

**CITY OF NORWALK
PLANNING COMMITTEE
REGULAR MEETING
NOVEMBER 4, 2010**

- ATTENDANCE:** Douglas Hempstead, Chairman; Clyde Mount, Laurel Lindstrom, Carvin Hilliard, John Tobin, Kelly Straniti (7:10 p.m.) Andrew Conroy (7:15 p.m.)
- STAFF:** Tad Diesel, Mayor's Office; Timothy Sheehan, Redevelopment Agency Executive Director; Michael Moore, Redevelopment Agency Senior Developer
- OTHERS:** Bill Nightingale, Candace Mayer, Norwalk Housing Authority Deputy Director, Curtis Law, Norwalk Housing Authority Executive Director; Stanley Seligson, Waypointe; Douglas Adams, Waypointe; Emil Albanese, Redevelopment Agency Board Chairman; Ken Olson, POKO Partners

CALL TO ORDER

Mr. Hempstead called the meeting at 7:02 p.m.

ROLL CALL

Mr. Hempstead called the roll and announced that there was a quorum present.

PUBLIC PARTICIPATION

Mr. Bill Nightingale came forward and said that he appreciated that the agenda was posted on the website well in advance. He said that he wished every department did this. He commented on the impediments report and the CDBG report. He said that he had attended a meeting with the Redevelopment Agency in April and he would like to have his comments from the minutes of that meeting included in the record.

“Bill Nightingale said he read the agenda on the website and saw that there was a public hearing, but he suspects hardly anyone in the public actually knows this public hearing is going on. He thinks the public needs to be better notified that the Agency is meeting to talk about a document that will become doctrine or policy of the City of Norwalk.

Fairness in impediments to discrimination in housing is a great concept and he condones it wholly. There should be no discrimination anywhere.

He is a little disturbed how the document indicates that more affordable housing or lack thereof is an impediment to fairness, which he would take issue with. He thinks there is some advantage being taken in making a big political plug for affordable housing, which he doesn't think everybody in town agrees with. He hears all the time that Norwalk residents are paying more and more taxes where neighboring towns are flaunting the affordable housing limits and running at 2% while Norwalk is running at 11% and not one word of that is in the document. All it says is Norwalk needs more affordable housing to reduce the impediments to fairness in housing.

Affordable housing is a political entitlement program where Norwalk residents subsidize households reducing their property value by making them affordable. Whether it is a deeded thing that reduces their value because they are affordable units, or they pay less property taxes, it costs taxpayers money by shifting that tax burden to the rest of the taxpaying population, so it is a social program in that regard. Any document that is written that is pushing for that is a political document, and that is what the document is, in his opinion.

Taxpayers in Norwalk are paying for the 11% affordable housing, but the surrounding communities benefit hugely from it at Norwalk taxpayer's expense, because they come to Norwalk and use its big box retailers and all its commercial development. And the irony of it, in his opinion, is the point is made in the document that 39% of homeowners in Norwalk are severely cost burdened and 44% of the renters are severely cost burdened. The report says that 54% of households are in low income categories, so if you add more affordable housing to Norwalk, you shift that tax burden out to people that are struggling to pay their taxes and pay their bills. These very households cited in the document are being penalized not only here in Norwalk, but in the entire region, because Norwalk is the only town that does its share. The developers want more affordable housing because they want subsidized workers to work in their malls and whatever, the Norwalk Hospital wants work force housing for their nurses and doctors, and who uses Norwalk Hospital? Residents from Wilton, Westport, New Canaan. Are they helping to pay for the affordable housing, the work force housing of the Norwalk Hospital? They are not. So it makes no sense to talk about adding more affordable housing, while lamenting the plight of all the residents that are severely cost burdened. There is no discussion in the document on what the cost or the impact is on that."

(pp 4-5 City of Norwalk, Redevelopment Agency Regular Meeting, April 13, 2010 Draft Minutes)

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

Ms. Candace Mayer, the Norwalk Housing Authority Deputy Director, said that she would like to state that the plan that is before the Committee is consistent with the Master Plan. A grant has been received for about 1 million dollars for physical needs of the buildings. The resources that the Public Housing Department receives goes towards the upkeep of the buildings, some of which date from 1941.

