

**CITY OF BRIDGEPORT
ECONOMIC AND COMMUNITY DEVELOPMENT
AND ENVIRONMENT COMMITTEE
REGULAR MEETING
JULY 15, 2014**

ATTENDANCE: Lydia Martinez, Co-Chair; Jack Banta, Co-Chair, Eneida Martinez-Walker; Richard DeJesus

OTHERS: Council Member Susan Brannelly, Council Member Enrique Torres, Max Perez, OPED; Christine Smith, Central Grants Office; Bill Coleman, OPED, David Kooris, OPED Director; John Marshall Lee, Iris Molina, Social Services Department; Arthur Hersch, Riverbank Landing, LLC; Philip Kreft, Riverbank Landing, LLC, Steve Layton, Public Facilities

CALL TO ORDER

Council Member Martinez called the meeting to order at 6: 25 p.m. There was a quorum present.

Approval of Committee Minutes of June 17, 2014

**** COUNCIL MEMBER BANTA MOVED THE MINUTES OF JUNE 17, 2014.**

****COUNCIL MEMBER MARTINEZ-WALKER SECONDED.**

**** THE MOTION TO APPROVE THE COMMITTEE MINUTES OF JUNE 17, 2014 PASSED UNANIMOUSLY.**

131-13 Proposed Resolution authorizing a Tax Incentive Development Agreement for the New Construction of 56 Residential Units located at 3336 Fairfield Avenue.

Mr. Coleman came forward and distributed a document to the Committee members. He explained that this proposal was not really a PILOT, but a Tax Incentive Development Agreement.

Mr. Arthur Hersch and Mr. Phil Kreft, the Riverbank Landing project developers, came forward and greeted the Committee. Mr. Hersch said that he had built several homes in Bridgeport. He added that he has been trying to put this project in Black Rock together for 11 years. Financing has been a challenge. Mr. Hersch said that Mr. Kreft is very experienced with these types of projects and now a local lender has been identified. Sub contractors have been identified and the project is ready to go.

Mr. Coleman said that this project had been originally designed as condos, but that market has crashed. There are 56 units with two parking spaces for each market rate rental unit. He indicated that there was water front access for the public.

Mr. Coleman then reviewed the figures for the project. He stated that this was a different project than the downtown area, or affordable housing. He pointed out that there will be an appraisal gap between the new building construction and the appraisal, which will be lower. He said that if the developer can show revenue and return for the project, the appraisal will go up. There will be returns between 10%-25 %. Mr. Coleman said that the City sees this as a potential 12% return. He directed everyone's attention to the projected tax scale on the last page of the resolution.

Councilmember Torres said that this deal hasn't been able to work for a reason. He said that this was too big. Councilmember Torres then asked if there were any senior assisted living units. Mr. Coleman said that it could be part of the project.

Councilmember Torres pointed out that there was no auditing provision for the City, so if the market increased, the City would still be locked into a old scale. He also pointed out that there were two condo projects in the City, one of which had been built without this incentive, and the other one is a proposed project without the incentives. Councilmember Torres wished to know if the rents would be adjusted to the 3% increase.

Mr. Coleman said that the points were valid and they were worth considering. He said that the City would become a partner in the project. Councilmember Torres objected to this. Mr. Coleman said that the risk was on the developer, and there is a floor. Councilmember Torres replied that when any business starts without the City, the owner is taking the risk. He said that City would be in the red by 66%. An abatement was a give away of services. This means that the developer was asking every other resident in the City to pay for the project.

Councilmember Brannelly said that this project was in her and Councilmember Torres's district. She reminded everyone that the property has been sitting vacant for about 20 years. Councilmember Brannelly pointed out that there were a number of projects that were struggling and in the same situation. She wished to know what the full amount would be at the end of the 10 years. Currently the parcel is collection \$20,000 in taxes per year and while she would like to see the increase in taxes, every other project should have the same opportunity. While the City wants to have the project fully occupied, expecting that it might not be fully rented was unrealistic. Mr. Coleman replied that the risk was associated with the developers. He reviewed the figures with the Committee.

