

CITY OF DERBY
REDEVELOPMENT AGENCY SPECIAL MEETING
MAY 18, 2005

DERBY CITY HALL – ALDERMANIC CHAMBERS – 6:30 P.M.

Mayor Marc J. Garofalo called the meeting to order at 6:33 p.m. All rose and pledged allegiance to the flag.

Roll Call

Present: The Honorable Mayor Marc J. Garofalo
Vincent J. Guardiano
Glenn Stevens
Greg Russo
John Oraziotti (arrived at 6:37 p.m.)

Also Present: Alderman Ronald Sill
Alderman Sheri Pflugh
Michael J. Joyce, P.E., Milone & MacBroom, Inc.
Thomas S. Corso, President, AMS Advisory Services (arrived at 6:37 p.m.)
Richard Lutz, Mayoral Assistant
Richard J. Buturla, Esq.

ADDITIONS, DELETIONS, CORRECTIONS TO AGENDA

As this is a Special Meeting there are no additions, deletions, or corrections to the agenda.

PUBLIC PORTION

Dan Waleski, 21 Elm Street, Derby, CT – I'm having difficulty getting information about the downtown project. I wonder if you can help us or steer me in some direction in which I can pick up some useful and accurate information on the downtown redevelopment project? Thank you Mr. Chairman.

Mayor Garofalo – It would be available at the Town Clerk's Office in City Hall.

Hearing no one else from public wishing to address the agency members...

PUBLIC PORTION CLOSED

DISCUSSION ON NEGOTIATIONS BETWEEN THE CITY OF DERBY AND CERUZZI DERBY REDEVELOPMENT, LLC.

Mayor Garofalo said we do have to discuss some of the City's strategy and negotiations and on the advice of counsel we do need to go into Executive Session.

Atty. Buturla said the purpose for going into Executive Session is because the topic of discussion deals with the potential acquisition of real property such that the public discussion may impact the price sought and therefore that is the proper basis as well to go into Executive Session.

A MOTION was made by Mr. Stevens with a second by Mr. Russo to go into Executive Session at 6:37 p.m. to discuss the City's strategy and negotiations with Ceruzzi Derby Redevelopment, LLC. Alderman Sill, Alderwoman Pflugh, Mr. Joyce, Mr. Corso, and Atty. Buturla were invited to participate in the Executive Session. **Motion carried.**

The Executive Session ended at 7:58 p.m. and the meeting was called back to order.

Mayor Garofalo called on Atty. Buturla to outline the Preferred Development Agreement.

Atty. Buturla – After much diligent negotiations between the representatives of the City and the representatives of the selected developer an agreement has been put together that reflects essentially the following terms:

- Scope of Project: 700 Residential Units
100,000 square feet of commercial space
- Agreement approved tonight, executed on May 19, 2005.
- Preferred Developer has agreed within 60 days of execution of agreement to demolish at its cost 256, 280, and 284 Main Street.
- Developer to pay \$336,000.00 to Standard Demolition, the demolition contractor that had previously worked on Main Street, within 90 days from the date of execution.
- Developer to pay \$100,000 to fund City soft costs will be paid when permits and approvals are granted.
- Developer will commence the execution of a Site Testing Program that will be complete within 90 days of execution. Developer will then commence a Financial Analysis to determine whether or not it will be necessary to secure any financing to fund any gap between projected project costs and revenues. The City and the Developer will have a nine month period to work out the financing.
- Within 180 days from the execution of the amended Preferred Development Agreement, the execution of the Land Disposition Agreement, the approval of the Redevelopment Plan and the commitment for the gap funding, the Developer shall apply for permits.

- Within 90 days from the time the Developer receives its financial commitment to fund any gap the Developer will provide the City with a detailed construction phasing plan.
- 10 days after permits and approvals are obtained the Developer will be responsible for relocations costs.
- Demolition costs that have previously been paid for any demolition conducted within the Phase I A area will be paid to the City within 60 days of permits and approvals.
- Within 30 days of obtaining permits and approvals the Developer will post a Letter of Credit in the amount of \$1,750,000.00 to be utilized by the City for the purpose of acquiring those properties located within the Phase 1A area that are not presently owned by the City of Derby.
- It is estimated that a closing will take place within 60 days from the date the City and/or the Developer takes title to the various properties located within the redevelopment area.
- Construction will then commence within 180 days from closing.
- It is anticipated that construction will be completed within 5 years from the closing date.
- A 3-Year Right of Exclusive Negotiation from the completion of construction within Phase 1A if the City decides that it is interested in pursuing an expanded redevelopment project in an area that is called Phase 1B.

Atty. Buturla – At the closing the Developer has agreed to pay all outstanding demolition costs that may be incurred from the time of permits forward. The Developer will be paying all relocation costs. The Developer will be reimbursing the City for all land acquisition costs and the Developer is responsible to the tune of \$1,750,000.00 to (inaudible) eminent domain costs and to the extent eminent domain costs exceed \$1,750,000.00 the Developer has agreed to be responsible and pay the City for such costs.

Atty. Buturla noted that there are a few minor matters that will be corrected in the draft agreement.

AUTHORIZE THE MAYOR TO EXECUTE THE AMENDED PREFERRED DEVELOPER AGREEMENT BETWEEN THE CITY OF DERBY AND CERUZZI DERBY REDEVELOPMENT, LLC.

A MOTION was made by Mr. Oraziotti with a second by Mr. Stevens to authorize Mayor Marc J. Garofalo to execute the amended Preferred Developer Agreement between the City of Derby and Ceruzzi Derby Redevelopment, LLC. **Motion carried unanimously.**

Mayor Garofalo – Congratulations to all of you, the members of the Board of Aldermen and staff for all the fine work on this. This is another major step forward for the City in this very complicated and significant project. We look forward to working with the developers, as well as the existing business owners, to have a smooth transition and a successful project for our whole City.

NEXT REDEVELOPMENT AGENCY MEETING

Mayor Garofalo reminded everyone that the next meeting of the Redevelopment Agency will be on Wednesday, June 8, 2005 at 6:30 p.m. with the site to be announced.

ADJOURNMENT

Without objection the meeting adjourned at 8:07 p.m.

Respectfully submitted,

Patricia Finn
Recording Secretary

A TAPE RECORDING OF THIS MEETING IS ON FILE IN THE CITY CLERK'S OFFICE.