Ms. Mayer said that the Learning Centers continues and HUD is barely supporting these activities. She said that Norwalk feels that these centers are important for the residence.

Mr. Hempstead thanked Ms. Mayer for her comments asked Ms. Mayer if she should submit her remarks to the Committee in writing. Ms. Mayer said that she would.

APPROVAL OF MINUTES

October 7, 2010, Regular Meeting

**** MS. STRANITI MOVED THE MINUTES OF THE OCTOBER 7, 2010, REGULAR MEETING
** THE MOTION PASSED WITH FOUR IN FAVOR (MOUNT, HILLIARD, LINDSTROM AND STRANITI) AND ONE ABSTENTION (TOBIN)**

Mr. Conroy joined the meeting at 7:15 p.m.

BUSINESS

Waypointe Development

1. Discussion with Stanley Seligson regarding: a. The current

Mr. Seligson came forward and said that the entire Committee should be aware of the economic climate and reminded everyone that he has worked with the City for many years in public/private partnerships. The real estate market is a very cyclical business. Despite the economic situation, Waypointe has continued forward. The real estate market is starting to show a selective window, primarily in the Northeast and the metro New York area.

Mr. Seligson said that Waypointe is ready to go, but it is imperative that the project receives the needed approvals to move forward into the selective window.

Mr. Douglas Adams came forward and gave a PowerPoint presentation on Waypointe Status Update which covered the following items:

- Designated Developer Status
- Master Developer Agreement
- SSD Tax and \$104 Million Bond Issue
 - The SSD tax and the bond may not be viable in this economic market.
 - The garage and other take out issues may not be possible because of the financing.
- Approve Concept Plan
- Federal and State Grants

- How has the plan evolved?
 - Revised plan follows original development principals important to Norwalk
 - Plan separated into three phases making requirements of debt, equity and tenants achievable
 - Leverage existing assets to blend overall cost basis making it actionable in today's market.

- Land Control
 - Phase 1: 90% under control
 - Phase 2: 100% under Control
 - Phase 3: 100% under control

- Phase 1
 - Redevelopment of mid block Orchard/Merwin into 80,000 sq ft of retail and 350 of residential units.
 - Repositioning of existing 105,000 sq ft of retail and 20,000 sq ft. of office at the Loehmann's Plaza block

- Phase 2
 - Redvelopement of "Bieglow Building"

Mr. Adams then reviewed the ground floor plans for Phase 1 and Phase 2 with the committee. He explained that the number of curb cuts on West Avenue will be kept to a minimum. Mr. Adams said that he had been on West Avenue recently at 12:30 p.m. in the afternoon and walked a significant distance without seeing another person on the sidewalk at all. Mr. Adams said that a development partner has been identified and that this will be announced shortly.

Mr. Adams then reviewed the plans for the building at the corner of West Avenue and Berkeley Street.

- Currently approved for 150,00 sq ft of mixed use, medical, retail and

residential units.

- This will be modified to 88 units of upscale senior housing, 10,000 sq ft of amenity space and 10,000 sq ft of retail.
 - HUD Financed project.
 - Joint venture with LeCesse Development.
-
- Seligson Properties continues as the designated developer
 - City of Norwalk continues to work on West Avenue under the existing 2 million dollars Federal Grant, and is pursuing additional funds
 - \$5 million State Grant agreement remains in place. City to request modifications to the budget to better suit today's economic conditions
 - City of Norwalk continues to expedite development efforts and approvals under the West Avenue Redevelopment Plan.

Ms. Lindstrom asked about the change in the SSD and the bond. Mr. Adams said that the original plan was to tax the tenants an additional amount to pay for the bond over the length of its life. Under normal economic conditions, this would not have been a problem. Now, this would create a gap between what the potential Norwalk tenants would pay as opposed to renting in Stamford. He said that the developer might form a more traditional for the SSD. Ms. Lindstrom asked if the LDA would then have to be amended. Mr. Adams said that this was so.

Mr. Sheehan said that the components of the previous MBA were off the table. He added that what was conceived as a project is no longer a workable project and the new project has been significantly downsized. The current project focuses on the land that the developer already has control of and feels can be developed successfully. This is still a significant project.

