

CITY OF DERBY
REDEVELOPMENT AGENCY MEETING
OCTOBER 10, 2006

DERBY CITY HALL – ALDERMANIC CHAMBERS – 6:30 P.M.

Chair Glenn Stevens called the meeting to order at 6:31 p.m. All rose and pledged allegiance to the flag.

Roll Call

Present: Glenn Stevens
Greg Russo
Richard T. Dunne
John Oraziotti
Michael J. Kelleher (arrived at 7:00 p.m.)

Also Present: The Honorable Mayor Anthony Staffieri
Kenneth Hughes, President, Board of Aldermen
Joseph Coppola, Corporation Counsel

ADDITIONS/DELETIONS/CORRECTIONS TO THE AGENDA

A MOTION was made by Mr. Russo with a second by Mr. Dunne to **TABLE** the minutes of the September 12, 2006 meeting. **Motion carried.**

Mr. Dunne noted that there are a number of sets of minutes that haven't been approved. Mr. Stevens stated that it is basically August and September. Mr. Dunne said he would appreciate receiving future agendas with all attachments at least one week prior to the meeting date.

A MOTION was made by Mr. Russo with a second by Mr. Oraziotti to adopt the agenda as amended. **Motion carried.**

PUBLIC PORTION

Carl Yacobacci, 176 Main Street, Derby, CT – My first thing on the list was something that Rick Dunne just cited is the agenda being posted possibly a little bit before the meetings so that we can take a look at that. The only thing that I just wanted to question was did we receive the GAP analysis yet? Last month you said it was done and as of last Friday we came up to town hall and nobody said anything was ready. I don't know if you have an idea when that is going to be (inaudible) to the public.

Mr. Dunne – We'll take it up tonight.

Mr. Yacobacci – And the last thing is as the demolition starts to get near I did receive a letter from the Town of Derby about the City's demolition contractor does not anticipate using your property during the demolition process, however, you may take precautions to safeguard your property from unanticipated damage. I appreciate the

letter except for yesterday the fence company came down and erected a fence on my property blocking in my dumpster. In the conversation with the person I brought out the City maps that I had – showed him where it was and he said “well I called Stoneridge and they told me put it up here and block the dumpster.” Kind of rude and crude – I did call Kelly in your office and by 4:30 p.m. the demolition, not the fence contractor, came back and moved the fence so that it's partially on my property, partially on City property. We have access to our dumpster but it brought up a couple of issues that I hadn't thought about until then. One of them is that they'll probably will need to get on my property in order to do the demolition process since the back of the building butts up against my lot. I think it's something that we have to address before anybody goes onto the property with machinery equipment – I think there's going to be some liability issues possibly if somebody gets hurt back there on our property doing something that's not mine so I would like to be able to discuss that with somebody prior to having this thing start. And since my property is so close and in just a brief discussion with the contractor, nothing specific, my parking lot for my employees abuts up to that building too. So I think that my property is going to be used for that and we would just like to know if it's a daily cleanup on our property so we can access to it later on to park or what's going on that's going to be within the parking lot that is adjacent to that property. So that's something that I would like everybody to be aware of and hopefully we can take care of that before anything starts on Thursday.

Hearing no one else wishing to address the board...

PUBLIC PORTION CLOSED

Mr. Dunne – Mr. Chairman before we move on I would ask Corporation Counsel to let us know prior to the next meeting – Mr. Yacobacci raised an issue – raised a question for me regarding the GAP analysis or any of the other financial documentation that is to be presented to the City. My question basically is could you let us know if you consider any of those documents to be submitted confidential in nature in regard to the F.O.I.

Atty. Coppola – It will be confidential until it is ready to be submitted.

Mr. Dunne – No I mean once it is submitted to the City – once documents are submitted to the City by the developer I would think that where they're still in negotiation to take place – it should be strategy and negotiations – that there would be protection for some of the documents and at a certain point we need to know when those documents are public so they can be discussed.

Atty. Coppola – In my interpretation submission means it's ready for public. So if it's a draft form that we're going through it's not being submitted. Does that make sense?

Mr. Dunne – Yeah. I'm just wondering...

Atty. Coppola – (Inaudible) final form it's submitted that becomes public.

Mr. Dunne – I'm just wondering under the F.O.I. what protection would be extended to these documents because it's very narrow what can be protected.

Atty. Coppola – Until it's a final report that says "GAP Analysis – Final Analysis", which means we have something that we're now going to go and review there's nothing to be submitted. Once that document is generated it will be submitted and it is open to the public.

Mr. Dunne – I'm just concerned that...

Atty. Coppola – It's the definition of "submission" that you're...

Mr. Dunne – Yeah but I think even some things that may be submitted may still be protected.

Atty. Coppola – Yeah there could be some things...

Mr. Dunne – What I'm thinking of is this – if any documents we receive affect a successive negotiation...

Atty. Coppola – That would be...

