

MINUTES OF THE REGULAR MEETING
CITY OF STAMFORD, CONNECTICUT
URBAN REDEVELOPMENT COMMISSION
THURSDAY, SEPTEMBER 9, 2004

1. At 6:00PM, Chairman Stephen C. Osman called the regular meeting to order. The following were in attendance:

Commissioners:

Stephen C. Osman, Chairman
James I. Nixon, Vice Chairman
Joel P. Mellis, Secretary/Treasurer
Neal M. Jewell
Edward J. Fuhrman

Staff:

Laszlo Papp, Executive Director
Rachel Goldberg, General Counsel
Sheila R. Kilcoyne, Fiscal Officer
Durelle Alexander

2. Approval of Minutes/August 12, 2004 Regular Meeting

Commissioner Fuhrman made a motion to approve the minutes. The motion was seconded by Commissioner Mellis and carried. Commissioner Nixon abstained.

3. Announcements

None at this time.

4. Correspondence

None.

5. Mill River Corridor

- (a) **Archstone/1050 Washington Boulevard - Status Report by Diego Benites** – Land Use Consultant Rick Redniss introduced Diego Benites, Vice President of Archstone Communities, in attendance to update the Commission on the status of their proposed project. Mr. Redniss said, “I thought we should address two aspects of the update: (i) how can we make what was approved work, and (ii) how can we address the issues that arise in talking to parties who may be interested in a potential purchase.” Mr. Benites then gave a brief history of the project, noting that Archstone received approvals for the project in March, 2002; spent most of 2002 producing construction documents, and took the project to bid with a complete set of drawings in December of 2002. He said, “We received bids in March, 2003 to proceed with this project but, at this point, the rents were not there and with rents down 20% or more, Archstone made a decision to wait because we did not have enough return on the project as we saw it. Hard costs were about thirty-eight million dollars when we received the bids from four different local bidders and we then asked the URC for an extension to give us time to wait for the market to improve.”

MINUTES OF THE REGULAR MEETING SEPTEMBER 9, 2004 – PAGE TWO:

Mr. Benites continued, "Today cost estimates we are getting from the group who bid the project have escalated and hard costs have increased by about 15 to 20 percent. We have made adjustments to our returns but we are still below the curve ... not where we would like to be to invest \$60 million plus in this project. Having said this, we have a full set of drawings to move forward. We have a ground lease and we're making ground lease payments. We are carrying this property and have all the incentives to find the appropriate deal and build it."

Discussion continued. Mr. Benites noted that, having joined the project team after its inception, he found in his review that the land disposition agreement requires the project be built at "full prevailing wages, which would add another 20% to the numbers." Attorney Goldberg responded, "This is a City charter requirement. The City of Stamford requires that property sold by the City, and we are the City, must satisfy the prevailing wage requirement." The developer was encouraged to discuss this issue further with the City's Director of Legal Affairs Tom Cassone. Mr. Benites added, "We needed to raise this issue because this will really have a much greater impact on the viability of this project if we have to meet that requirement."

Mr. Benites noted that, during the extension period, Archstone had received unsolicited offers/expressions of interest from apartment and condominium developers. He said, "The condominium developer we have spoken to would like us to purchase the land right away and that would require modification of the ground lease. We have had conversations with the landowner, Mr. Stephen Hoffman, in that regard and are trying to come up with some kind of agreement that would allow us to do that if we move in this direction." Attorney Goldberg said, "I just want to point out that there are federal anti-speculation regulations in your contract that I would have to review."

Mr. Benites concluded, "We have a lot of money invested in this property – carrying costs, design costs, and we want to move forward. That is a picture of where we are now. We are looking at this on a quarterly basis and seeing what the major changes are and we are continuing to look at the transaction as it was agreed upon." Mr. Redniss then summarized complications that might factor into this project, as follows: (i) the prevailing wage issue; (ii) the below-market rate requirement and satisfaction of it re: a for-sale product as opposed to a rental; (iii) the increase in steel, lumber and concrete costs; and (iv) state money received as compensation for the land swap (i.e., what would happen if the original deal unraveled?)

Chairman Osman said, "We need to have something happen. We want to work with you and do what we can for you, but we want to get the project built and, on behalf of this Commission, I am encouraging you to do what you can to develop this land." Commissioner Fuhrman suggested that when Archstone reappears before the Commission in three months, instead of having just another discussion meeting, some specific milestones, some specific measure of what is being done and the progress that has taken place, be outlined.

MINUTES OF THE REGULAR MEETING SEPTEMBER 9, 2004 – PAGE THREE:

Commissioner Mellis made a motion to address the remaining agenda items out of order. The motion was seconded by Commissioner Nixon and carried unanimously.

