

**MINUTES OF THE SPECIAL MEETING**  
**CITY OF STAMFORD, CONNECTICUT**  
**URBAN REDEVELOPMENT COMMISSION**  
**TUESDAY, MAY 17, 2011**

1. At 6:10pm, Chairman Osman called the special meeting to order. The following were in attendance:

Commissioners:

Stephen C. Osman, Chairman  
James I. Nixon, Vice Chairman  
Joel P. Mellis, Secretary/Treasurer  
Jackie Heftman

*(via teleconference)*

Staff:

Rachel Goldberg, Interim Director & General Counsel  
Durelle Alexander

Attendees:

Charles Rosner, Reinventing Stamford Consultant  
Charles T. Lee, Esq., Anderson, Kill & Olick  
Rick Redniss, Redniss & Mead

2. Review of Mayor's Governance Task Force Report

Chairman Osman noted that the purpose of this meeting would be to discuss the report that Attorney Goldberg is preparing in response to the Task Force Report and its subsequent recommendation that the Commission be disbanded. The Chairman said, for the record, "We are an Agency of the City and our job is to do the best thing for the City ... not to be obstructionist but also not to sit back and let anyone do things that are not good for the City without putting forth another side to the issues." He noted that the public would be welcome to comment.

Attorney Goldberg said, "At our last meeting, I was asked to put together a response that reacts to the contents of the Task Force Report and the contents of the Sub-Committee's report and then point out any inconsistencies, inaccuracies, etc. The detailed report will have an Executive Summary, with bullet points. Basically what I've done is to start with the Task Force Report (the page that deals with the URC), and address each item on that page. The first item is the originating document. The report identifies three statutory sections that are all part of the Redevelopment Act but that's not actually correct. There are four different statutes, which I point out. The report identifies our mission. They have paraphrased a mission statement from our web page that is not actually our mission. Our mission is in the first section of each of the four state acts (distributed previously), that describe what a renewal project is to accomplish, what a redevelopment project is to accomplish, what a municipal project is to accomplish, and what a manufacturing assistance project is to accomplish in terms of creating jobs; i.e., UBS was what the statute called an economic-based business that brought thousands of permanent jobs to the City. It's jobs, planning for transportation and other things that improve the City – all this brought together is part of our mission."

Attorney Goldberg continued, "They report how many meetings the Commission had, five in 2009 and five in 2010, which is true, but I point out that since Mr. Osman's chairmanship, we've been operating on a Sub-Committee basis and our committees met 16 times in 2009 and 13 times in 2010, in addition to the regular meetings of the Commission. The Task Force Report



has a section called 'duplication of jurisdictional activities.' They don't identify one because there isn't. The last item addresses public policy and in that section of the report, they talk about the land sale proceeds issue out of the 1979 HUD Close-Out Agreement. This is not a policy. This is a contract, not even a contract with HUD. However, I do want to identify the policy questions that the City should be considering. The biggest public policy question at the end of the day is, because I'm going to be concluding that if it's not URC1 it will have to be URC2 assuming you can make the appropriate findings required, you cannot do the Mill River TIF if you eliminate the URC unless you create URC2 because you have to have a redevelopment agency. The TIF district is created as part of a redevelopment plan and the City can only issue bonds because it is acting by and through the URC. The City could only borrow money from HUD or receive money from HUD in the form of loans and grants because it was acting by and through the redevelopment agency. Chairman Osman asked, "How can you make that statement?" Attorney Goldberg responded, "It's in the statute. The statute says that a municipality acting by and through the redevelopment agency may borrow money from the federal government to implement a redevelopment project." Chairman Osman asked, "What happens if they close down URC1?" Attorney Goldberg responded, "They have to have URC2 without any overlap and gap, or the debt that they have issued is invalid, the TIF district doesn't continue to exist, and there is not a fund from which the monies that were pledged can be paid." Attorney Goldberg noted that once the debt is issued, the City has to agree that the TIF fund will continue to exist for the life of the debt.