Mr. Dunne – In other words if there's a negotiation to take place within the PDA or contemplated within the PDA based upon the submission of documents – but I think we need to know clearly, given that we know what documents are to be submitted we should have a schedule or some idea of which ones are protected and which ones are public.

Atty. Coppola – If there's environmental concerns it goes towards (inaudible) it will be protected – absolutely.

Mr. Dunne – Right.

Mr. Russo – (Inaudible) evaluation I'm sure there is at this point in time have all the properties been accessed by the City of Derby or by the developers and if not then I would imagine those items – those properties – are still under negotiations and would be subject to...

Atty. Coppola – They would not be disclosed – you're right.

Mr. Dunne – But I thank Mr. Yacobacci for raising the issue because I hadn't thought about the GAP issue. I guess I had just assumed that whenever we get it, it would be public but maybe not.

Atty. Coppola – Some items that would be subject to negotiation will not be. Good point.

Mr. Stevens – All set Mr. Dunne?

Mr. Dunne – Yes.

APPROVAL OF MINUTES

A MOTION was made by Mr. Russo with a second by Mr. Dunne to **TABLE** the minutes of the August 8, 2006 meeting. **Motion carried.**

UPDATE FROM DEVELOPER

Robert Skolnick – I guess first I want to speak to the issues relative to the GAP Study that I hear. We've mentioned at many meetings publicly that there are a lot of moving parts in a redevelopment deal and particularly this one here in Derby. And as I interpret the GAP Study that is something for the developer and Redevelopment Agency to be working on together; it's not being wholly presented by the developer. A portion of the information will come from the developer; a portion of the information will come from the Redevelopment Agency's financial feasibility consultant; a portion will have to be studied to determine, as an example, how much tax revenue will yield bond proceeds to ultimately determine the GAP. And so I want to make sure that everyone's expectations are in line. It's not we're coming in and telling you here's the GAP. We're coming in and telling you that after approval of the concept plans and various real engineering – both subsurface, environmental, and structural what the costs to relocate utilities and infrastructure as well as erect and build new infrastructure to support the new project would be. Then together we're going to have to come up with how much bonds proceeds are available and how much other public financing there is, if any, for the project and then that will – if there is a GAP and we suppose there will be – it will determine how much that GAP is and then together we'll have to work on finding ways of filling that GAP. Just to clarify that GAP issue that I heard.

Mr. Dunne – Not (inaudible) we do share an understanding at this point of what that means their GAP analysis may be a larger involved negotiated document with both parties participating – the City and the developer. But we need to start with the Pro-forma GAP and I assume as we've discussed previously that is going to be something that will be submitted to our consultants based on the Pro-forma for the construction costs.

Mr. Skolnick – Then again a "Pro-Forma GAP" what is that?

Mr. Dunne – Well it's almost a Symantec argument at this point between what you believe the GAP to be and what we think the GAP will eventually – how it will eventually be determined.

Mr. Skolnick – But doesn't it start though by what are the costs of the infrastructure to the project? We agree on what the project is – the concept plan versus something that's being developed into a more realistic plan - and we've spent tens of thousands, if not hundreds of thousands in engineering dollars to help formulate the basis of our construction managers very detailed cost analysis of that infrastructure necessary to build that project. That's where it starts – that's what we've been working on. That's what we will be presenting to the City – to the Redevelopment Agency – the costs of the infrastructure.

Mr. Dunne – Exclusive of costs of construction of the actual buildings.

Mr. Skolnick – Well that did come up in a discussion. The cost of the vertical development, right? We expect that's to be borne by the developer. We're not asking the Redevelopment Agency to build the buildings is what I'm saying.

Mr. Dunne – Yeah – I guess what we were thinking is we would – what would be typical in a public/private partnership is that there's a construction study and a costing of that that develops a GAP number between what it costs you to build and what the return on your investment is calculated a number of different ways, which I'm not an expert on and I don't know how that's done.

Mr. Skolnick – Again, we're working on the costs – what we've been challenged with – we've spent a considerable amount of time is taking the approved concept plans – I'm sorry this version – and testing out, as we said we would, whether this can be built on that soil given the subsurface conditions, given the existing utilities, given the existing infrastructure within the downtown district of Derby and testing out certain elements of that plan to determine what it will cost below grade – below grade – not above vertical development. And we feel that formulates the beginning of what is typically a redevelopment costs versus a private developer's cost being vertical development. If you have a form of GAP Study that you've seen elsewhere I believe you will find that some of the information on it is prepared by other consultants, not the developer, and some of the information is provided by the developer and some of the information is determined collectively. And so if there's a format that you envision a GAP Study being completed we should agree on that format.

Mr. Dunne – Yeah I think we should be able to agree on looking at the project as a whole and not looking at two stages of GAPS, which I keep hearing you say.

Mr. Skolnick – I don't understand what you mean by two stages of GAPS.

Mr. Dunne – Well you want to talk about the infrastructure of the project but not the vertical project. And you want to determine a GAP for the construction of that phase prior to building the buildings and you want to negotiate over that GAP and you don't want to talk to us about the cost of constructing the buildings themselves.