Councilmember Torres then had several details questions about the figures for the project, including the Land Acquisition costs. He said that this would be equally to the City forgiving 1 million on the purchase price. Councilmember Torres said that the proposal was very nice and asked the developers if they would be donating to the politicians. Mr. Coleman said that the carrying costs were for the taxes and various other costs.

Councilmember Banta asked if there had been any other projects of theirs that failed. Mr. Hersch and Mr. Kreft said that they had not.

Councilmember Martinez asked if they had planned to employ local residents. Mr. Kreft said that they would employ about 500 workers. Councilmember Martinez asked if they knew about the minority and local residents hiring. Mr. Coleman said that they were. Mr. Hersch agreed and said in the past, he had hired minority workers.

Mr. John Marshall Lee asked what would happen if the project was delayed until 2015. Mr. Hersch said that nothing would happen other than the financing would no longer be available. Mr. Hersch said that he had already begun the permitting project. The plans were submitted to the Zoning Department and were being reviewed by the Engineering Department. He said that he had checked with the Zoning Department and both Mr. Minor and Mr. Boucher had confirmed the permit was still active. He said that he would not want people to lose sight of the fact that there would probably be property taxes of a quarter million in taxes from the residents.

Councilmember Martinez replied that the residents would be using services from the community. Mr. Hersch said that there would be

Councilmember DeJesus said that Bridgeport does not collect property taxes on items in the units, and that the assumption that the residents of the unit would be from outside of Bridgeport. Neither of these assumptions are necessarily true.

Councilmember Martinez-Walker asked how the contractors would be hired. Mr. Hersch said that the major contractors for construction have been identified but things like carpeting or other items have not been identified. Councilmember Martinez asked how the contractors find out about this. Mr. Hersch said that they have worked through Ms. Caviness' office in the past.

Councilmember Torres asked about a particular requirement for eligibility. Mr. Kooris then explained the details of the requirement that would allow this project to be eligible.

Councilmember Martinez asked about the following language in the contract:

BE IT FURTHER RESOLVED: that the Mayor and the Director of the Office of Planning and Economic Development are each authorized to execute such agreements and take such other necessary or desirable actions in furtherance of the Project and consistent with this resolution in the best interest of the City.

Mr. Coleman explained that the City Attorney's Office had determined this language. Mr. Kooris pointed out that it was in reference to the contract. Mr. Coleman said that he would be willing to send an email to Atty. Pacacha about this particular issue.

Councilmember Brannelly said that she realized this project was important to her district, but was wondering about if there was some way to include a factor that would adjust the amount if the economy improves. Mr. Coleman said that these were consistent points. The developer actually wanted a 15 year deal. He said that if the City was going to be auditing the financing, it might influence the lending. Mr. Kreft said that the bank was the driving the deal. He added that he wouldn't be making this investment if he thought that the risk was too great.

Councilmember DeJesus asked if one of the factors would be the percentage of occupancy. Mr. Coleman said that it was factored in. Mr. Kreft said that he has operated in this area for 25 years and while he has never seen it go below 80% even after 9/11. There are a number of variances. Mr. Coleman said that the model was fixed and that if it goes below 10% vacancy, the loss was on Mr. Kreft.

Mr. Kooris said that the office does not take these things lightly and looks at the pro forma in detail. He listed a number of factors, and said that this was not a typical vacant site. The office received numerous questions about this particular site. It creates a depressed potential when people come into the city via that gateway. This would be a subsidy for the future business.

Councilmember Torres asked if there were any other revenue streams on the property. He asked about CL&P taking two large boxes on the property. Mr. Hersch said that the utility had just taken the land with no payment.

Councilmember Brannelly asked if the Committee could get some document about the bank's requirement on this project.

