

**CITY COUNCIL COMMITTEE, AD HOC COMMITTEE,
SURPLUS CITY PROPERTY: 6 BOUGHTON STREET AND 116 & 120 MAIN STREET
WEDNESDAY, JULY 21, 2010, 6:30PM**

The City Council Ad Hoc Committee met in the 3rd Floor Caucus Room of City Hall on Wednesday, 21st July-2010. Chair, Jack Knapp called the meeting to order at 6:35 pm.

PRESENT

Committee Members: Councilman Jack Knapp, Chairman, Phil Curran, Peter Nero

Ex Officio Council Members: Don Taylor, Fred Visconti, and Paul Rotello.

Also in attendance:

Mark Boughton, Mayor; David St. Hilaire, Director of Finance; Les Pinter, Corporation Counsel; Wayne Sheppard, Chief of Staff; Antonio Iadarola, P.E., Director of Public Works; Dennis Elpern, Director of Planning, Chick Volpe, Purchasing Agent.

James Maloney, President and CEO, CT Institute for Communities; Jay Lent, Executive Vice President Chief Operating Officer Union Savings Bank; Gene Eriquez, Vice President Union Savings Bank; Tony Rizzo, Trustee St. Peter Church; Dr. Draper, Public Health; and members of the Public.

Chairman Jack Knapp began by reading a letter from Mayor Boughton to the City Council regarding Surplus City Property at 6 Boughton Street and 116 & 120 Main Street into the record. Chairman Knapp then asked Mayor Boughton to give the committee background information and to frame the proposal which they would hear this evening.

Mayor Boughton thanked Chairman Knapp and the members of the committee and those present. He stated that for consideration this evening the committee would hear a proposal regarding 3 parcels of land which were the former Danbury Police Department. He said that he would refer to all 3 as the PD site and the project as the PD Surplus Parcel Project. In considering the PD site it is important to consider the needs and demands for Danbury. In particular, the City should use the space for the public good, increasing the tax revenue, senior housing and commercial development. Mayor Boughton requested that the property be disposed of to a single buyer as allowed in Code section 2-133. Mayor Boughton spoke briefly of the proposal that he is requesting to be considered from the Union Savings Bank and the advantages that this particular proposal would bring to the City of Danbury.

Chairman Knapp asked Corporation Counsel to clarify the charge of the Committee. Mr. Pinter confirmed that the charge of the committee as pursuant to Code section 2-133.

Chairman Knapp then called upon Jay Lent of Union Savings Bank (USB) to make his proposal. Mr. Lent discussed the relationship between the City of Danbury and Union Savings Bank and before getting into the details of the proposal he wanted to note that Union Saving Bank would have to consult the Banking Commission to seek their approval regarding the regulations concerning the purchase of non banking property.

Councilman Nero asked for clarification regarding the Banking commission rules pertaining to this type of purchase. Mr. Lent stated that banks are not typically allowed to hold non-banking property, but if they could show that it would be for a short time and that the other partners involved were able to take possession of the property quickly it may be allowed.

Mr. Rotello asked if the Banking Commission did not approve the purchase would there be a chance to move forward. Mr. Lent stated that if parcels went to bid, USB would still be interested in bidding on the parcel where they intend to move the South Main Branch.

Mr. Gene Eriquez, on behalf of USB, reviewed with the Committee a written proposal for the site noting

- (1) The 116 Main Street and 6 Boughton Street would be used for the Union Saving Bank Branch and 120 Main Street would be used for a new Community Health Clinic and Affordable Senior Housing.

- (2) The proposal calls for the existing buildings to be raised and new buildings built which would improve the look of Main Street.

Mr. Eriquez discussed in detail the 3 phases of the construction of the project as well as the financing of the project, stating that the \$16 million project would be all private development. Mr. Eriquez discussed the new tax revenue that this project would generate for the city, the employment opportunities and improved parking at the Library once USB vacates the location at 158 Main Street.