Mr. Skolnick – Well if you want to contribute to the cost of building the buildings themselves then I guess we can talk about it.

Mr. Dunne – Right – but by the same token there's a fair profit that in a public partnership the public needs to be aware that there's a fair profit being made by the developer on the project and we need to be able to assure the public that they're not subsidizing the vertical construction with their GAP on the infrastructure. And we need to be able to tell them that and demonstrate that to them so that there's confidence in the process. That's where I'm concerned. I don't think that it's not a fair way to handle it, but I do think that we need to be able to demonstrate the numbers so that it's a transparent document that the document understands.

Mr. Skolnick – Well I think when the numbers are all put together I think you'll find that it will speak for itself because there is such a significant portion of missing infrastructure in this town...

Mr. Dunne – Absolutely.

Mr. Skolnick – I don't think it's going to be an issue. But I understand what you're saying. What I suggest is the Agency research and come up with a format that you would like to see us ultimately end up. Again, we've been working and that's what I was going to clarify when I heard one of the members of the public talk about a GAP being presented we're going to be presenting you with the costs of the infrastructure as it relates to the concept plan that this agency approved, which has been engineered and tested and to a certain extent value engineered as we've seen areas come back that frankly we're dramatically higher than we expected.

Mr. Dunne – I understand.

Mr. Skolnick – So I just wanted to speak to that comment because I wouldn't want you to think that we're handing you a study of the GAP. I don't think that we can independently do that.

Mr. Dunne – I think there's a public expectation that based upon prior relationships that the City has had with developers whether it be the HALO Project, or with your partners on this project, numbers represented as GAP Analyses were presented in the past and they were not – in fairness to you – they were not presented in the context of a detailed study of the land and the buildings and how much conduit and how many feet of concrete and what supports have to go into place. They were what I would characterize as “back of the envelope” numbers where...

Mr. Skolnick – To be would be Pro-forma numbers...

Mr. Dunne – Right and the developer would come in and say “we have a \$10 million GAP – we have a \$40 million GAP on this project” but they hadn't done the actual depth of analysis that you have done at this point. But I want everyone to understand – I don't want the public to have an expectation of receiving information on the same basis that they've received these “GAPS” before; yours is much more detailed. We need to sort of lay the groundwork so the public understands what's involved and...

Mr. Skolnick – In that sense the detail of the costing effort or exercise that we've been performing will be, as you pointed out, extremely detailed with specific cubic yards of dirt or cubic yards of concrete or this much steel and we will share that information with the Redevelopment Agency. But as it relates to building the infrastructure components, which is components that we have identified over the past many months and so yeah I suppose if you have a format that has been presented in the past that you are satisfied with we would love to start seeing it.

Mr. Dunne – Well no I don't think...

Mr. Skolnick – (Inaudible)

Mr. Dunne – I think what I want to make certain that the public understand that there is a difference between what we are about to embark upon in determining a GAP and what has been done in the past.

Mr. Skolnick – Okay I agree with that and that's what I was speaking to hearing the expectation of the developer submitting a GAP Study – the developer submitting a Costing Effort detailed on the infrastructure necessary to build a new downtown as currently conceived.

Mr. Dunne – Mr. Chairman – just in regard to what Mr. Skolnick said a few minutes ago about the form and substance of what we're requesting for the GAP I would just hope that the Agency would go on record and direct Corporation Counsel to work with our consultant who is representing the City in this matter and what Mr. Corso and AMS Advisory should request will in fact be the form and substance of what we're requesting in relationship to the GAP Analysis.

Mr. Skolnick – Okay.

Mr. Dunne – Mr. Corso speaks for us.

Mr. Skolnick – That's fine and that's a good idea. And I would suspect that you will direct us to meet with Mr. Corso to start to turn over information for him to build the ultimate GAP Study that we will be discussing at subsequent meetings.

Mr. Dunne – I would anticipate that you're meeting with him and that he's going to report back to us.

Mr. Skolnick – Moving on to the developer's update I would like to introduce – I don't know if the members have met Alan Beech – Alan Beech is a project manager that works for our company, Stoneridge Partners, and as much works for Ceruzzi/Derby Redevelopment as Stoneridge Partners is the managing development partner. Alan is going to provide us with an update as to the demolition and asbestos abatement that has been going on the Main Street properties. As you know although the City is performing the work we have lent our project management team and our expertise to making sure that the process runs reasonably smoothly – as best as a demolition project can.