Councilmember Banta said that he had seen similar deals in his district and his hat goes off to the developers. He said that this would be a great entity for Black Rock. Mr. Hersch said that he has frequented many of the restaurants and stores. The business owners have told him that this project would increase business for all of them along Fairfield Avenue. This could encourage other builders to propose projects.

Councilmember Torres said that the Committee should be prepared for a series of projects that would be asking for the same type of tax break. Councilmember Brannelly said that was why she was so careful to ask about the escalating rates if the economy improved. Mr. Hersch said that in conversations with the bank, he did not believe the bank would approve that type of arrangement. Councilmember Torres said that it would be something as simple as looking at the books after year 5.

Councilmember DeJesus asked if the vote could be tabled to the next meeting. Mr. Coleman said that the bank and the contractors have an only have a 30 day window. Mr. Hersch said that the permits were in the process of being filed.

Councilmember Torres left the meeting at 7:30 p.m.

**** COUNCILMEMBER BANTA MOVED TO APPROVE 131-13 PROPOSED RESOLUTION AUTHORIZING A TAX INCENTIVE DEVELOPMENT AGREEMENT FOR THE NEW CONSTRUCTION OF 56 RESIDENTIAL UNITS LOCATED AT 3336 FAIRFIELD AVENUE.**

**** THE MOTION FAILED DUE TO A LACK OF SECOND.**

Councilmember DeJesus said that he would like Councilmember Brannelly's opinion. She said that she felt that this was an important development and while she was concerned about setting a precedent. There is another project is right around the corner. She also pointed out that this was

not the City putting out money, but not collecting as much as it could. She added that she would not like to see this project go bankrupt and have someone else pick up the parcel for pennies on the dollar.

Councilmember DeJesus said that he would like to have the additional information. He said that the owners have had the parcel for 11 years. He suggested that the committee schedule a special meeting.

Mr. Kooris said that there were really only four things the City could do: reduce the taxes, deal with environmental issues, reduce the cost of construction or offer affordable housing. The only option was the reduction of taxes.

**** COUNCILMEMBER MARTINEZ-WALKER MOVED TO TABLE 131-13 PROPOSED RESOLUTION AUTHORIZING A TAX INCENTIVE DEVELOPMENT AGREEMENT FOR THE NEW CONSTRUCTION OF 56 RESIDENTIAL UNITS LOCATED AT 3336 FAIRFIELD AVENUE TO JULY 22, 2014.**

**** COUNCILMEMBER DEJESUS SECOND.**

**** THE MOTION PASSED UNANIMOUSLY.**

Councilmember Brannelly left the meeting at 7:50 p.m.

120-13 Proposed Resolution Authorizing a Referendum on renewal of City and Town Development Act.

Mr. Perez came forward and said that this authorization comes before the City on a regular basis since 1989. Councilmember Martinez asked who put the resolution together for the November 4th vote. Mr. Perez said that this was done by the City Attorney's Office. Councilmember Martinez said there was not enough information. Mr. Perez said that this was the same wording since 1989.

Councilmember DeJesus asked what this would allow the City to do. Mr. Perez said that this would allow the City to bond. He then gave examples of other projects that had gone out for bonding under this authorization.

**** COUNCILMEMBER DEJESUS MOVED TO APPROVE 120-13 PROPOSED RESOLUTION AUTHORIZING A REFERENDUM ON RENEWAL OF CITY AND TOWN DEVELOPMENT ACT.**

**** COUNCILMEMBER BANTA SECONDED.**

Councilmember Martinez-Walker said that the Committee was voting on something they didn't understand. Mr. Perez said that he was willing to review the details with her to insure that she understood the authorization.

**** THE MOTION TO APPROVE 120-13 PROPOSED RESOLUTION AUTHORIZING A REFERENDUM ON RENEWAL OF CITY AND TOWN DEVELOPMENT ACT PASSED UNANIMOUSLY.**

128-13 Grant Submission: re State Department of Energy and Environmental Protection NPS 319 Grant for Blackham School LID Retrofit Project.