Mr. Conroy asked if the old project was dead. Mr. Sheehan said that this was a new concept of the project. Mr. Conroy said that he would like to see the old Waypointe project as compared to the new proposal project. Mr. Adams said that they could come back with a comparison between the two projects along with the risk profile. It will be necessary to analysis the risk after ascertaining the role that the City will play in this new proposal.

Ms. Straniti asked for confirmation of her understanding of the fact that since the SSD tax is not sustainable, the \$104 million bond will not be necessary. Mr. Adams said that this was so. Ms. Lindstrom asked if the developer would still be eligible for the grant funding they had been working on now that the project was downscaled. Mr. Sheehan said that

any of the provisions that there in the previous Master Agreement are no longer applicable because the Master Agreement was never signed.

Mr. Hempstead asked whether the City would be involved in The Berkeley project. Mr. Adams said that they were moving forward with the project. There is a 2 million dollar Federal Grant for the re-signalization of the West Avenue from Heritage Wall and northward up West Avenue and this will have an impact on The Berkeley project. The Berkeley has a very narrow frontage on West Avenue. The intersection of Maple and West, which feeds directly to the hospital, will be redesigned to give better traffic flow.

Mr. Hempstead asked if The Berkeley project was a stand alone and self-sufficient project. Mr. Adams said that all the land was under control and that the design was almost complete. Mr. Hempstead asked if the Redevelopment Agency needed approval for this. Mr. Sheehan said that the only requirements were for zoning. Mr. Adams said that the last time they had gone to Zoning, they had worked on meeting the requirements. Mr. Hempstead asked if there was anything that the Council needed to work on regarding this project. Mr. Sheehan said no.

Mr. Hempstead then asked about the 90% controlled plot. Mr. Adams reviewed the events surrounding the financial arrangements. Discussion followed about the details of the financial aspect.

Mr. Seligson said that he had worked very hard to get the \$104 million bond for the Waypointe project and that there had been some talk around town that if they were not able to use the funding it would lose it. Mr. Seligson said that this was not so. It is not a gift and it would need to be paid back. He said that this was not the time to take on this kind of debt for his company or for the City. Mr. Sheehan added that the Council's request to amend the agreement had been approved.

The discussion then moved to parking issues and how this has been reduced. Mr. Adams said that he was still working on the figures. Phase 1 is actually financially possible today and he said that he would like to move forward with it. Mr. Sheehan said that this would have to go to Zoning for approvals and the come back to the Planning Committee again. Mr. Adams said that he would like to see the process move forward more quickly. Mr. Hempstead suggested that Mr. Adams come back in December with a quick update. Mr. Hempstead asked if the presented plans could be publicly distributed. Mr. Adams said that he would come back in January with a plan for public distribution.

Mr. Conrad asked about the bond issuance. Mr. Sheehan said that Seligson Properties were correct with their information about the bond agreement. Mr. Conrad said that in the original agreements had very specific street intersections mentioned and that those intersections were no longer part of the project. Ms. Sheehan said that he could not address the financial aspect but he could address the issue of the streets. Mr. Albanese

commented that if the bond was approved for a specific project, he was not sure that it could be transferred. Mr. Hempstead said that since the Master Agreement was never signed, the issue was not applicable.

Mr. Hempstead asked Mr. Sheehan to bring the original slides from the original project for a quick review. Mr. Mount pointed out that spending too much time on the original project could be a problem because it is off the table. Mr. Hempstead replied that he was not trying to do that, but just wanted to see the side by side comparison to have a better idea of what would be done and how it has changed overall. Mr. Conroy said that he felt that it would be important to have a legal opinion on what the City might be obligated for. Mr. Hempstead asked about what would happen with the 5 million. Mr. Conroy asked for clarification on how much control the City would have on the money. Mr. Sheehan said that it was a reimbursable payment. He said that there was still a standing authorization for the Mayor to sign the Master Agreement, but the agreement will no longer be applicable. Mr. Hempstead said that he did not know whether it would be best to rescind or modify the Mayor's authorization. Mr. Conroy pointed out that the Committee needed to decide if this was something that would be beneficial for the City.

CDBG Section 108 Loan

- 1. Review and discussion regarding the concept of utilizing a portion of the previously approved CDBG Section 108 Loan Funds as a loan guarantee on a Small Business Development Loan Program to be administered by the Connecticut Economic Development Fund (CEDF)**

Mr. Diesel came forward and said that the Committee had raised five specific areas of concern regarding the CDBG Loan Funds.