Alan Beech, Stoneridge Partners – Just to give you an update on the demolition. I've been in close contact with the City's asbestos abatement contractor, the demolition contractor and LEP as well as the Mayor's office to coordinate the utility disconnects, which took a little longer than we had hoped but we're just about there. I think the utility poles are the last items that have to be removed - or the light poles out on Main Street. The power company had disconnected the power today – it took them a little longer to figure out where it exactly energized from but tomorrow they're going to remove those poles. We had to have the demolition contractor, as part of a State requirement, put a temporary fence behind the Jersey barriers as well as securing the side areas for anticipated demolition. We'll try to coordinate Mr. Yacobacci's concerns with his property with him. We understand that – I'm not sure how the fence contractor actually got direction from us because we weren't there. I think it diluted to you – Kelly called us from New York and I told Byron on the way home and saw that the dumpster was moved out. But I'm sensitive to your concerns and I'll make sure that all the City's contractors coordinate whatever has to happen – parking for the cars – if we need access through there with you prior to that happening so we can work together on that one. That is the last component of the utilities to be disconnected. The LEPS

coordinator, the asbestos abatement contractor to be on hand and the demolition contractor is scheduled to start Thursday. There's some requirements from the State permit on times we're allowed to work on Route 34; we clearly understand that. He's contacted Birmingham Utilities to have the water connection for dust control for both his work as well as the asbestos abatement contractor needs that for his requirements. And the plan is to start on 200 – knocking the façade of the building down in a controlled manner and then removing that entire building from the backside of the property. But for safety concerns he feels that he wants to control the façade so that we don't have anything flying and going up onto Route 34. Probably close down a lane during the working days of Route 34. The State has issued him a traffic pattern and sidewalk closure patterns – it's all part of the condition for him to get the permit to work in the State right away. We've coordinated with the Building Inspector, with the help of the Mayor's Office, to have the demolition permit. The only building that we don't have the physical permit issued is for Derby Jewelers but there's some paperwork following up with the asbestos abatement and then that will flow into that. It will not impact the start of the demolition – it is going according to plan. So we'll start at 200 and go up through 256 and I believe the Building Department had notified all abutting property owners that work was going to take place and whatever precautions that they had to do as far as giving them notice. But that long awaited day is around the corner.

Mr. Skolnick – Thank you Alan. With regard to an update to the costing exercise that we've been involved in for quite a number of months we are not quite ready to submit actual numbers. We have been working on, as I mentioned earlier, taking this concept plan – as you know early on we hired our team of professionals, which included amongst others Langdon Engineering, who are Civil Engineers; Desimone Engineering, who are Structural Engineers; Streetworks, LLC who do planning and architecture work as well as market and traffic consultants who are helping us to study and test the concept so the numbers that we're going to come in shortly with are not just pulled out of thin air and they're not just costing a crazy concept – and I'm not saying that this was a crazy concept – but some pretty picture. What our engineers have worked to do is to really study the land. When we first came in with the Concept Plan it was a concept and a vision as to what downtown Derby could be. As many of you know, and all of you should know, we met with many members of Derby's public and the Agency and heard a lot of comments, a lot of feedback starting at the High School. We then took that Concept Plan, while we were studying the soil, and tested some of the major infrastructure components. Things like parking, things like circulation of traffic, things like elevations of roads as it relates to access to parking, things like unit counts, density and absorption, right hand turns, left hand turns, access – and what I have in front of me is not for submission but to give the Agency an idea of the results of some of this work. Things that will likely change from the Concept Plan to the studied plan, that is founded much more in realities of the existing site conditions, is the realignment of the Minerva Street entrance or parking entrance. You can't really see on that plan or that plan but there's a prior plan that had an offset and it was determined by our traffic consultants that we really shouldn't mess with the access to these roadways. Something else that has changed is an access coming out of a right hand turn and a right hand entry just ahead of Elizabeth Street towards the Shelton Bridge. Now these aren't final; this is still a work in progress. What also changed is the parking structure. In the prior plan it was found that the expense of building that parking structure, which as you might remember went under all of these buildings and then acted to support each

of the properties, was hugely (inaudible) in its costs. Something in the magnitude of \$45,000 per space. Part of that was because it was inefficient, part of that was because it had structure to support buildings on top of it, part of that was because it had to have in as much as it acted as foundations it had to have air circulation and fire safety. This parking structure as currently envisioned is more of a free standing structure that sits on its own foundation that has access through vias out to the public places whether it's the residential areas or the retail areas. So that's a dramatic change. The other parking structure also we found to be quite costly as it relates to its triangular shape; so it had to be custom formed. Once you really study this parking structure you find that it has 90' of spacing with an internal ramp that gets parked on. We're able, we think, to get this down in current dollars to the mid \$20,000 per space. We also will be showing you new profiles of how that parking structure sits independently and doesn't essentially end up going under these buildings here. And that's one of the many things that we did during our costing study.

Mr. Dunne – That will certainly make it easier to separate the costs.

Mr. Skolnick – It does – also below grade...

MR. KELLEHER ARRIVED – 7:00 P.M.

Mr. Skolnick – There's also the low grade areas of parking below these two sections. So that if you were to look at the low grade areas you would see that there are three parking structures that are somewhat connected by a "vias" as we call them so that pedestrians and visitors and people coming to the downtown know how to get in and get out and then find as we've talked about their favorite preferred parking area. That was a major engineering change to the old plan. There's also other work – however – we have found that we need your help in access. Part of our obligation to complete the costing study is that we study the environmental potential impact subsurface conditions and our engineers tell us they still need access to one property in particular. We've asked this Redevelopment Agency to try to help us get access. We still haven't been granted access but we need to to complete our study.

