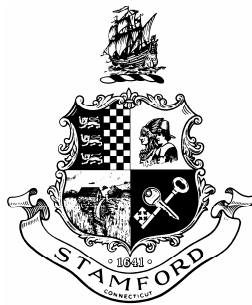


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## BOARD OF FINANCE

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October 5, 2009

**To:** John Louizos: Vice Chairman, Board of Finance

**From:** Bob Kolenberg

**Re:** Whittaker Property Purchase

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In response to some inaccurate and misleading statements in your letter to the Board of Representatives of October 2, 2009, I would like to make my position clear on the acquisition of the Whitaker Place property for the record:

First, with regards to the eminent domain issue, my comments were taken out of context by the Advocate. I was asked what could happen, hypothetically, if the owners of Whittaker Place were not to sell the property unless they received \$1.2 million - even though it has been established by professional appraisals that the real market value is actually only \$400,000. My reply to the reporter was that when property owners demand an excessively high price for their property, ultimately government has the right of eminent domain. Demanding three times the market value would be considered an excessively high selling price and could, in theory, trigger an eminent domain action.

John, both you and I are in agreement that the use of eminent domain is an unsavory and undesirable approach to acquiring property, and it should be used as a last resort. I, too, opposed the unjustified actions against the owners of Curley's Diner launched by the Malloy Administration a few years ago. In fact, this past Saturday morning (10-3-09), Joe Tarzia and I personally went to Curley's Dinner to speak to the owners, two elderly widows, Eleni Begetis and Maria Aposporos. In your letter dated October 2, you state that "when I represented Curley's Diner, I saw first hand the pain and emotional impact that eminent domain brought on". This makes it sound as though you took this case out of sympathy for these people, when in fact I was told by the owners that you and your firm made close to \$200,000 from taking this case and the owners did not use kind words to describe their experience with this representation. Frankly, I find the lofty and altruistic tone of your letter to be both misleading and disingenuous.

My position regarding the Whittaker property issue is quite clear and simple to understand. The City is basing the purchase price of Whittaker Place on an 18- month old appraisal that does not reflect the current market value of the property. It is a standard practice, when purchasing or refinancing a property, for financial institutions not to accept an appraisal of a property if the appraisal is older than three months. This practice protects the financial interest of the lender and their investors. We have the same obligation to protect the interests of the Stamford citizen and taxpayer. In addition, many experts assert that the real estate market values have depreciated by as much as 50% since the City's appraisal was performed. Two bank appraisals and one realtor price opinion confirmed this. Frankly, I was shocked to learn the current market value of \$375,000 to \$405,000 compared to the Malloy Administrations value base that was an outdated and therefore invalid appraisal of \$1.1 million.

I shared my findings in a non-partisan fashion in the hope that responsible elected City officials would request an up-to-date valid appraisal before making a final decision and potentially wasting taxpayers' money. If a new appraisal substantiated the outdated one which the Administration is using, I would support the purchase of the property. If the new appraisals were significantly less, than a reasonable adjustment should be made to the purchase price. I feel this would be a very sound and practical approach when spending taxpayers' dollars. I find the Administration's push to railroad this through the elected Boards very disturbing.

Joe Tarzia and I find your letter very partisan in nature, no doubt instigated by your hopes for re-election next month. And it does not address our simple request for three new appraisal to be done by the City. Rather, your tone suggests that because we are both Republicans, this somehow discredits the validity of the licensed appraisers who valued the property. I might remind you that unlike you, both Joe and I are not up for re-election for another two years and therefore do not have a personal interest in politicizing this issue. Rather, we just want what is fair and equitable for the City, the seller of the property, and the citizens of Stamford. We stand firm in our belief that the purchase of this property should be delayed until a new updated appraisal can be done that more accurately reflects the current 2009 market value.

Cc: Members, Board of Finance  
David Martin – President, Board of Representatives  
Members, Board of Representatives  
Stamford Advocate