Councilman Curran asked if the Senior Housing would be rental or condo. Mr. Eriquez referred this question to James Maloney of the Connecticut Institute for Communities, Inc. (CIFIC). Mr. Maloney explained that the CIFIC was a community development organization which sponsors a number of social services in communities throughout CT, and he gave examples of these. In particular to this proposal the CIFIC has established with a Danbury Physician's group, a Community Health Center. He noted that it is essentially a medical doctors' office that provides a wide continuum of care with a sliding scale fee schedule which is subsidized by the Federal Government. The center is currently operating at 57 North Street in Danbury. However, Mr. Maloney stated that they are looking for additional rental space as the current location does not meet their needs. In addition the CIFIC offices would be located at this location. Specific to Councilman Curran's question, Mr. Maloney stated that once Union Savings Bank acquires the property it would be conveyed to the CIFIC, at which point they would determine a housing developer to build the Senior Housing, with possible state and federal funding. Typically, the housing developer would own the building as an LLC and/or administer it should they decide that condos were appropriate for this market. Mr. Maloney indicated that St. Peters Church would have right of first refusal for the adjacent property and would rent parking space to the CIFIC. Mr. Maloney commented that CIFIC would purchase and/or finance the property, and that the CT General Assembly has approved \$600,000 for the CIFIC offices which would also be located at the 120 Main Street location. Mr. Maloney remarked that the Community Health Center would employ about 75 people, 25 of whom are physician and health care professionals with an annual salary in excess of \$100,000. Councilman Curran asked if the Health Center was taxable. Mr. Maloney state that it is not.

Councilman Nero stated that it appeared that Union Savings Bank was the driving force. He asked if the bank was not involved would the health center and the senior housing project move forward. Mr. Lent remarked that USB paid for the Architect because they believe that the health center and senior housing are very important to Danbury, and they would like to see this development occur even if they could not fulfill the role as a single buyer.

Councilman Taylor asked what would be the price of the Senior Housing. Mr. Maloney stated that the intention is for it to be affordable housing, not deluxe nor low income housing.

Mr. Rizzo noted for the record that his was not attending this evenings meeting with the permission of the Bishop, but as a trustee of St. Peters Church, he has the best interest of the Parish as his incentive for being at the meeting. He discussed many projects and buildings that he and/or the church has been involved with in Danbury, and that he has been concerned about the location since it was announced that the Police Department would be moving. Mr. Rizzo remarked that he believes that USB and CIFIC would be good neighbors for the Church and the YMCA as well. He is in support of the proposal. Chair Knapp, thanked Mr. Rizzo and asked if the other Trustees were in favor of the proposal. Mr. Rizzo stated that he believed so. Mr. Eriquez stated that he had spoken to the Pastor and he too was in favor.

Councilman Curran asked if there were any zoning considerations. Mr. Elpern stated that due diligence would have to be completed. He asked for clarification on the shared parking lot. Mr. Eriquez stated that the staff of the Health Center would use the churches parking lot during the weekdays when there is not a need for parking at the church. Mr. Elpern stated that he believes that the City should move forward quickly with this proposal and try to remove obstacles if any. He stated that in addition to the benefits stated earlier, this type of development has the potential to jump start additional development in the area.

Chairman Knapp asked for a time frame on the project. Mr. Eriquez stated that USB is eager to move forward as quickly as possible. They could have construction plans ready in approximately 60 days, anticipating a fall closing and depending on the construction season they could be ready to start in a few months after the closing. Mr. Lent added that they had requested renovation of the current location at Danbury Library 2 years ago adding they are very anxious to move forward.

Mr. Elpern stated that the proposal would have to go before the Planning Commission which he will move forward with. Chairman Knapp then asked Corporation Counsel for a clarification of the process. Mr. Pinter describe the process noting that committee’s charge is to make a recommendation to the full Council and that if the single buyer process would not work, the sell would default to the auction process. Further discussion and clarification as to the process of the disposition of the property was held.

Mrs. Mitchell, a member of the public, was granted permission to speak by Chairman Knapp. She stated that she thinks that the project is a good idea, but reminded the committee of her concerns regarding flooding problems in the area that the residents have had to put up with for years. She would like to hear about the water plan for the project sooner rather than later.

Councilman Curran made a motion which was seconded by Councilman Nero which after a brief discussion was amended. After the amendments were approved, Councilman Curran made a motion that:

The Ad Hoc Committee recommends that the PD site be declared surplus property and disposed of by direct sale after negotiations with Union Savings Bank. Such transaction being subject to a public hearing, a report from the Planning Commission, and a sales value as determined by the City Council or the City Board of Awards if sold publicly, as designated by Ordinance Section 2-133 or in any other event in accordance with Code of Ordinances Section 2-133 requiring publication and public offering by the purchasing agent.

As there was no further discussion, **Chairman Knapp asked for a vote on the final motion as amended. Vote, all in favor, motion unanimously approved.**

As there was no further business of the committee Councilman Curran made a motion to adjourn the meeting at 8:14pm. The motion was seconded by Councilman Nero. Vote, all in favor, motion unanimously approved.

Respectfully Submitted,

Councilman Jack Knapp, Chairman _____

Councilman Phil Curran _____

Councilman Peter Nero _____