Land Use-Urban Redevelopment Committee – Board of Representatives

Harry Day, Chair

Committee Report

Date: Thursday, May 23, 2013
Time: 7:30 p.m.
Place: Republican Caucus Room, 4th Floor, Government Center

The Land Use-Urban Redevelopment Committee met as indicated above. In attendance were Chair Day and Committee Member Reps. Fountain, Lombardo, McGarry, McMullen and Summerville. Absent or excused was Committee Member Rep. Kaufman. Also present were Reps. Cerasoli, Taylor, Uva, White and Zelinsky; Corporation Counsel Joe Capalbo; Jackie Kaufman, Sandak, Hennessey & Greco; Rachel Goldberg, URC; Richard Warren, O&G Industries; Kieran Ryan, Shippan Point Association; Virgil de la Cruz and several members of the public.

Chair Day called the meeting to order at 7:35 p.m.

Item No.	Description	Committee Action
1. LU28.068	RESOLUTION & APPROVAL of public hearing; authorizing the acquisition by negotiation or eminent domain of rights of way for the Pulaski Street, Greenwich Avenue and Waterside Place intersection improvement project.	**Approved 6-0-0**

Ms. Kaufman explained that:

- Her firm represents O&G Industries, Inc.
- O&G and the City have been working on a plan which is a settlement of a 2010 lawsuit based upon O&G's purchase of its property on Davenport Place in 2006 and conditions placed by the Zoning Board on its site plan, including a public access easement from Pulaski Street to a dead end on the harbor. This easement was objectionable to O&G based on alleged safety issues and resulted in the lawsuit.
- The proposed settlement includes a series of land swaps which would enable the City to build a roundabout at the intersection, which would allow traffic at the intersection to flow better.
- Previously the City was not able to put in the roundabout because the funds were not available.
- There will be a series of agreements among O&G, the City and Mr. de la Cruz, as a result of which: O&G's property line will move slightly south; a buffer will be created along Pulaski street; public access will be allowed.
- Ultimately, O&G will be giving the City 26,000 ft^2; the City hopes to acquire 6500 ft^2 from Mr. de la Cruz through an amicable eminent domain proceeding, and O&G will receive 12,000 ft^2 from the City.
- The City will retain 14,000 ft^2 and O&G will retain 7,000 ft^2.

- The Board of Representatives will have to approve the street discontinuance and the eminent domain proceeding, as well as the land swap agreements.
- 9 separate parcels, with 3 property owners, are involved in this swap.

Ms. Goldberg explained that:

- Based upon conversations with Mr. de la Cruz' attorney, they would like the property taken by eminent domain.
- The eminent domain process requires 2 resolutions, one to get the process started and one to approve the actual taking, and a public hearing.
- This can be a long process, but the property owner can waive some of the timeline restrictions.
- There may be tax benefits to the property owner in having the property taken by eminent domain.
- There is no valuation placed on the property until after the Board passes the first resolution starting the process.

Mr. Capalbo stated that the funding for this project is already available.

A motion to approve holding a public hearing was made, seconded and approved by unanimous vote. (Reps. Day, Fountain, Lombardo, McGarry, McMullen and Summerville in favor).

2. LU28.067	REVIEW; approving a license and public improvement agreement between the City and Waterfront Magee LLC and the Strand BRC Group, LLC.	**Held in Committee**

Chair Day stated that the Committee had not received this agreement, and the item was held.

3. LU28.069	APPROVAL; of a loan agreement (note) between the City of Stamford, the URC and Trinity Stamford, LLC in the amount of $450,000 (6% interest rate) in connection with the 2d Amendment to the Land Disposition Agreement dated 12/21/12.	**Held 6-0-0**

Chair Day explained that this agreement relates to the financing of Park Square West.