- Whether the Redevelopment Agency plans to review each loan application.
- The CEDF history of loan success/failure rates
- The CEDF review process; criteria used for review of applications and approvals of loans
- A chart providing the City's "worse case" risk scenario.
- A description of the City's portion of profits resulting from loan repayment.

He then directed everyone's attention to a memorandum he had written that was dated October 4, 2010 regarding "Proposed Use of CDBG Grant Funds for the Establishment of

a Small Business Loan Fund". Mr. Diesel proceeded to review the details associated with the various issues with the Committee.

Mr. Diesel then requested permission for the Redevelopment's Legal Counsel to draft an agreement between the Agency and CEDF to be drafted for review at the December meeting.

Mr. Hempstead asked how the funds would be replenished. Mr. Diesel said that the repayment of the loans would replenish the loan funds.

Mr. Hilliard asked what the determination criteria would be for the disadvantaged businesses. Mr. Diesel explained that a business would not apply for this type of loan if it was able to obtain regular financing.

Mr. Hempstead said that he was concerned about transparency on initial application. He said that he was not comfortable with an outside agency approving City funds. Mr. Tobin then pointed out that he had concerns about the Committee approving loans. Mr. Sheehan said that he felt that the agreement needed to be structured so that the City can opt out if a significant number of loans were not being repaid. Mr. Hilliard said that he agreed that the Committee should be aware if the loans were not being repaid, but it should not be the role of the Council to be involved in the loans. Mr. Hempstead said that perhaps the best thing would be to have a monthly report on the status of the loans. Mr. Sheehan said that he thought that the public should be aware of how the businesses in Norwalk were benefited and what is in the portfolio. He added that there had only been two executed loans in the recent past and he did not see there being hundreds of loans. Discussion then followed.

Mr. Hempstead asked what rights the City would have if something came to light after a loan has been given. Mr. Sheehan said that CEDF was not issuing the check to the direct business. It is much more controlled than a line of credit. Mr. Diesel said that he would also look into this.

Mr. Hempstead said that Mr. Diesel was looking for a draft agreement on this. Mr. Diesel said that he would like a quarterly review and also to have Corporation Counsel involved. Mr. Hempstead asked if it was normal practice to have Mr. Hamilton look at this. Mr. Sheehan said not usually. Mr. Hempstead said that the City was leveraging funds, so he would like to have Mr. Hamilton look at it. Mr. Sheehan asked if Mr. Hempstead wanted the opt out clause included. Mr. Hempstead said that he would.

Mr. Hempstead then asked for a consensus of the committee on this. It was unanimously agreed that the draft should be done.

Norwalk Housing Authority

1. Review the Norwalk Housing Authority's Public Hosing Authority Plan (PHA Plan) summarizing the Authority

Mr. Moore came forward and said that NHA was looking for approval for consolidated Plan certificate of consistency for the Norwalk Housing Authority Annual PHA Plan. Mr. Moore then reviewed the information included in the PHA memo.

Mr. Moore then noted that the document was a draft and in the middle of a public comment period. Before it was being presented to HUD, the HA would come back to the Committee for feed back on any changes.

Mr. Conroy requested an Executive Summary. Mr. Moore said that he would prepare one.

Mr. Hempstead asked if there were two documents that the Committee was being asked to approve. He asked Ms. Mayer if the highlighted sections were the policies that were being tightened up.

Mr. Conroy asked if there was a problem with the PHA plan and the ConPlan difference of one having the goal of expanding the housing and the other having the goal of preserving the housing.

Ms. Mayer said that NHA's plan was for expanding the supply of assisted housing. She said that the focus is on preservation because there is not enough new funding available for new housing, so the main focus remains on maintaining the existing housing.

Mr. Conroy said that the Committee's goal was to maintain the housing rather than expanding the amount of housing. Mr. Sheehan said that substantial compliance was there. Ms. Mayer said that there would be a public hearing on the November 17th and then the document would go to the Housing Commission for final approval. Ms. Mayer pointed out that this was approval of the substantive plan, not an approval of the verbatim plan. Mr. Hempstead requested that if there were changes made in the plan, the pages involved be sent to the Committee. Mr. Sheehan suggested that the Committee approved the document tonight, knowing the public comment period was still open. Mr. Hempstead said that he would prefer the document to come back to the Committee in December. The document must be filed with HUD by January 15th.