Ms. Smith, the Central Grants Direct, explained that Ms. Gupta, who has the full resolution was out sick. This is about a CT State grant for converting a black topped parking area into a retention basin and to direct the water into swales rather than allowing it to go directly into the Rooster River. There is a matching fund aspect. The money will be coming from CDBG and other sources, such as America the Beautiful. Mr. Layton then described how this would be done and where one planting area would be. This would also include rain gardens, involve the Blackham School students along with UConn students.

Councilmember DeJesus then asked about the cost involved. Steve gave an overview of this. He said that the water that comes off the parking lot will eventually go into a pipe and then drain into the Rooster River.

Councilmember DeJesus asked the testing of the run-off water. Mr. Steve said that there had been testing done in the past and there would be testing during the project. The idea is to put in low maintenance plantings. The water comes off all the hard surfaces.

Councilmember DeJesus asked why the BOE is not doing this project. Councilmember Martinez said that she was involved in the School Beautification Committee and she did not know about this project. Mr. Layton explained that they had been speaking with the school principal and a teacher about this. He said that the BOE is mostly focused on cleaning up the area around the ball fields. He added that the department was very responsive to projects involving the students. Councilmember DeJesus said that it was the BOE's building to maintain and wanted to know why they weren't maintaining it. Mr. Layton said that the maintenance of the school grounds has been an ongoing discussion.

Ms. Smith said that it was her understanding that the City maintains the school grounds while the BOE handles the building. Discussion followed. Mr. Layton said that the merge between the School grounds and Public facilities could be very confusing.

Councilmember Martinez asked if the BOE has their own grant writer. Ms. Smith said that they do. She explained Southwest Conservation District was the coordinator for this particular grant. Mr. Layton then reviewed the structure of the Conservation District and how the pieces fit together.

**** COUNCILMEMBER BANTA MOVED TO TABLE ITEM 128-13 GRANT SUBMISSION: RE STATE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION NPS 319 GRANT FOR BLACKHAM SCHOOL LID RETROFIT PROJECT FOR MORE INFORMATION.**

**** COUNCILMEMBER MARTINEZ-WALKER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Councilmember Martinez asked about the process of the grant application. Ms. Smith explained that the application had been filed before she came to Bridgeport. She then gave a brief overview of the process.

118-13 Grant Submission: re 2014 Preventive Health and Health Services Block Grant.

Ms. Iris Molina, the Bridgeport Social Services Director, came forward and said that this was the sixth year of the grant. She explained that there was a farmer's market that starts in July through October. There are two locations, one in The East Side and one in the East End. In the past, when the residents use their SNAP cards, the amounts are doubled in value. Ms. Molina then gave an overview on the program. There are two interns who provide the staffing.

**** COUNCILMEMBER MARTINEZ-WALKER MOVED TO APPROVE 118-13 GRANT SUBMISSION: RE 2014 PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT.**

**** COUNCILMEMBER DEJESUS SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

124-13 Grant Submission: re Southern Connecticut Agency on the Aging (SWCAA) Title III Funds for Elderly Hispanic Program.

Ms. Molina explained this was for the elderly Hispanic residents who don't speak English. She said that the staff member who had been with the City was leaving and she would be splitting the work between herself and Myra, another Spanish speaking staff member. The hours are limited to 15 hours a week. The funds will arrive in October. SWCAA requires detailed document on the hours spent and the number of clients served.

Councilmember DeJesus said that there were 255 clients. Ms. Molina said that was only the number of clients, but there were 4,000 units of service. Councilmember DeJesus said that he wanted to document the amount of services in order to get a full time staff member. She said that the funding for this program had been cut and that means there is a reduction in service.

Councilmember Martinez-Walker said that she has been at the office and seen the number of clients. She said that she had written a letter regarding this.