6. Southeast Quadrant

(c) **Re-Use Parcel 36/ Status Report** – An RFP (Request for Proposals) is being drafted and expected to be ready for distribution at the next Commission meeting. Mr. Robert Wilson, one of the parties who has expressed an interest in developing the property, asked “what is the purpose and what is the URC trying to accomplish on this parcel of land?” Attorney Goldberg responded, “The purpose of the RFP is to solicit real proposals that show what the interest is in terms of development of the site in terms of use, quality, price, timing, and financial ability to perform. We are not going to specify that it must be housing, it must be retail, it must be commercial. We are going to specify that it must comply with zoning regulations, with the Urban Renewal Plan, with all the various City regulations, or you must provide a realistic plan for how you are going to amend those.” It was noted that the URC is under no obligation to accept or reject any offer and/or proposal.

3. Announcements

Attorney Goldberg announced that the contract between the City, the URC and Swiss Bank executed in 1995 contained a “liquidated damages clause if they didn’t build a future phase within a certain time-frame.” She said, “They didn’t, and we received a check last week, half to be allocated to the URC, and half to the City.”

6. Southeast Quadrant

(a) **Park Square West/Status Report** – Chairman Osman reported that Corcoran Jennison is working on a plan to move forward with the development of the next phase. A second meeting of the development team has been scheduled for September 30, 2004 at 10:00AM in New Haven. The Chairman, Executive Director Papp, Attorney Goldberg and Park Square West Sub-Committee member Neal Jewell will be attending.

(b) **Block 9 Public Parking Garage/Status Report** – Attorney Goldberg reported that the Board of Finance unanimously approved authorizing the issuance and sale of \$17 million dollars of City of Stamford general obligation bonds for the costs of constructing the public parking garage. Chairman Osman reported that the garage design team is working quickly and hopes to complete the design work within a month. Eleven firms responded to the Request for Qualifications and the Submission Review Committee will short list to five at their meeting on September 10th.

8. Agency Administration

(b) **Committee Reports:**

MINUTES OF THE REGULAR MEETING SEPTEMBER 9, 2004 – PAGE FOUR:

- **WEB SITE** – Chairman Osman asked Commissioners Fuhrman and Jewell to begin developing a Web Site that could be linked to the Mill River Collaborative.
- **STAMFORD URBAN TRANSITWAY** – Attorney Goldberg reported that approximately 54 appraisals should be completed by the end of next week, when they will be forwarded to the Review Appraiser, Cushman & Wakefield of Connecticut. She said, “They will complete their work by the end of this month and we will submit a report to Ben Barnes, the Director of Administration for the City, who will establish just compensation. The City will then make an offer to all the property owners by the end of this month.” Throughout the middle of October, Attorney Goldberg will meet with each property owner or their representatives in a formal negotiation, which is a Charter requirement. Attorney Goldberg continued, “Following these meetings, we will make our recommendations to the City in terms of what they should anticipate.” She noted that the project is on schedule and the URC is on budget.

Former URC Chairman Charles Lee addressed the Commission, noting that he had been thinking about pedestrian design on the north side. He asked, “How easy will it be to cross the road? Are there long blocks? Have you given any thought to pedestrian crossing?” Attorney Goldberg responded, “Where the blocks are long, particularly at Jefferson Street, there is no reason to cross the road. On the north side there is all the railroad property and there is nothing south of the office building at One Dock Street but warehouse facilities. It’s not until you get to Atlantic Street that there is any real pedestrian activity and the intersection will have some commercial buildings to the north with residential above it and some residential to the south. But it’s really a crosswalk there and there will be a crosswalk across Atlantic to get to the Transportation Center Garage.” Attorney Goldberg suggested that Mr. Lee meet with Transitway Project Coordinator Laura LaBosky to review the plans and address his concerns.

There were no further Committee reports at this time.

Chairman Osman called for a brief recess at 7:29PM. The meeting was resumed at 7:35PM.

7. **Agency Administration**

- (a) **FY 04/05 Operating Budget** – Fiscal Officer Sheila Kilcoyne answered questions about the proposed budget, distributed to the Commission prior to the meeting. Following discussion, the Chairman asked Commissioners Fuhrman and Mellis to work with the Fiscal Officer to reconfigure the budget. Attorney Goldberg was also asked to prepare a long-term cash flow budget similar to the one she had previously presented to the Commission. Following further discussion, Commissioner Nixon made a motion to approve the FY 04/05 Operating Budget. The motion was seconded by Commissioner Mellis and carried by unanimous vote.

MINUTES OF THE REGULAR MEETING SEPTEMBER 9, 2004 – PAGE FIVE:

8. Old Business

Commissioner Jewell asked about former URC Vice Chairman Eric Wormser and the status of the letter of recognition the Commissioners would like to sign and send to him. The Executive Director reported that this will be ready for signature and distribution shortly.

9. New Business

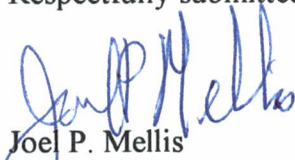
None at this time.

10. Adjournment

The next regular meeting scheduled for Thursday, October 14, 2004 is canceled.

There being no further business before the Board, Commissioner Fuhrman made a motion to adjourn. The motion was carried by unanimous vote and the meeting was adjourned at 8:11PM.

Respectfully submitted,



Joel P. Mellis
Secretary/Treasurer