Commissioner Mellis asked, "Can an existing agency such as planning be designated as a Redevelopment Agency?" Attorney Goldberg responded, "Yes, the Planning Board has five members. The problem I have with that is the Planning Board has to play a specific statutory role in providing an independent review and analysis of a redevelopment plan or an amendment to a redevelopment plan certifying that it is consistent with the City's Master Plan, and there is an inherent conflict that exists if you are both. Alternatives would be to create a new Board, use an existing Board or redefine the existing Board. I need to point out that so many different things require a redevelopment agency – completing lower Summer Street whether it's URC1 or URC2. You have to have a redevelopment agency to amend the plan. You have to have a redevelopment agency to sell the property. Then the question becomes what are we accomplishing if what we're doing is going from URC1 to URC2?" Chairman Osman asked, "Is that a difficult process, going from URC1 to URC2?" Attorney Goldberg responded, "Yes, in addition to whatever ordinance the City passes to do it, each plan has to be amended so that the new URC2 is the entity charged with managing that plan. That is a plan change that has to be approved by affected redevelopers. Everyone who has acquired property from us and built is potentially an affected redeveloper."

Chairman Osman asked, "What about the contracts we have?" Attorney Goldberg responded, "That's the bigger question. Because we have contracts that are valid that cover a variety of things and we have legal agreements in the form of stipulations to settlements with entities ... and any contract has to be assigned. I have to go back and look at each one of those contracts and determine whether or not we have the right to assign it without the permission of one of the parties on the other side. Somebody needs to succeed to our interest as in the case of Park Square West. We have legal settlements that we've engaged in with property owners related to lower Summer Street in terms of access to the Target property, the height of parking structures adjacent to 1055 Washington Boulevard. The URC's rights and obligations are not the same as the City's. If you just let the URC die without creating a successor, you put the TIF bond at risk. Then there is this whole other question about the monies we received to acquire the



properties on lower Summer Street and what happens with the funds. During the Task Force process, the Executive Director and I were asked 'what happens if we decide tomorrow that the Southeast Quadrant Project is done, declared it finished and complete, and that lot will become a surface parking lot?' That's okay if you change the plan but if you do that and sell the property after you've declared the project complete, the land sale proceeds at that point are no longer program income. They are excess revenue and would have to go back to HUD. If URC2 sells those properties and uses the proceeds to finish the plan, that's fine ... that's considered program income."

Attorney Goldberg continued, "The other items in the Sub-Committee's report were about whether the City should keep the URC's unique powers of eminent domain. The Sub-Committee and the Task Force basically said they did not believe that the use of these kinds of powers of eminent domain were appropriate or necessary for the City and they pointed out that in the South End, there wasn't any need for it. They also used RBS as an example. But RBS is there not because of the power of eminent domain but because there's a plan that we started writing with Dreyfus, who previously owned part of that site. Because of that plan, the developer has comfort knowing that property they've acquired along the river and the landscape improvements they've made along the river will eventually tie to the rest of the park and not just RBS, but other projects are being spurred and incentivized because there is a plan. The most important power a redevelopment agency has is the ability to create a plan. What we've been working on with the East Side Partnership is a redevelopment plan that doesn't use eminent domain. We call it 'next generation redevelopment' but it's the ability to create that focused plan of development amongst parcels that are either adjacent or non-adjacent that's our greatest power. There is a Memorandum of Understanding (MOU) out there and the goal is to create a project around a five or six block area. The idea is that property owners would be incentivized to participate by bringing the property that they own into a development entity. The development entity would have the ability to take advantage of increased development potential and perhaps a streamlined approval process."

Commissioner Heftman asked, "Because the Urban Redevelopment/Land Use Committee is taking this up on June 1<sup>st</sup>, are we to assume that the Mayor has sent down a recommendation to the Board of Reps that supports the Task Force's findings?" Attorney Goldberg responded, "The day before the press conference, the Mayor sent down what appeared to be a courtesy copy. We don't know what the Mayor is going to recommend, and if he is going to recommend anything. But there is a process that has begun at the Board of Representative for discussion purposes only."

Commissioner Heftman ended her participation in the meeting via teleconference at 6:50pm.

Discussion ensued. Attorney Goldberg said, "The whole concept that you would disband URC1 without a plan for how that works ... which is one of the other issues in all of this ... the Sub-Committee acknowledged that they had no idea how this would work and they would leave that for somebody else to figure out. You can't responsibly take any kind of action unless you know what the consequences are and this first meeting is an opportunity to present some of the consequences and urge that whatever they do, they take the time to do it right."

Attorney Goldberg continued, "One of the other items in the Sub-Committee report is a statute we pointed out to them. The same statute that says how you can create a redevelopment agency says you can dissolve a redevelopment agency if you make two findings: (i) that such action



would facilitate receipt and processing of federal funds, and (ii) promote the purposes of this chapter (this chapter is the Redevelopment/Urban Renewal Act) with respect to the first finding. The Committee said ‘a review of various departments within our City may determine that there are appropriate departments within City government that may facilitate this process.’ That’s not a finding – if you are going to make a finding, you have to identify what it is and how this action is going to facilitate, make easier, the receipt of federal funds. You can’t eliminate URC1 to create URC2 unless you make these two findings.”