Mr. Dunne – Mr. Chairman can we add that item to the Executive Session tonight?

Mr. Stevens – Yes.

Mr. Dunne – At the appropriate time we'll invite in the developers to have that discussion.

Mr. Skolnick – You may recall there was an obligation of the City and the Agency to help us gain access to not just the City-owned properties but to the private properties. Although we've made a great effort to plan around certain components our environmental consultants have raised an issue that needs additional information. Until we get that it's going to be difficult to finish – put it this way – the unknown will be too great of a contingency; we need to narrow that down. That said we are we have a very thick document from Whiting-Turner – Whiting Turner is our construction manager who are also acting as consultants for the costing exercise of the infrastructure. We started to get numbers as I mentioned with regard to the parking structure that frankly were shocking to us and that we had to work and spend overtime and re-engineer. I

discussed how we did that with regard to the parking structure and we're still finalizing some of the first projections to the newer plans. Street Works is working as well – you're seeing a work in progress here – as to additional documents that will be utilized for presentation to this Redevelopment Agency and I guess will become, when they're complete, public record on the costing study, which will lead to the ultimate GAP results.

Mr. Dunne – Could I ask one question in regard to what you've shown us. The parking structure as it's currently envisioned I'm assuming that the structure cannot be seen from any of the municipal streets given its configuration between the buildings. Do you think that's correct?

Mr. Skolnick – It is well hidden by the structures around it. The concept of having a centralized parking area, which was hidden from view, is maintained in the more engineered plan. I don't want to say different (inaudible) because as you can see it's very much this concept.

Mr. Dunne – If you're walking down the new Caroline or Front Street or whatever it's called now along the water you won't see the parking structure from those streets.

Mr. Skolnick – As you would have seen entrances and egresses here both for pedestrian access and vehicular access you will see it here as well. So I don't know that – I don't want to mislead you or answer your question incorrectly – if you felt it was hidden on that plan, it is hidden on this plan.

Mr. Dunne – That's what I mean – that aspect of it hasn't really changed. The structure itself (inaudible.)

Mr. Skolnick – But I believe you will be able to see some of the parking structure if that was built and if this was built – not looking at a free-standing parking structure like I think you're describing.

Mr. Dunne – My only concern would be that we not be building – that the primary view that people get when they're down there is not a parking garage.

Mr. Skolnick – If you look at the preliminary site sketch really there's only these two partial floors that are visible above what we call grade. And so...

Mr. Dunne – So there are buildings on the new side street anyway.

Mr. Skolnick – Yes.

Mr. Russo – And that grade is being influenced by the fact that you're raising the grade of the street.

Mr. Dunne – Of the site.

Mr. Russo – Of the site itself.

Mr. Skolnick – Of the roads within the site; not necessarily the site. The site will have a foundation at grade somewhere...

Mr. Russo – Let's say current grade and then...

Mr. Skolnick – Again this is a work in progress but if you would say that's current grade – we go a little below here, and we're right at it here, so some of the project is built on grade. But the roadways...

THE AGENCY MEMBERS REVIEWED THE PLAN FOR GRADE.

Mr. Dunne – But you had presented in a prior public meeting that you were going to go onto the site and in general raise the site 15' to 20' with a process of dynamic compaction. Is that still what you're planning to do?

Mr. Skolnick – Well dynamic – I don't mean not to answer your question directly – but we're tending to mix and match elements. Raising grade through dynamic compaction is not really what we do. Dynamically compact is that you're compacting the soil – you can then raise it up with fill...

Mr. Dunne – You had told us that you were bringing in fill and going to compact it with (inaudible.) That's what you told us previously when we discussed viability of reuse and I want to know if that's still the case.

Mr. Skolnick – Yes it is still the case. And it is still the case that this plan envisions the roads getting up towards the top of the levy and not the bottom.

Mr. Russo – The parking view that you have there and I understand that it's conceptual at best...

Mr. Skolnick – Yeah, right – but it's tested on really engineering theories as opposed to concepts.

Mr. Russo – I understand. When you're looking at that conceptual plan there the top of the parking garage is a park-like setting – is it still...

Mr. Skolnick – No. It was one of the elements that we were finding in the costing study – to carry not just all of those buildings but a park land elevated the cost and the lost of parking space is so dramatic we can't justify presenting that to you.

Mr. Russo – That's fine for right now. Because in looking at that I saw a park and on that one I didn't. I didn't know if once again we were looking at a cross section...