**** COUNCILMEMBER BANTA MOVED TO APPROVE ITEM 124-13 GRANT SUBMISSION: RE SOUTHERN CONNECTICUT AGENCY ON THE AGING (SWCAA) TITLE III FUNDS FOR ELDERLY HISPANIC PROGRAM.**

**** COUNCILMEMBER DEJESUS SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

126-13 Grant Submission: re Southwestern Connecticut Agency on the Aging (SWCAA) Title III Funds for East Side Senior Program.

Ms. Molina explained this was Approximately \$17,000 for Ms. Santiago and the office supplies. Councilmember DeJesus wanted to know that if the funding was reduced, what the effect would be. Ms. Molina said that the service would be reduced.

- ** COUNCILMEMBER BANTA MOVED TO APPROVE ITEM 126-13 GRANT SUBMISSION: RE SOUTHWESTERN CONNECTICUT AGENCY ON THE AGING (SWCAA) TITLE III FUNDS FOR EAST SIDE SENIOR PROGRAM.**
- ** COUNCILMEMBER MARTINEZ-WALKER SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

127-13 Grant Submission: re Southwestern Connecticut Agency on the Aging (SWCAA) Title III Funds for Chore Program.

Ms. Molina said that often the elderly won't ask for repairs because they can't pay for the materials. A request was made for CDBG funding for the materials and this amount would be for the salary.

- ** COUNCILMEMBER DEJESUS MOVED TO APPROVE ITEM 127-13 GRANT SUBMISSION: RE SOUTHWESTERN CONNECTICUT AGENCY ON THE AGING (SWCAA) TITLE III FUNDS FOR CHORE PROGRAM.**
- ** COUNCILMEMBER MARTINEZ-WALKER SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

125-13 Grant Submission: re Southwestern Connecticut Agency on the Aging (SWCAA) Title III Funds for Tai Chi Program.

Ms. Molina said that the elderly are benefit and are moving better because of the Tai Chi program. Councilmember DeJesus said that he thought that the Senior Center should pay for the classes.

- ** COUNCILMEMBER DEJESUS MOVED TO APPROVE ITEM 125-13 GRANT SUBMISSION: RE SOUTHWESTERN CONNECTICUT AGENCY ON THE AGING (SWCAA) TITLE III FUNDS FOR TAI CHI PROGRAM.**
- ** COUNCILMEMBER MARTINEZ-WALKER SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

**** COUNCILMEMBER DEJESUS MOVED TO TABLE THE FOLLOWING ITEMS:**

129- 13 GRANT SUBMISSION: RE FY2014 US EPA BROWNSFIELD CLEANUP GRANT PROGRAM FOR SITE LOCATED AT 80 HASTINGS STREET.

132-13 GRANT SUBMISSION: RE STATE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT ROUND 5 BROWNFIELD GRANT – 1564 SEAVIEW AVENUE, BRIDGEPORT CT.

133-13 GRANT SUBMISSION: RE STATE OFFICE OF POLICY & MANAGEMENT – YOUTH SERVICES PREVENTION GRANT FOR THE OFFICE OF NEIGHBORHOOD REVITALIZATION MENTORING PROGRAM.

134-13 GRANT SUBMISSION: RE US DEPARTMENT OF AGRICULTURE FARMERS MARKET PROMOTION PROGRAM – BRIDGEPORT FARMER’S MARKET COLLABORATIVE INCENTIVE AND EDUCATION EXPANSION.

TO THE SPECIAL MEETING SCHEDULED ON JULY 22, 2014.

**** COUNCILMEMBER MARTINEZ-WALKER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

**** COUNCILMEMBER BANTA MOVED TO ADJOURN.**

**** COUNCILMEMBER MARTINEZ-WALKER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:30 p.m.

Respectfully submitted,

Sharon L. Soltes
Telesco Secretarial Services