Analysis of Impediment to Fair Housing

Approval advancing to the Common Council Norwalk's Analysis of Impediments to Fair Housing after reaching concurrence that the analysis accurately reflects the nature and concerns relative to potential impediments to fair housing that exist in

Norwalk and that the suggested actions for addressing the impediments adequately address the related concern and can be successfully implemented by the City's legislative body or related commissions.

Mr. Hempstead pointed out that the copies provided to the Council members was missing a number of pages, so this item would not be discussed tonight.

Discussion Items

1. Update on Wall Street

Mr. Ken Olson, of POKO Partners, came forward and said that he would be speaking about Wall Street Place project. He then informed the Committee that the funding applications are pending. Once the funding is in place, the developer will be moving forward. The project is currently on schedule.

Mr. Hempstead pointed out that a presentation had been made to the public and that the Committee had not received any communication on this. Mr. Olson said that he had asked repeatedly for a meeting with the Committee. Mr. Olson said that there had been no changes in the plan, but that it was important to update the business community. He said that the entire City had been invited to the presentation. He said that he had heard from local residents that they did not know what was going on, so he felt that having a public meeting was in everyone's best interest.

Mr. Hempstead then asked for a quick overview for the new Committee members. He added that the Wall Street project had been consistently on the Committee's agenda. Mr. Olson said that he would attend all the upcoming meetings.

Mr. Olson said that two of the firms that were originally involved have been sold because of the change in the economy. This has delayed some of the work. Mr. Sheehan said that the LDA would be either accepting or rejecting the working drawings. Mr. Olson said that the Redevelopment Agency had been asked to give a 60 day extension on the review of the drawings because the architectural firm has an overload of work. Mr. Olson said that it would take about 8-10 months to close on the construction agreements. Mr. Sheehan said that POKO has strong equity partners and soft commitments from the bank. Mr. Olson said that it took a while to get through the process. He said that with all the items that had to be done, it has only been recently that he has been cleared to move forward with finances. Mr. Hempstead asked about the Globe Theater. Mr. Olson said that he has always stated that he was a willing buyer. Mr. Sheehan said had that once Council approved the drawings, the developer has 90 days to break ground. Discussion followed about some of the information that was included in the Hour article.

Mr. Hempstead said that the POKO Wall Street project will be on the next agenda. Mr. Conroy said that the Redevelopment Agency should respond to some of the comments on the Internet blog.

**Update on SoNo Incubator Study
SoNo Retail Study**

Mr. Sheehan then said that there were a few market studies that were in progress about the retail in SoNo or the lack thereof. He said that recently, the idea that retail in SoNo was not expanding because of the economy, but retail has been expanding in Darien and Fairfield. The expansion in Darien and Fairfield is happening without SoNo even being considered. It will be important to figure out why SoNo is being bypassed. While Darien's rental rate is slightly less than SoNo, Fairfield's is comparable. Mr. Sheehan said that one of the items of feedback was that Darien and Fairfield were located on Route 1, and people have to make an effort to get to SoNo. Mr. Sheehan added that while the consultant is in favor of paid parking, but the consultant has also pointed out that the experience that people have at the location has to equal whatever the cost is of the parking. Ms. Lindstrom asked about the vacancies. Mr. Sheehan explained that Norwalk has elevated vacancies over Fairfield and Darien. He went on to explain the details and pointed out that Washington Street is 80% own by F.D. Rich.

The discussion then moved back to parking and the impact of paid parking on the local businesses. Mr. Sheehan reminded everyone that the City ultimately owns the assets and that this needs to be considered.

Mr. Sheehan said that an item coming before the Agency on Tuesday night was the JCI presentation of adjustments on the multi-family/retail/and existing marketing.

Mr. Sheehan said that the Incubator study had just been received and that he had not had time to review it.

ADJOURNMENT

**** MR. MOUNT MOVED TO ADJOURN.
** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:53 p.m.

Respectfully submitted,

Sharon L. Soltes
Telesco Secretarial Services

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