Ms. Goldberg stated that:

- A week before the closing of the Trinity transaction, an issue arose regarding the payoff of the Epstein Note and Mortgage, as explained in the cover memo.
- The original plan was that the parties would use the proceeds from the sale of Phase II to pay off a portion of the Epstein loan ($400,000) and rollover the balance ($400,000) with Trinity paying the interest at a rate of 6% until the Phase IV Closing, at which time the Epstein Note would be paid in full and the Mortgage discharged.
- The last minute issue involved a request by the payee/mortgagee that the entire Epstein Note be paid off at the Phase II Closing.
- Under the proposed solution, Trinity has agreed to permit the URC and the City to utilize a Security Deposit which was to have been held in escrow and then paid to Trinity when it begins construction of the Private Parking Garage. However, the escrow account would need to be replenished in order to allow the City to pay the security deposit to Trinity as required, which will be in 8 to 9 months

- The proposal is that the City would loan $450,000 to the URC, with interest at a rate of 6% to be paid by Trinity, to be repaid to the City at closing. The City would earn approximately $100,000 in interest under this proposal.
- Pete Privitera has stated that the funds are available for this loan
- Originally all of the closings were to take place at once, so this issue would not have arisen, but were split as a result of Trinity's lender deciding not to finance the entire project at one time.
- Since Trinity will not receive its security deposit until the garage is built, there is very little risk to the City. If Trinity fails to build the building at that point, the equity partner would step in to complete the project

Committee members expressed concerns about a loan being approved without review by the Fiscal Committee, which is secondary on this item. Rep. Uva asked Corporation Counsel to provide the Board with any Charter/Code provisions giving the authority for such a loan.

A motion to hold this item, subject to review by the Fiscal Committee was made, seconded and approved by unanimous vote. (Reps. Day, Fountain, Lombardo, McGarry, McMullen and Summerville in favor).

4. LU28.070 RESOLUTION & APPROVAL OF public hearing; approving a Proposed Plan Amendment to the URC Mill River Corridor Plan that 1) extends the project boundaries; 2) expands available financing options; and 3) complies with CGS Chapter 130 amendments regarding ten-year plan review. **Approved 6-0-0**

Ms. Goldberg explained that:

- The Proposed Plan Amendment contains 3 parts.
- The first piece is to extend the project boundaries to include additional properties owned by or in control of the City – all non-taxable properties.
    - Increasing the TIF area without a new tax basis will allow the expenditure of TIF funds or bond funds from the TIF within these areas in the future to allow improvements along the river.
    - The goal is a seamless greenway along the river from Scalzi to the Harbor.

- The second piece is a revision to the financing provisions to allow the City greater flexibility in how the City borrows in order to be able to obtain the best possible rates.
    - Financial markets have changed in the last 10 years, and they have worked with the City's bond counsel to allow the City to do the next borrow in the most advantageous way and to permit refinancing. This way the City can take advantage of the market, in a way it was not able to in the last borrow.
    - This is a "Substantial Change" which requires a public hearing by both the Board of Representatives and the URC.

- The third piece is in response to statutory provisions requiring all redevelopment plans to be reviewed every 10 years.
    - This creates an issue because the TIF notes require the TIF to remain in effect so long as a debt secured by the TIF remains outstanding. The TIF district cannot be eliminated until all debt is paid off
    - The resolution has very specific findings, as required by State law.

Chair Day stated that in the past, the URC and the BOR have held their public hearings together and suggest that they do the same this time

In response to questions from the Committee, Ms. Goldberg stated that:

- Extending the TIF to non-private properties will permit the use of TIF funds to improve those properties
- Currently most of the TIF funds are going to pay off the financing
- Only 50% of the increment goes to TIF funding, the remainder goes to the general fund
- Hopefully, when the revenue generated is greater than the debt service, TIF funds will be used for affordable housing

A motion to approve this item for public hearing, jointly with the URC and the Fiscal Committee, was made, seconded and approved by unanimous vote. (Reps. Day, Fountain, Lombardo, McGarry, McMullen and Summerville in favor).

5. LU28.063 REVIEW; status of the Director of Administration's report re: discontinuance of West Park Place (per Board of Rep's Resolution No. 3534, 10/1/12). **Held in Committee**

Chair Day stated that Mr. Handler was unable to attend, so the item was held.

6. LU28.050 REVIEW; construction work at Star Meadow Ranch, Erskine Road. **Held in Committee**

Mr. Capalbo stated that a lawsuit has been filed and is pending, and requested that the committee hold this item one more month. He noted that as a result of the lawsuit there has been increased cooperation.

Rep. Taylor stated that she has previously requested a complete list of the permits that have been required on the property and is still waiting for that information.

Committee members noted that activity which has gone on that should have been permitted include filling, oversize structures, work in wetlands, building of the wall and a curb cut on Deer Meadow.

The item was held.

Chair Day adjourned the meeting at 9:25 p.m.

Respectfully submitted,

Harry Day, Chair

This meeting is on video.