Mr. Skolnick – Once this is complete, which is very soon, we can discuss I guess how one changes...the costs and expenses. And frankly our management consultants felt that to maintain that and the potential erosion of the concrete decks by adding vegetation on top would not be a justified or viable – that was one of the engineering things that we looked at. You know we've had since I've last been at a meeting here we have made I would say considerable progress with regard our discussions – collectively – the City and the private developers – discussions with the private property owners. We've

had several meetings with the Calvert Family. We have met with Mr. Yacobacci and his partner. We have had discussions with Mr. Meneo and his counsel. As you know we were able collectively to work out an agreement with Derby Jewelers. We have met with Mr. & Mrs. Thompson and we have had correspondence in a written way with Mr. Auerbach of Derby Grain & Feed although we have not met with him in person. So we are optimistic that things are moving the right direction in all accords although I can't report of a meeting and results with the owner of Derby Grain & Feed. Any questions?

Mr. Dunne – Alan I want to address this issue on the demolition of the temporary fence. Do we have a need to access private parcels that are not part of the demolition in order to conduct the demolition?

Mr. Beech – I want to go back and just understand where First Street is. I know that there were some easements or right-of-ways for First Street in the back – we may but I don't want to put words in the demolition contractor's mouth – I'll meet with him tomorrow and go over and take a look at the property lines to see if there's an issue and if there is obviously I'll team up with the Mayor's Office through the City since the City is the ones officially taking the buildings down to notify property owners that a.) we have a concern about safety if it's a parked car or whatever – that will have to be dealt with and if we need access and it's not an easement or a street or access from the rear City property and if it will benefit the whole operation I will suggest that we have a meeting with that property owner and have a discussion and see if we can work out an agreeable (inaudible.)

Mr. Dunne – In general from First Street from where it's either City-owned or owned by the developers – Porch & Patio you have an option on...

Mr. Skolnick – We have a contract.

Mr. Dunne – Sorry – and but First Street in and of itself is owned in fee by the adjacent property owners so we shouldn't have any problems between the eastern boundary of the demolition project and the western boundary of the demolition project because we should control all of the buildings that contain the First Street – whatever it is – we abandoned it as a road so I'm assuming there's just a right to pass and repass to other property owners over it, which obviously could be suspended temporarily without issue. I guess my concern is mainly if we're going to have to set up our stage on a private parcel that we don't control. So we can assume Corporation Counsel is working with you on dealing with those sites in the appropriate manner whether it's insurance, names of the property owners additional insured, getting permission to go there. You said the light poles on Route 34 are going to be removed on the south side of the street; it's the only side that I believe there are light poles on.

Mr. Beech – I believe you are correct.

Mr. Dunne – They're going to be replaced at the end of this project?

Mr. Beech – I would say yes – They're obviously concerned with the State and the demolition contractor is if something happened and that pole could fall across Route 34 when there's traffic going on part of the State's permit was that those poles would have to be removed for safety issues. Once demolition is complete we're not intending

to damage the bases or any of the underground feeds don't get affected in this portion of the work so in theory the poles could go back up once demolition is completed and that is a secured slope that the State signs off on.

Mr. Skolnick – But I would think that's a City decision to make.

Mr. Dunne – That's why my question was going to be who has the responsibility to remove and replace the poles.

Mr. Skolnick – I think it's the City.

Mr. Dunne – The City doesn't own it. United Illuminating owns the poles; they own the infrastructure.

? – Excuse me are you talking ornamental light poles or are you talking...

Mr. Dunne – No I'm talking the big stanchions...

Mr. Beech – There's two big large ones and several ornamental poles. From my understanding of the conversations that we've had with the City as well as the utility company the utility company is going to take away the two large silver poles...

Mr. Dunne – That's all my concern was. The decorative poles if they come down and stay down until this project happens I don't have a problem.

Mr. Beech – Well we've made arrangements with the City that those get relocated and not damaged. Because there are some up and down other parts of the street that have been damaged...

Mr. Dunne – You mean there are some that aren't broken?

Mr. Beech – Yes.

Mr. Dunne – I just have one more question. We had talked about doing coordination on Route 34 planning with the Regional Planning Agency. We had to cancel the meeting that we had scheduled. Do you think we'll be able to get together prior to the 22nd?

Mr. Beech – Let me send an email off and a phone call tomorrow morning to the consultant that we're trying to bring to the table and we'll do everything that we can to try to accommodate your schedule.

Mr. Dunne – The preference would be...

Mr. Skolnick – If you could further send us a couple of dates when you are available or preferences on days...

Mr. Dunne – I'll clear my schedule. If you can come up with some dates just let me know.

Mr. Skolnick – We'll get on that tomorrow.

Mr. Dunne – We're just not available until the 22nd until the first of the month.

Mr. Stevens – Any other questions from agency members?

Mr. Russo – I guess just a comment. My understanding was that the September meeting there was going to be a presentation by Stoneridge Partners talking about a conceptual plan – the realities of a plan compared to the pro forma conceptual plan that was seen a year ago. This is what we were talking about tonight – the re-engineered – the new plan is now based upon current engineering studies, good cost studies and we're still at a working process stage with that.

Mr. Skolnick – Let me just address that for a moment. When the numbers started to come in it became apparent that some of the components exceeded by a vast amount what we had projected and it caused us to go back to the drawing board on a few of the components, which has stalled the visual presentation. We're waiting for a couple of other estimates to come in and one particular item having to do with subsurface conditions we couldn't complete and I guess we'll talk about that in executive session.

