

CITY OF DERBY
REDEVELOPMENT AGENCY
REGULAR MEETING

June 8 2010 6:30 P.M.

DERBY CITY HALL – ALDERMANIC CHAMBERS
MINUTES

Call to order:

Chairman Joseph Bomba called the meeting to order at 6:33 p.m.

Pledge of Allegiance:

All rose and pledged allegiance.

Roll Call:

Present: Ken Hughes, Greg Russo, Michael Kelleher and Chairman Joseph Bomba.

Absent: Glenn Stevens

Also present: Mayor Anthony Staffieri, Director of Economic Development Sheila O'Malley, Corporation Counsel Joseph Coppola and Paul Bernard - Eclipse Development Group.

Approval of Minutes - March 18, 2010

Motion to approve by Mr. Kelleher, second by Mr. Russo, all in favor, Mr. Hughes abstained, motion passes.

Public Portion:

Dan Waleski - 21 Elm Street. Mr. Waleski welcomed the agency back after a few months.

Carl Yacobacci - 10 Lombardi Drive. Mr. Yacobacci would like Ms. O'Malley to give an update on the funding for the Route 34 project.

Motion to close public portion by Mr. Hughes, second by Mr. Kelleher, all in favor, motion passes.

Update of Downtown Redevelopment

Ms. O'Malley - Ms. O'Malley met with Rick Dunne of the Valley Council of Governments (VCOG). The ability to negotiate and develop the downtown redevelopment area will not be hindered by the Route 34 project. The state DOT has looked at all the projects statewide as to what money they will spend or not spend. They have committed to the COG and Derby they will continue with the Route 34 project.

They may have slowed up the time frame a bit, due to the fiscal analysis, however they will not allow the federal funds to go to waste. There is 6 million dollars on the federal side (80%) and 20% from the state. The majority of the property is owned by the City, which is in Derby's favor.

They will work with Derby to coordinate and work on preserving the redevelopment area to make sure the design will fit in nicely. There is a twenty foot wide allowance.

The funds cannot be reallocated, there is a five year frame with an opportunity for an extension.

Paul Bernard - Eclipse Development Group - Mr. Bernard is here tonight to present a recap of the due diligence process for the redevelopment zone.

He was pleased by the agency's prompt response for the due diligence process as it fit in with the retail convention in Las Vegas. It created an opportunity for them to speak to interested parties. This year activity was up tremendously with tenants looking for new deals.

There were a number of meetings with various tenants for this site with good reception. There was restaurant, entertainment, soft goods, hard goods, etc. to get a feel for who would be interested.

There was a local party interested in multi-family, however, the market is too soft for this.

They have also spoken to hotel and office users, there has not been any firm feedback from any of those segments of the market with respect on how they view the site.

Retail tenants tend to lead the pack on the interest level.

Eclipse has three architects working on various conceptual plans. The plan brought to the convention has already been modified tremendously.

They have spoken with some property owners for potential acquisition (John Izzo who represents Life Touch) and are close, but not done. It is still too early to talk to all of the property owners prior to getting to the point of finishing the due diligence and knowing what the site may or may not be as far as the size of the site.

There are civil engineers, geo technical, environmental and surveyors going through the steps to have in place to get conceptual plans ready.

Tenancy is what drives everything. Without tenants, it is unknown which parcel(s) are needed. There were two very interested tenants who are able for Eclipse to move forward with a conceptual plan. They are tenants of enough quality and size to generate a project around them.

To feel comfortable that this is a project would depend on the ability to get a construction loan and/or a land loan. Banks want to see commitments from tenants.

The DOT road parcel is 100% designed and waiting on the DEP for their due diligence. In terms of the south side of Main Street, the area has always been under consideration. It will provide access to twenty two acres of developable land once the road is in.

The environmental should get back within weeks, not months. There will be some property owners where the City will not have the right to go in and do borings. The work can be done on the City owned land.

Environmental issues can happen after a conceptual plan is issued and after leasing. You have to fix the problem regardless of what the plan is.

The biggest obstacles are multiple but not insurmountable.

The biggest obstacle is getting tenants interested. Based on the convention, they have started getting over the hurdle.

Route 8 and Route 34 is a great intersection, but it is a submarket for many tenants which will be the biggest hurdle.

Mr. Bomba said it was a pleasure working with Eclipse and is looking forward to working together in the future.

Mr. Bernard said it is no problem for them to get to Derby, they would not be here if they didn't believe in this project.

Adjournment

Motion to adjourn by Mr. Hughes, second by Mr. Kelleher, all in favor, motion carried. Meeting ended 6:56 p.m.

****These minutes are subject to approval by the Redevelopment Agency at their next regular meeting.

Respectfully Submitted,

*Denise Cesaroni
Recording Secretary*