right to know why GGP was not able to contract a hotel and which ones were approached and why they chose to forgo this site. She asked if GGP needed more parking. Ms. Marsico said the presence of a hotel on the City's skyline speaks volumes.

Norwalk has a lot of retail; it was a long and bumpy course for SoNo to gain its status. A hotel would be a capstone. It is in the City's best interest to have a hotel in conjunction with the mall.

Mr. Lou Ruffin said the City needs a proper negotiator. He asked if there is a fall back plan. He said the property has been vacant for 30 years because of prior administrations who knocked down businesses.

Ms. Patsy Brescia said that she was dedicated to the City and would like to see the property developed in something that is appropriate for all of Norwalk. The focus is to bring the community together and give it something it can be proud of. She said she was here to ask the Committee to move this project forward.

Ms. Donna Smirniotopoulos said she was excited about the potential development. She said that there are other ways to compromise with the developer. She said she is not sure \$3.5 million is enough to cover the loss of the hotel. She implored the Committee members to proceed with caution and prudence to negotiate the best deal for the City.

Mr. Michael McGuire said that he values malls around the country for a living. He said this is a home run for Norwalk. This group paid \$35 million for this property. A hotel is feasible on the site, if the mall is scrapped. The numbers do not lie; there is no other possible use, unless the entire project is scrapped.

Mr. McGuire said the housing market is going into a recession and it would be ludicrous to put housing there. This is an Enterprise Zone and the purpose is to stimulate economic growth. Retail is always modifying itself to be competitive. There is no way a mall being anchored by Nordstrom's and Bloomingdale's will go out of business, unless the whole area goes down. High end malls are doing very well and are the darling of the investment world.

Ms. Diane Lauricella asked the Committee members to look at changing the paradigm. She told them they have the power to think outside of the box. She asked them to think about the following:

Poor governance

More due diligence

Go further with the mixed-use model and suggested looking at other things such as a YMCA, Boys/Girls Club or an Incubator office space

Ms. Lauricella asked the Committee to press the pause button. She said she did not think housing should go there. In addition, she did not think \$3.5 million was enough and asked how they came up with that number.

Ms. Lauricella said she felt that GGP would be willing to find an independent person to help with the negotiations and that they would be willing to install a YMCA and Incubator. Ms. Lauricella said she is not so attached to a hotel use. She asked what kind of impact more retail would have on the existing retail. She asked the Committee members to postpone the vote by a week or two.

Mr. McGuire said that changing retail to entertainment centers is a new successful model. Mr. Ruffin said the City needs a good negotiator and it can't be a politician.

Ms. Deborah Goldstein said that she had nothing new to say, because several meetings transpired, and there were somethings she would like to hear the Common Council discuss in public view. In 2014 when GGP began their presentations, they said the only possibly feasible option would be a limited use hotel.

Ms. Goldstein said the hotel is designed the way it is because the two anchor stores insisted the mall designed it the way they wanted it. Now GGP is coming in and saying that this will not work. She said the City is being asked to give up the last remaining mixed use, because the hotel is a little too hard. In addition, the City can't say no, because they have been told GGP will sue, Bloomingdale's will walk, etc. She said it is

May 15, 2017

Planning Committee

Special Meeting/Public Hearing

Page 3

important to preserve the obligation to put in the hotel, because of the responsibility for every retailer in every area of the City. If the City brings in something big and fancy, they will put small retailers out of business. Ms. Goldstein said that small retailers in the City have to be protected. She said that if the City is going to give up on the hotel that it preserve the retail.

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

The public hearing was closed at 7:45 p.m.

CALL TO ORDER

Mr. Kydes called the special meeting to order at 7:45 p.m.

ROLL CALL

Mr. Kydes called the Roll.

BUSINESS

**** MR. KYDES MOVED TO APPROVE ADVANCING THE PROPOSED MODIFICATIONS TO THE URBAN RENEWAL PLAN AND LAND DISPOSITION AGREEMENT OF THE REED PUTNAM URBAN RENEWAL PROJECT TO THE COMMON COUNCIL FOR APPROVAL**

In response to Mr. Kydes' question, Mr. Bernheim said the Tax Assessor said the \$3.5 million is quite a reasonable amount and takes into account a very successful hotel. He said that Mr. Barron also said that amount was equal to 17 – 19 years of taxes and that it is a reasonable amount.

Mr. Bernheim spoke about the clarification of the terms to the LDA so that it was clear there would be major anchor stores. The Class A mall remains the same classification. GGP added language, that as of today, they expect Bloomingdale's and Nordstrom's to be the anchors of high quality when the mall opens.

Mr. Bernheim reported that GGP pulled the permit and started foundation work. The LDA encumbers the property, but they still have to comply with Zoning regulations.

Mr. Livingston asked about the difference between high end and first class entertainment. Mr. Adams said there is no difference between the two. Mr. Livingston said he would like the wording in the agreement to be consistent.

**** MR. LIVINGSTON MOVED TO USE THE TERM HIGH END THROUGHOUT THE AGREEMENT**

A discussion took place. Bowman asked for examples of high end grocery stores. Mr. Adams said that Balducci's, Wagman's and an upscale Whole Foods are some examples. Mr. Kimmel asked for an overview of GGP's due diligence with hotel chains. Mr. Adams explained that after they got their approvals, they worked with entities to design the right type of hotel. This process took close to 14 – 16 months. Last fall, they notified the City that they had a problem getting a hotel chain. They had three months of discussions with the City which led to the formal request.

Mr. Kimmel said that during all of the discussions, the hotel was not a deal breaker. He said the additional cost to build it on top of the structure should have been anticipated. Mr. Adams said the Common Council and GGP took a lot of time to make the size of the underlying retail as small as possible. They knew there were higher costs to build on top of Bloomingdales and underestimated the cost.

The Committee members discussed clarification of the plan. Ms. Bowman said she noticed that the funds to improve the neighborhood were being eliminated. She said she was under the impression that those funds would be used in South Norwalk. Mr. Kydes said he believed those funds need to go into the general fund. Mr. Bernheim added that the proceeds go into the general fund and there is a provision for dispersing the funds into the community.

**** MOTION PASSED UNANIMOUSLY**

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

ADJOURNMENT

**** MR. IGNERI MOVED TO ADJOURN**

**** MOTION PASSED UNANIMOUSLY**

There was no further business and the meeting was unanimously adjourned at 8:20 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services