Mr. Russo – I just want to make sure that my understanding back in August was that. Quite frankly I actually left Savannah a day early so that I could be here for that presentation because I didn't want to miss it. It's October – I think everybody is getting pretty excited about the expectations and the conceptual plan as it's going to be versus the pro forma conceptual plan that was. And I agree with what you said before about the GAP Study and what we're going to build. I would like to see what we're going to be able to build based upon the vision of Street Works and your engineers and what the plot of land will actually support.

Mr. Skolnick – And I would say you're seeing some of that here and we're very close to coming in with the complete set of numbers, with a set of plans that relate to those numbers. But in order to complete that we need to work together.

Mr. Oraziotti – Question for Corporation Counsel. My question is is the developer going to be paying for this demolition?

Atty. Coppola – You mean ultimately?

Mr. Oraziotti – Who's going to be paying for it initially? When demolition starts who is going to be paying for it?

Atty. Coppola – The City pays for the demolition initially.

Mr. Oraziotti – The City pays for it?

Atty. Coppola – Yes.

Mr. Oraziotti – And do you have anything in writing stating that you're going to get that money back from the developer?

Atty. Coppola – Yeah – the Preferred Developer Agreement.

Mr. Orazietti – Does it say that they will paying that money back?

Atty. Coppola – What it actually says is if it all goes well and the closing takes place by the end of December 2006 we sell to the developer and the purchase price that they pay is the cost of us acquiring the properties and the cost of demolition – and all reasonable costs that's related. So that goes into the purchase price.

Mr. Orazietti – So the City is going to be paying for the demolition and we're going to be expecting for the developer to pay us back. Is that correct?

Atty. Coppola – Yes. That's the agreement.

Mr. Orazietti – And that's specified specifically in writing without a juggling of any kind of words in the contract.

Atty. Coppola – No there's no juggling.

Mr. Orazietti – I just wanted to be assured.

Atty. Coppola – It's the Amended Preferred Developer Agreement. It's all laid out on how we come to the price.

Mr. Dunne – But just to be clear they – if we can't reach a conclusion on land disposition – we can't close this agreement with the developer – we'll separate with very few obligations between the parties. We'll own the land flat and clean and...

Atty. Coppola – Let me just bring something up though – the demolition has kind of leaped in front of what we had anticipated. We wanted to purchase all properties first. But because of our situation with those buildings, two in general, the Board of Aldermen was forced with a decision to take them down. So it's kind of like we're leap frogging what we anticipated on doing – but it's in the agreement.

Mr. Orazietti – As long as – my concern is that the City doesn't turn around and end up looking at something down the road stating well it was really spelled out specifically with every t crossed and I dotted that the money would be coming back – they would be paying for it. I just wanted to be reassured that every t is crossed and every I is dotted in that particular area.

Atty. Coppola – Again the only difference is we anticipated owning all property first.

Mr. Orazietti – Okay should there be an amendment to the document to make sure that we're covered 100% all the way down the line?

Atty. Coppola – We're covered – the only amendment would be that we've decided to demolish before ownership. So it's not really a needed...

Mr. Oraziotti – Is there any stipulation regarding the asbestos if it's going to cost the City more money for asbestos.

Atty. Coppola – No – it's the reasonable costs of removing asbestos will be paid by them.

Mr. Oraziotti – What happens if it goes beyond a reasonable cost? Something that we can't foresee based on the fact that we're not taking all the asbestos out at this point.

Atty. Coppola – Everything is done reasonable. The only left I think is the roof.

Mr. Oraziotti – Okay. So if there is – just for a scenario – a substantial amount of asbestos in a certain area of these buildings that we are going to be forced to pay a substantial amount of money will the developer pay for that or is that on the City?

Mr. Dunne – If the law requires us to remove something that's a reasonable cost. I don't think anyone would argue over that. The law requires that we remove the asbestos prior to demolition.

Mr. Oraziotti – No I'm not saying that. I'm saying if the law requires us to remove the asbestos and it's beyond what we think it is who absorbs that cost? The developer or the City?

Mr. Skolnick – Can I just speak to this issue – I may be able to answer. First of all as we all have heard and know the City was in essence instructed by the State Building Official to take the buildings down because they were in a dangerous condition. Certainly I don't think this Agency, certainly the Administration of the City wouldn't want, God forbid, a building could fall on someone and get hurt, property damage – so I think that's a given. Thank goodness most of the asbestos containing material has been abated already. I think you're talking about had the asbestos contractor not been able to get inside to take it away before having to demolish the buildings and take the whole buildings away that's already over and done.

Mr. Oraziotti – My point is the City is going to be paying "X" amount of thousands of dollars for the asbestos and it goes beyond what is reasonable I just want to make sure that the City doesn't have to pay that excess. I want to see if the developer is going to pay...

Mr. Skolnick – I like to use the expression it sounds good when you say it fast but the City had the obligation already.

