

CITY OF BRIDGEPORT
ECONOMIC and COMMUNITY DEVELOPMENT and ENVIRONMENT

COMMITTEE

SPECIAL MEETING

REVISED

TUESDAY, JUNE 26, 2012

6:30 PM

ATTENDANCE: Council members: Brantley; Co-chair, Martinez; Co-Chair, Lyons, Blunt; Council President T. McCarthy

NON-COMMITTEE: Council members: Baker, Vizzo-Paniccia, dePara, Silva, Brannelly

CITY ADMINISTRATION: Attorney Pacacha, Attorney Stafstrom, Don Eversley, Adam Wood

STEEL POINTE

REPRESENTITIVES: Robert W. Christoph Sr., Robert Christoph Jr., Kris Lorch, Jay Levin, Romera Albarran, Jeff Hineman, Jean Webb, Bruce Chudwick, Attorney Carter N. McDowell

OTHER(s): John Marshall Lee, Reverend McCluster

UNION

REPRESENTATIVES: Joe Mancini, Michael Robinson, George Arias

AGENDA

Co-chair Brantley called the meeting to order at 6:47 pm.

Co-chair Brantley introduced the committee members. She requested that each person present introduce themselves.

Informational Session re: Update/Review of Steel Pointe Project and Interlocal Agreement

Carter McDowell distributed copies of the Steel Pointe Harbor Development Progress Report. He stated that Bridgeport Landing Development LLC was selected to develop the project during 2002. He said they were busy moving the project forward and during 2002, legislature was approved for the infrastructure and the master document to pay for the bonding for the Steel Pointe District. During 2009, they submitted applications for the plan of development district and the entire area was rezoned through Planning & Zoning Commission guidelines and they also received coastal approval. He went on to say that they have traveled throughout the country to find users for the property. He emphasized that there are critical steps that need to be taken to move the project forward and approval of the ILA is extremely critical to do that. He stated that they received roadway improvement approval and they have plans to create affordable housing. They also partnered with the city, developers and the congress delegation.

The following are highlights of the progress report:

- ❖ 2002- Bridgeport Landing Development, LLC (BLD) was chosen by the Bridgeport City Council in a public competitive bidding process as master developer for the Steelpointe Harbor Redevelopment Project
- ❖ 2005 – The City of Bridgeport enabled by the State of Connecticut through CT PA 05-289 established a Special Taxing District within the City of Bridgeport known as Steel Pointe Infrastructure Improvement District
- ❖ Nov 2009 – approval of the amended and restated Land Disposition Agreement

- ❖ May 2010 – submitted Steel Pointe Planned Development District, General Development Plan and Coastal Site Plan Review to Planning and Zoning Commission with approval on May 19, 2010
- ❖ 2010 – BLD partnered with Elderly Housing Development and Operations Corporation and responded to the City's RFP for development of the Waltersville School on the east side into affordable elderly housing
- ❖ August 2010- BLD partnered with the City in application for a TIGER II grant. They were successful in this application and the City was awarded a \$11,159,000 grant in early 2011
- ❖ November 2010 – Greater Bridgeport Regional Planning Agency /MPO: Added to STIP and TIP
- ❖ November 16, 2010 – State Traffic Commission Certificate approved
- ❖ November 15, 2011 NEPA Categorical Exclusion concurrence received from FHWA Administrator through CTDOT
- ❖ April 1, 2011-CT DEP General Storm Water and Outfall Permits approved
- ❖ March 2011-OSLIP & ACOE Shoreline Stabilization and Dredging & Fill, and 401 Water Quality Application: Concurrence date (DEEP permit issued): December 23, 2011
- ❖ 2010-2011 – Requests for Widespread Polluted Fill variance and alternative ground water standards were submitted to DEP and approved

He stated that overall, they acquired all the permits required to build the infrastructure and he noted that they have been many involved in the project that have attended numerous meetings.

Attorney McDowell spoke about what they were doing to move the project forward from the business side. He said they have spent the last 3 ½ to 4 years touring the country to meet with potential developers and they have preliminary approval from anchor tenants that will result in a total of 300,000 square feet. They are in negotiations with a national retail tenant that doesn't exist in Connecticut (*the name of the tenant won't be divulged due to the confidentially agreement and until negotiations are completed*). He said that he hoped an announcement would be made in the near future. He said he thought this tenant would really be a draw for people coming from New York and other surrounding towns. He mentioned that they have attended conferences to meet with other potential tenants and he reiterated that they are ready to move forward, although there have been a number of steps to get to the point they are at now.

Attorney McDowell displayed some conceptual animations from his laptop. He oriented the committee members to what was shown in the animations:

- he pointed out the area where the national retailer would be located; north of Stratford
- he pointed out the anchor store that will face East Main Street
- he pointed out that the area denoted in green was where housing was proposed with ground level retail
- he pointed out that the area denoted in yellow will be offices

He commented that they have been in discussion with two major retailers. And the project will include residential, office retail and waterfront restaurants. He stated that beyond the retail commitment that is underway, he said he believed that the balance of a hotel and other tenants will fill in rather quickly. He clarified that this will not be an overnight project and they probably weren't looking at the completion of the development for another ten or twelve years. Although, as previously mentioned, he said that once the project gets started, he expected that it will move along quickly. He said that advance notice would be extended to the city council to let them know when the project will begin.