Attorney Charles Lee said, “Taking this whole thing at face value, assuming that it’s motivated by an interest in saving money and dealing with the budget problems that governments have now, it seems to me one way to deal with this is to examine whether abolishing the URC would save any money. It’s so complicated and there are so many affected redevelopers. One thing that might be done is to try to monetize the cost of the transition. If you had to obtain counsel to review every contract that the URC has and go out and negotiate with every affected redeveloper and work through all the covenants and vested rights/deeds ... we’re talking a lot of money, conceivably half a million dollars. With a price-tag like that, you’re not going to save any money. Also, if you add the URC’s functions to another agency such as Planning, they are going to have to hire the same kind of people the URC has. If you are going to add work, you have to add capacity, so I don’t see savings.” Discussion ensued.

Mr. Redniss said, “If the intent is to close the URC, I would list all the issues ... this is what will happen if you eliminate us ... and show how to do it in an educational, not a defensive way. In terms of the fiscal impact, show the budgetary impact. I have trouble understanding what’s broken. If it’s the people, replace them. If it’s the budget, reduce it. Why get rid of this valuable tool? If undoing yourself somehow makes it worse, you have to point that out.” Chairman Osman said, “I agree Rick. I think we should lay this out in a way that is understandable, not defensive, and show the City the plusses and minuses of their intended action and also show that this might be what it is going to cost to get an opinion about what you are going to do.”

Attorney Goldberg said, “This document will outline the facts ... the facts are this is how we are set up and if you want to continue to do the Southeast Quadrant, lower Summer Street and the Mill River TIF and future plans on the East side, you have to have URC2 if it’s not URC1. The other part of this is ‘here are all the complications.’ This is why it doesn’t make sense. Tell us what you want to accomplish. Do you want to have a different oversight? Do you want relocate where the redevelopment agency is in an organizational chart? Do you want to include members of the Board of Reps or the Board of Finance on our Board?” Commissioner Mellis asked, “Who is our audience?” Attorney Goldberg replied, “The audience is not the members of the Board who have already made up their minds. The audience is the group of people at the Board who are going to be thoughtful about what they are getting into. The idea is to point out that the URC is a necessary entity, either URC1 or URC2. The question then is if you have to have a redevelopment agency, what is the sense of creating URC2?” Commissioner Mellis said, “Some of the initial drafts I’ve seen have not addressed: (i) the issue of monetizing the potential costs and, (ii) recognition of if URC2 is activated, the huge amount of effort and work that has to be done to put you in the same equal position as the existing agency. I think those are important points that could be grasped by every level we’re addressing.” Commissioner Nixon said, “The Task Force, to my knowledge, showed no recognition at all of the levels of complexity Attorney Goldberg is describing. If in their minds they are thinking they can do that when they get around to it, that’s not the case. The first thing you have to do is set up Plan

B before you do Plan A. I also thought that if we could find to what extent the tax base in Stamford has changed over the years including the years from the inception of the URC until now, we would have an interesting graphic example of our participation in the big picture.”

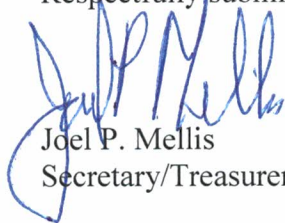
Discussion continued. Attorney Goldberg will continue to formulate her report and try to obtain an estimate of what it would cost for an independent attorney to look at all the contracts/deeds/covenants, etc. involved in eliminating URC1 and replacing it with URC2.

3. Adjournment

No date was set for the next meeting.

There being no further business before the Board, Commissioner Mellis made a motion to adjourn. The motion was carried by unanimous vote and the meeting was adjourned at 8:15pm.

Respectfully submitted,



Joel P. Mellis  
Secretary/Treasurer

**CITY OF STAMFORD, CONNECTICUT, URBAN REDEVELOPMENT COMMISSION**

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**SPECIAL**  
**MEETING NOTICE**

A special meeting of the City of Stamford, Connecticut, Urban Redevelopment Commission, will be held in the Commission Offices on the 9<sup>th</sup> Floor of the Stamford Government Center, 888 Washington Boulevard, Stamford, Connecticut, on Tuesday, May 17<sup>th</sup>, 2011 at 6:00pm.

**AGENDA:**

1. Roll Call
2. Review of Mayor's Governance Task Force Report
3. Adjournment