Mr. Oraziotti – I just want to make sure that everything is locked in – that's all.

Atty. Coppola – All the asbestos is done – the only thing left is the roof. I can't imagine it to be that kind of surprise.

Mr. Skolnick – And it's fair to say that since we've been assisting the City in overseeing the work the whole project is on budget right now.

Mr. Dunne – I mean Mr. Oraziotti's question, if I may Mr. Chairman, contemplates a lack of agreement between parties. The document that we inherited – the Preferred Developer Agreement as amended, anticipates in its simplest form that the City is going to incur costs in assembling the site whether it's demolition, location, acquisition – it could be any number of costs. And the agreement anticipates that the developer will pay those costs essentially as the purchase price for all the land that is to be turned over. In its simplest form that's the agreement. But it's not – I just wouldn't let go that it's 100% guaranteed. We can reach a point in this agreement where we don't conclude a successful negotiation with this developer – it could happen. And at that point we will have expended money and we will presumably own property. And then we're left to deal with it from there. I don't think we're going that route; I don't think that anyone thinks we're going that way. But it's possible under the agreement.

Mr. Oraziotti – Well you have to look at all the avenues. You just can't take anything for granted when you're talking about a project as enormous as this. We have to make sure that the City is covered. That we're not going to (inaudible) an expense that we don't anticipate. And I think that's something if it's not 100%, and that was my original question, then maybe we should try to make it 100%.

Mr. Dunne – I would just say the agreement is the one that we inherited from the prior administration – it is what it is and we're stuck with it.

Mr. Oraziotti – I understand that. However, we want to make sure that that agreement is going to cover us down the road. We are fortunate enough for the State to step in and say “hey guys you have to take down these buildings.” That was a gift to Derby because it's making redevelopment go quicker than anybody anticipated – that's a good thing. But let's make sure we have all our ducks in order.

Mr. Russo – John I don't necessarily agree that it's making it go faster. I think what is happening is the visual prospect of the buildings coming down people are going to see buildings coming down so they think it's happening faster.

Mr. Oraziotti – The State stepped in and said there's a safety issue, which helped us. Which is a good thing.

Mr. Russo – Of course.

NUMEROUS VOICES – COULD NOT DISTINGUISH.

Mr. Oraziotti – My concern is to make sure we're covered down the line. You can't anticipate anything because you never know what can go wrong in the future and let's make sure we cover all our bases. That's the way I feel about it.

Mr. Dunne – With all due respect John, and John you're a friend – I like you – but with all due respect I would have hoped you would have all considered that when you approved this agreement three years ago. I would have assumed that would have been done.

Mr. Oraziotti – Well it was done – but maybe it wasn't done 100%. So if we have something that is not 100% let's make it while we still have a chance.

UPDATE ON STATUS OF RELOCATION AGENT FROM CORPORATION COUNSEL

Atty. Coppola – The Relocation Agent has met with all of the businesses located in the zone. He has completed, and we have delivered to Derby Billiards, their relocation estimate. We have done the same for Calvert Safe & Lock. Mr. Michalowski is still finishing the last I think four businesses that are still located there. One of the businesses we'll discuss in Executive Session. There will be quite some time for that to be completed. I think the other two are basically done. So he's done his job – there's a couple of difficulties that he went through but I think we're passed that. One of the difficulties of course is meeting with the businesses but we're passed that. He's inventoried – he's done actually a lot of work and it's pretty impressive to see the report – a lot of work went into it.

Mr. Dunne – Could you characterize the nature for us – there's a couple of ways to approach relocation costs and I know that we've spent a lot of money and time doing this in conjunction with the property owners as opposed to what other way could we have done this?

Atty. Coppola – Generally what happens is the municipality takes title to a property. When it takes title it will have a business located there. If it takes title through eminent domain what then happens is a calculation for relocation is estimated. If the property or business owner – I should say business owners - cooperates with the relocation agent or group then they can come up with the statutory number that they would be entitled to. What we decided to do was let's run the course of appraisals and relocation at the same time so that when we made property offers we would have done the job already for relocation and in essence follow the statute but not have it kick in formally. So cooperation with the business owner only furthers their interest. It furthers our interest because we could have title and move the business along and provide them with their statutory money. So that's how we've done it differently. It's worked like a charm for Derby Jewelers. It hasn't worked as great as I could say for others, but we'll discuss that in Executive Session.

EXECUTIVE SESSION

A MOTION was made by Mr. Dunne with a second by Mr. Russo to go into Executive Session at 7:31 p.m. subject to adjournment inviting the Mayor, Corporation Counsel, Alderman Hughes, and the developers from Stone Ridge Partners to discuss negotiations. **Motion carried.**

Respectfully submitted,

Patricia Finn
Recording Secretary

RECORDING SECRETARY NOT PRESENT AT MEETING – MINUTES DERIVED FROM TAPE RECORDING OF MEETING.

A TAPE RECORDING OF THIS MEETING IS ON FILE IN THE TOWN & CITY CLERK'S OFFICE.