Council member Lyons commented that she appreciated all the work that has been done to move the project forward. She stressed that responsibility will need to come from both sides while maintaining communication with the council, developers etc. She further commented that the council is held accountable to their constituents, to stress the importance of all parties working together responsibly.

Attorney McDowell stated that minority goals have been established as part of the ILA and they will attempt to hire as many people from Bridgeport to adhere to the hiring of minority contractor guidelines.

Council member Brannelly asked Attorney McDowell if he foresees any issue where an anchor tenant might be more attracted to making a commitment at phase-III when the project is further developed; than they might be at phase-I of development. The response was that there is a reasonable chance they will develop the upland area phase-1 and phase-II simultaneously. It was noted that there is a lot of flexibility built into the LDA (*Land Disposition Agreement*).

Council member Brannelly said she was pleased to know that the project will be imminent in the near future. She expressed that she made this comment to address the concern of many residents that the project would be too far into the future to see it completed.

Co-chair Martinez expressed that she was glad the project was moving forward. She asked what the plans were for the proposed affordable housing units. It was stated that the number of affordable housing units may be increased to 74-units; however, they only have preliminary plans right now. The units will be aimed at very low income individuals, so it's going to be more challenging to develop that portion of the project. Co-chair Martinez commented that senior housing should definitely be considered.

Co-chair Martinez mentioned that any new project development shouldn't disrupt businesses on the east side or East Main Street. It was stated that they will reach out to the existing businesses and let them know the intentions of any upcoming development.

Council President McCarthy mentioned the hiring of local and minority residents. He emphasized that the community has been waiting a long time for the project to move forward. He further stressed that it will be very important to hire Bridgeport residents and minorities and to do everything possible to put the city's own people to work. It was stated that that was understood and they have demonstrated sensitivity to it.

Co-chair Brantley asked if they were bringing in their own developers. It was stated that the PLA (*Project Labor Agreement*) will be in place and there has been an attempt to reach an agreement with all unionized trades. They intend to make the project as Bridgeport central as possible and all the contractors will have to be licensed.

Council member Brantley asked how people will be made aware of how they can be part of the project and the availability of work. The response was that they will reach out to the business community and establish an outreach program and training program to obtain jobs on site. They will also encourage the contractors to reach out to workers for hiring.

Jay Levin, Levin Powers Brennan & Shea LLC stated that they are aware that the PLA's were of high importance to Governor Malloy. He said the project and its success is of great interest to him. Mr. Levin expressed that he personally wouldn't work for a developer that didn't believe in PLA's. Overall, he said he had no question that they will succeed in doing the right thing. They will post notices in union halls and it's expected

that the Mayor's office will play a big part. It was further expressed that the Christoph's didn't just want an ordinary retailer, so they sought a "crown jewel" so to speak to satisfy the city council and the community.

Council member Blunt asked the number of tenants they had tentative agreements with. The response was that they currently had two (2) anchor tenants interested.

Council member Blunt stated this concern about who will oversee the process to ensure the hiring and minority participation is carried out. The response was that there will be city oversight and enforcement to adhere to policy.

Council member dePara asked about the key anchor tenant. The response was that there was an opportunity to bring in a new tenant to the state and the possibility of a sales tax incentive that will ultimately increase the tax base in Bridgeport; this is actively being worked on.

Council member dePara stated that he was skeptical but optimistic and he wants to see the project work all sides.

Council member Silva asked what the timeline was to begin the first phase of infrastructure. The response was that the TIGER II grant was approved and the award response is due by July 11 and the goal is to begin in August.

Michael Robinson, Local Carpenters Union representative stated that the PLA's are the way to go. He recalled that an apprenticeship program was used on a previous project and it worked out well.

Council member Brannelly stated that she hoped to see the City of Bridgeport become a different place, noting the renaissance that has occurred in the downtown area. She stated that since the anchor tenant isn't in Connecticut, she emphasized that the tenant shouldn't in any way be a super duper Wal-Mart. Attorney McDowell reiterated that the proposed retailer is **not located** anywhere in Connecticut.

Adam Wood spoke on behalf of Mayor Finch to say that the city was very much on top of the job funnel issue and it will be made a priority to hire minorities and union workers. He clarified that the developer has actively agreed to that and **not use** out of state unions. He emphasized that if the Mayor wasn't confident there was a strong tenant, he wouldn't stake his reputation on the project. However, there are confidentially

restrictions, but everyone on the city council will be involved when the announcement is made.

