

Chairman Jack Knapp called the meeting to order at 6:30 p.m. on Tuesday, July 22, 2008, in the Caucus Room, 3<sup>rd</sup> Floor, Danbury City Hall, 155 Deer Hill Avenue. Present was Committee members Jane Diggs and Paul Rotello. Ex Officio members: Benjamin Chianese, Warren Levy, Greg Seabury and Shay Nagarsheth (*entered during the meeting*). Also present were Honorable Mark D. Boughton, Mayor; Robert J. Yamin, Corporation Counsel; Laszlo L. Pinter, Deputy Corporation Counsel; Steve Greenberg, Charles Ives Authority; David St. Hilare, Finance Director; and members of the public.

Chairman Knapp introduced everyone present at the meeting.

Chairman Knapp explained the purpose of the evening's meeting was to review and consider approving the proposed Charles Ives property acquisition.

Chairman Knapp noted that the Planning Commission gave the request before the Committee a positive recommendation at their meeting of May 21, 2008 subject to approval of all documents by Corporation Counsel, including the recording of the conservation restriction.

Chairman Knapp asked Mayor Boughton to provide everyone with some background regarding the request before the Committee. Mayor Boughton explained that when the Charles Ives Authority was re-established last year, there was a lot of discussion regarding what needed to be addressed that was not addressed by the previous entity. One of the outstanding items is a parcel of land in the center of the facility that was purchased by the previous entity years ago to add to the inventory of property. The facility is owned by the State, not WESCONN as has been the misperception of people. The mortgage payments fell behind because of the previous entity's poor financial standing. The principal, interest and late fees currently are in excess of \$160,000.00. The Authority currently uses the parcel for food and vendors. Mayor Boughton has had ongoing discussions with Newtown Savings Bank officials. They have graciously agreed to waive the interest and late fees and deduct approximately \$30,000.00 from what is owed in exchange for the prompt payment of \$131,000.00. The Ordinance for the Authority does not allow for them to purchase the parcel. They are not allowed to hold real property. The City would need to purchase the parcel. Mr. Yamin added that the amount being waived is approximately \$30,000.00 in principal and \$25,000.00 in interest and penalties as of March 23, 2008. Mayor Boughton explained that a conservation easement would be placed on the parcel to be used as open space. A payout plan would be established with the Authority once they are on their feet. Ultimately, the City would own the property. Mayor Boughton felt the City would benefit in that it is a buildable lot. Should the State ever wish to sell the Ives Center property, the City would have leverage to save the Center. Mr. Greenberg explained that the previous entity had the parcel appraised 2 ½ years ago for \$190,000.00 which he did not consider was fair market value. The previous entity attempted to sell the parcel to pay their debt but there were conflicts with the neighbors. And, once a new Authority was being established, the parcel was taken off the market. The parcel is an area where the vendors set up and it is set back which controls the noise level for the neighbors. Mayor Boughton explained that the plan is to first gain control of the property before it is sold and then discuss plans to recoup the money expended by the City. Mr. St. Hilare explained that there are different options for the Authority and the City with regard to the financial arrangements to assist the Authority and not overburden them financially. Mayor Boughton pointed out that the City's bond rating has been upgraded which has not occurred for 15 years. Chairman Knapp asked whether the \$131,000.00 would be bonded and Mr. St. Hilare said yes. Councilman Rotello asked if the request was for one parcel or two. Mr. Yamin explained that there are two parcels of land but they would be sold as one and together the land is buildable. Councilman Rotello asked what the acreage was. Mr. Greenberg said the Center's property totals over 40 acres. Mr. Yamin said the parcel in question totals approximately 1.8 acres. Mr. Greenberg pointed out that the initial funding for the new

Authority approved by the Common Council was to purchase the assets of the previous entity. The new Authority operated with personal donations, including his own (approximately \$10,000.00 to pay salaries). This year, the goal was to reduce costs. Over 50% has been accomplished to date. They have eliminated the liability of the booking with promoters which instantly makes a profit. The promoters are charged to lease the facility. A portion of the funds from the tickets sold goes to the Authority. Revenue from food and liquor sold goes to the Authority. At the end of each night of an event, a reconciliation is done of the fees incurred for such things as EMTs, security, insurance, etc. and turned over to the promoter. As the 501c is developed, the Authority will be able to engage in grant writing and fundraising, raise their revenue and pay the City back. Mr. Greenberg pointed out that the previous entity re-financed the property, Union Savings held a third lien on the property, Mr. Greenberg was able to negotiate with them to be the title sponsor and eliminated a \$70,000.00 lien on the property. Mayor Boughton explained that by moving to the promoter model, the City eliminated their exposure. In the past, the weather played a main role in whether or not an event was successful. There were events that were sold out but still ended up in the negative by thousands of dollars. Mr. Greenberg sought the help of LiveNation to assist in educating the Authority how to run the park more efficiently. Mr. Yamin pointed out that in paying the \$131,000.00, the City would not only acquire the parcels of land, but also a Bill of Sale for quite a bit of personal property. The value is unknown at present. He estimated the value to be in excess of \$20,000.00. Councilman Seabury inquired what the promoters were being charged as a fee to lease the property. Mr. Greenberg explained: \$2,500 is the deposit amount, the fees for an event vary but can be up to \$25,000.00. RKE has managed the sound system and lighting system as they own the equipment, they have been with the Center for 15 years and have written off approximately \$50,000.00. They have been paid labor expenses but not for the equipment. Councilman Chianese asked if the timing of purchasing the property was critical. Mayor Boughton pointed out that the bank representative that has been handling this matter has been very patient. The gentleman is retiring and would like to ensure this item is taken care of before he leaves his position. Mr. St. Hilare pointed out the bank's generosity in the thousands of dollars being waved and asked that the City not take advantage of the kindness that's been extended to the City. Mr. Greenberg pointed out that the Authority has done as much as they can to give the bank as much exposure as possible for their inkind generosity.

***A motion was made by Councilwoman Diggs and seconded by Councilman Rotello that the Committee recommends to the Common Council that they approve the request of the City of Danbury purchasing two parcels of land owned by the Charles Ives Center and authorize the Authority to use and maintain them.***

*There were concerns raised with regard to the conservation easement. Mayor Boughton preferred the conservation easement be included and pointed out that any changes could be made at a later date. Mr. Yamin pointed out that the conservation easement will be an unusual one in order to preserve the value of the property on the open market.*

***The motion was withdrawn by the mover and the seconder.***

***A motion was made by Councilwoman Diggs and seconded by Councilman Rotello that the Committee recommends to the Common Council that they approve the request of the City of Danbury purchasing two parcels of land owned by the Charles Ives Center and authorize the Authority to use and maintain them. A restriction for easement is to be included which is to be dictated and negotiated by Corporation Counsel.***

***The motion carried unanimously.***

33-2

Respectfully submitted,

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Jack Knapp, Chairman

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Jane Diggs

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Paul Rotello