

**CITY OF DERBY
REDEVELOPMENT AGENCY MEETING
APRIL 10, 2007
DERBY CITY HALL – ALDERMANIC CHAMBERS – 6:30 P.M.**

Chair Rick Dunne called the meeting to order at 6:36 p.m. All rose and pledged allegiance to the flag.

Roll Call: Glenn Stevens, Greg Russo, John Oraziotti, Michael Kelleher, and Rick Dunne.

Also present: Attorney Joseph Coppola Corporation Counsel and Mayor Anthony Staffieri

Approval of minutes: Mr. Russo questioned page four of the minutes regarding State of CT, demolition grant; the first paragraph “I am asking” who is I? . Mr. Dunne asked without objection to amend the minutes to read, Mr. Dunne asked the administration.....

Motion to accept the minutes as amended by Mr. Russo with a second by Mr. Stevens, Mr. Oraziotti abstains, all in favor, motion passes.

Additions, deletions, corrections and adoption of agenda – Mr. Dunne would like to mark off update on PDA timeline from the agenda and to be discussed under item 10 (Executive Session). If there are any questions they can be taken following the update from the developer. *Motion to accept the agenda as amended by Mr. Russo with a second by Mr. Stevens, all in favor, motion passes.*

Public Portion – Mr. Dan Waleski, 21 Elm Street is looking for information, reports by the developer etc. Are they submitting written reports and are they available for review? Mr. Dunne stated that should be requested at the meeting or they are contained in the meeting minutes. If there is a formal presentation then it is filed in the Town Clerk’s office.

Mr. Carl Yaccobacci, 10 Lombardi Drive He is responding to the article in the paper regarding the gap of 45 million dollars. It was stated in 2000 when Louis Cerruzzi proposed to the Board of Alderman the redevelopment 300-400 apartments of \$900.00 a month also stating to get the bid, that Starwood Cerruzzi as part of a 30 billion dollar corporation would make a major investment and had the capital to do so. Also in March 2005 Cerruzzi stated existing businesses would be relocated to a 27 acre tract of land along the flood control walls on the Naugatuck River, the DOT property. Later on that year he also stated that rather than pay somebody for what they have, we can find another spot, put them in, pay for their move, help them fix it up and offer them a deal here to come back to something better than what they had in regards to all the businesses downtown. It also stated that the first of the buildings could be finished in 2006. Since that time, the developers have reneged on the relocation of the businesses on the DOT

property and has asked for support by our Mayor and representatives to receive a special taxing district to recoup up to 45 million dollars for infrastructure in downtown Derby, which should be Derby taxpayer money. We've had delays and now according to the paper we have a gap of 45 million dollars that the developer cannot pay and requires the City to find funding for. That means Derby will be funding up to 90 million dollars of an estimated 228 million dollar project. That is a whopping 39.5 percent of the project. This is coming from a company that claims to be a 30 billion dollar a year corporation who has the capital to meet the project. They were awarded this project over six years ago. The town laid out over a million dollars for demolition which also was stated by Cerruzzi that they were willing to pay for some of that up-front. In many of the meetings, the Board has stated they wanted this project done right. I think right means taking care of the citizens, either the ones in downtown or anyone else in regards to taxes. I don't know why we should have to find funding for 40% of the project. And having to take this amount of time to get this going. I think the Board should hold the developer whether he's passed it off to another company or not, Starwood Cerruzzi did make the quotes, did sign the contract. I think this Board should go back and tell the developer that you have to live up to what you say, to what you stated. This is the reason you received the contract over 57 other people. This way the town can reap the full benefits, get a new downtown, get a tax base. We have a new school going in, our taxes are going up, energy costs are going up, we're going to have a tax neutral district. The citizens who want to stay in downtown are not getting their fair share.

Mr. Waleski stated he is also concerned about the 45 million dollar gap. That is a major consideration, and should be solved before we do anything substantial.

Update from the Developer – R. Skolnick, D. Small – Mr. Skolnick asked Mr. Alan Bietsch to give an update on the demolition. With regards to the gap study and the City's fiscal consultant we've met the week before last and provided them with the information requested to support the information we originally submitted to them. I don't believe they are waiting for any additional information. With regard to obtaining state assistance to help the project reduce the gap, I have been working with the administration and lobbyists. Mr. Bietsch of Stoneridge Partners said the pool hall and the abutting buildings are finally down. We had two different contractors on the site. C&L is in the process of removing the last of the debris and the foundations for the pool hall and the building left of the pool hall. Standard Demolition returned to knock down the remaining portion of their building and is hauling away debris. Mr. Dunne asked if Mr. Bietsch is overseeing the Standard Demolition project, yes he is. Mr. Dunne then asked what the treatment of the sidewalks will be and the fencing. Mr. Bietsch said he believes the state DOT will require a jersey barrier to be strung along the sidewalk and also a minimum of 6 foot high fence. The buildings from the pool hall down will be patched and allowable for pedestrian traffic. The street openings will have to be repaired per DOT spec. Mr. Oraziotti asked if Standard was paid additional monies from the City. Mr. Dunne said that question will be addressed by Corporation Counsel in Executive Session. This will without objection be added to the Executive Session. There was no objection. The developer will be invited in to the Executive Session as well.

Move on to number 9 of the agenda.

Developer's GAP Analysis – Mr Corso is not available tonight. The PDA did call for submission of documentation of the gap to the City from the developer. The City's plan was to take that and have it independently analyzed by our consultant, AMS advisory, Mr. Corso. Then that information would be used to make recommendations to the Agency and to the City as to what and how to proceed. The PDA says we should agree with the developer at some point as to what the gap is. If we don't then there are certain steps that can be taken. If we agree on what the gap is then we have a certain amount of time to attempt to fill that gap with outside subsidies. And failing that then there are steps that can be taken. Mr. Dunne met with Mr. Corso today and told me he did receive enough information from the developer and informed me the information is sufficient. He would have preferred an independent market study, but we did not require one. He feels comfortable using the developer's projections, like sales price and absorption rates for the real estate sales side. If he needs additional information he will make that request in writing to the developer. AMS advisory was engaged through a public process by the City in 2002. The purpose was to perform this analysis. Mr. Corso has never had a contract. We will be signing a contract with AMS Advisory. This should take between 45-60 days before we get the report back. Thirty days is when the developer's information is delivered and when we agree on the gap. That information has been presented. We do have some time. Then we will have to approach the developer if we can proceed on a slightly different timeline. Mr. Orazietti asked if the contract will be with the City or with the Redevelopment Agency. Mr. Dunne said he is not certain. This agency has not exercised powers as under state statute.

Motion to go into Executive Session to go over strategy and negotiations and will have three sessions subject to adjournment without action. The developer team will then be invited in. Also invited in will be Corporation Counsel and the Mayor. Motion by Glenn Stevens, with a second by Greg Russo, all in favor, motion passes.

Executive Session starts at 6:59 p.m.

Motion to adjourn Executive Session at 8:54 p.m. by Michael Kelleher with a second by John Orazietti, all in favor, motion passes.

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