Attorney Stafstrom reviewed the Interlocal Agreement. He highlighted key aspects of the agreement as follows:

- the district was created and considered a sub-division of government for the purpose of the issuance of bonds
- *and* governs the security of the bonds
- bonds will be issued by the district and they will be obligations of the district
- bonds are not considered debt of the city
- tax sharing agreement must be abided by
- district improvements by and large must be maintained by the district *or* entities of the district and not an obligation of the city
- *He briefly reviewed key aspects of the agreement regarding the tax revenues.*

Council member Martinez asked what the percentage of the tax sharing agreement was. Attorney Stafstrom referred to page-3 of the agreement where it was outlined that the city will receive \$400k in taxes that increases as the bonds are issued. He said it's a thirty year bond, but the project comes on line well before that period of time and any excess tax revenue could flow to the city as early as 2017.

Council member Martinez asked if security and garbage pick up is paid by the district and not the city. Attorney Stafstrom said that was correct.

Attorney Stafstrom said the Interlocal Agreement doesn't cover transfer of the property. There will be four phases of development based on the ability to do the project, which involved the ability to issue the bonds. He clarified that the committee was voting on two (2) aspects of the project tonight:

- 1) Financing for the public improvements
- 2) Cost sharing

Council member Baker asked for clarification about the bonds. Attorney Stafstrom said the bonds are likely to be issued as thirty year bonds. So if a bond is first issued during

the year 2013, it will have a lifetime until the year 2030, so it will be phased out over time.

Council member Baker asked how the council will be made aware when a specific phase comes up for bonding. Attorney Stafstrom said the agreement is designed to cover these phases and the document is intended to be operative over the life of the bond issuance; and the Mayor will have to sign off.

Council member Baker asked how the tax district office worked. Attorney Stafstrom explained that the resolution requires a five (5) member board of directors and one (1) member is appointed by the Mayor of the city. He further explained that the board functions similar to the way the city council does; subject to FOI, minutes etc.

Reverend McCluster asked what will happen if the bond goes forward and they encounter a problem. Attorney Stafstrom said the property owner within the district is responsible to pay the bond and if it's not sufficient, the investors will exercise some control. There will be certain protections to assure the bond gets paid. *It was noted that the projections that were laid out on paper will most likely be modified.*

Reverend McCluster asked about the five (5) members of the district board. He stated there wasn't an ethnic majority on the board. He asked if this was given any consideration by the administration. Adam Wood stated that per the recommendation of legal counsel, there was a short time frame to put the board members together. He clarified that the board is meant to be a short term member board and the Mayor wanted to move along expeditiously.

Reverend McCluster stated he had other questions, however, Co-chair Brantley respectfully asked him to hold any further questions and speak to Adam Wood after the meeting. Reverend McCluster stated for the record that members of the public were allowed to speak at previous meetings.

Attorney Stafstrom stated there will be full disclosure of the Interlocal Agreement, per Council member dePara's question.

Council President McCarthy commented that it was a pretty significant moment for the City of Bridgeport. He expressed that Steel Pointe is here and finally happening. He said he was proud of the work the city council has done through the years. And although they encountered some dead ends, they still pushed ahead. He thanked

Mayor Finch, the developers and everyone involved to date and he said he hoped that the city sees large tax revenue as the development progresses.

- ** COUNCIL PRESIDENT McCARTHY MOVED TO APPROVE FINANCING FOR THE PUBLIC IMPROVEMENTS AND COST SHARING RELATED TO STEEL POINTE PROJECT AND INTERLOCAL AGREEMENT
- ** COUNCIL MEMBER MARTINEZ SECONDED
- ** MOTION PASSED UNANIMOUSLY

ADJOURNMENT

- ** COUNCIL MEMBER McCARTHY MOVED TO ADJOURN
- ** COUNCIL MEMBER LYONS SECONDED
- ** MOTION PASSED UNANIMOUSLY

The meeting adjourned at 8:30 pm.

The following occurred after the stenographer recorded the first motion to adjourn and left the meeting:

*For the purpose of the committee to make an additional motion – see below

- ** COUNCIL PRESIDENT McCARTHY MADE A MOTION TO RESCIND THE MOTION TO ADJOURN AND RECONSIDER THE ADJOURNMENT
- ** COUNCIL MEMBER MARTINEZ SECONDED
- ** MOTIN PASSED UNANIMOUSLY

The meeting reconvened at 8:45 pm.

- ** COUNCIL PRESIDENT McCARTHY MOVED TO ORDER A PUBLIC HEARING AT 6:00 PM ON JULY 2, 2012 PRIOR TO THE CITY COUNCIL MEETING RE: ITEM 102-11 STEEL POINTE AND INTERLOCAL AGREEMENT**
- ** COUNCIL MEMBER MARTINEZ SECONDED**
- ** MOTION PASSED UNANIMOUSLY**

ADJOURNMENT

- ** COUNCIL PRESIDENT McCARTHY MOVED TO ADJOURN**
- ** COUNCIL MEMBER LYONS SECONDED**
- ** MOTION PASSED UNANIMOUSLY**

The meeting adjourned at 8:50 pm.

Respectfully submitted,

Diane Graham
Telesco Secretarial Services