

HARTFORD REDEVELOPMENT AGENCY

REGULAR MEETING

JUNE 11, 2009

**PLAZA LEVEL CONFERENCE ROOM
260 CONSTITUTION PLAZA**

5:00

JOURNAL

MR. BARE: It's five o'clock. Welcome to the June meeting of the Hartford Redevelopment Agency. I'm Ben Bare, presiding officer until we get a presiding officer. We'll take nominations for presiding officer.

COMMISSIONER SIERRA: Nomination for Sean Arena to be presiding chair.

COMMISSIONER BONAFONTE: Second.

MR. BARE: All in favor? Opposed? The chair is yours.

The nomination of Sean Arena to be temporary presiding officer was approved 4-0.

I. Roll Call

COMMISSIONER ARENA: First off is roll call. Commissioner Arena is here.

COMMISSIONER ARENA: Commissioner Sierra?

COMMISSIONER SIERRA: Here.

COMMISSIONER ARENA: Commissioner Bonafonte?

COMMISSIONER BONAFONTE: Here.

COMMISSIONER ARENA: Commissioner Leonard-Woods?

COMMISSIONER LEONARD-WOODS: Here (on the phone)

II. Approval of the Minutes of the April 2, 2009 Regular Meeting

COMMISSIONER ARENA: Can we look at the minutes from the last meeting?

COMMISSIONER SIERRA: I reviewed them and found no problems with them. Make a motion to approve the minutes from the last meeting which was April 2, 2009.

COMMISSIONER ARENA: Any discussion on the minutes?

COMMISSIONER LEONARD-WOODS: None for me.

COMMISSIONER ARENA: Move for approval.

COMMISSIONER SIERRA: Second.

COMMISSIONER ARENA: All in favor? Against? Abstentions?

The motion to approve the minutes of the April 2, 2009 regular meeting passed 4-0.

III. Projects in Execution

A. Albany Avenue / Woodland Street Project

1. Consideration of a Resolution Authorizing the Execution of a Contract for Abatement Services with Manafort Brothers, Inc.

COMMISSIONER ARENA: I just want to say thank you to everyone for letting me sit as temporary chairman. Chairman Casares is graduating from college, and I think that's great. III on the agenda, we have Projects in Execution. We have Albany Avenue / Woodland Street Project, consideration of a resolution by Manafort Brothers, Inc.

MR. MCGOVERN: If I could, first, I'm sitting in for our executive director who needs to be at a city council committee meeting. So in the spirit of baseball season, we're going to have another pinch hitter.

COMMISSIONER SIERRA: This is a contract from Manafort Brothers for 248,000, correct?

MR. MCGOVERN: Correct.

COMMISSIONER SIERRA: How many people participated in submitting a bid?

MR. MCGOVERN: I'll walk-through this a little bit, and then turn it over to Glenn for more details. Albany/Woodland Project is his responsibility. This is a small project consisting of four parcels of land at the corner of Albany and Woodland. We own three. We're continuing acquisition negotiations with Exxon Mobil for the corner piece.

That's been a slow effort. But we're making progress, and feel confident about completing that in relatively short order. The contract tonight is for the demolition of the other three buildings; former McGregor's Chicken, former Woodland Moving and Storage, M & W Auto.

MR. GEATHERS: We put this out as a competitive bid. Fuss & O'Neill assisted staff in preparing bids and specs. The bids went out on May 28 out on the state office of administrative services, DAS, website. And the bids were closed on June the 2nd. We received 10 responses and Manafort Brothers was the low bidder at \$248,000.

COMMISSIONER SIERRA: Do you know what the next bid was compared to that?

MR. GEATHERS: Somewhere in the neighborhood of \$300,000 plus. We were expecting higher bids budgeted \$700,000. And the low bid was 248. This was a pleasant surprise to us.

COMMISSIONER SIERRA: You thought it was going to be how much?

MR. GEATHERS: Based on all the work that needs to be done, Fuss & O'Neill projected an order magnitude of cost of \$698,000. So we budgeted 700,000 for the project to get it done. And the bid came in less than half.

MR. MCGOVERN: They did that work for us in November of 2008. And we've been spending time thinking about how to come up with the money to pay for it. In that time we achieved significant savings. In talking with our L&I staff who do emergency demolition we found out demolition bids are coming in 20 to 30 percent less than anyone expects.

COMMISSIONER SIERRA: Manafort has a good reputation? You've dealt with them before?

MR. GEATHERS: The city has.

COMMISSIONER SIERRA: Any problems?

MR. GEATHERS: None that I know of. L&I has dealt with them.

MR. MCGOVERN: That's the benefit of doing the procurement, doing the bid through the procurement office. They would tell us if there's a bidder that has a bad history. That's obviously not the case here. A prebid conference was held, and over 20 contractors were on the site. Ten bids came in and Manafort, by far, was the low bidder. Bids came in as high as \$700,000.

COMMISSIONER SIERRA: I have no further questions regarding this matter.

MR. GEATHERS: Based on where we are right now we're coming before you for authorization to enter into an agreement with Manafort Brothers. We're recommending approval.

COMMISSIONER ARENA: Steve, any questions?

COMMISSIONER BONAFONTE: No.

COMMISSIONER ARENA: Commissioner Woods, any questions on this?

COMMISSIONER LEONARD-WOODS: I do not.

COMMISSIONER SIERRA: I make a motion that the resolution authorizing the contract of abatement services by Manafort Brothers be approved.

COMMISSIONER ARENA: Second. All in favor? Passes.

The motion to approve the resolution authorizing the execution of a contract for abatement services with Manafort Brothers, Inc. in the Albany Avenue / Woodland Street Project passed 4-0.

B. Downtown North Project

- 1: Authorization to Execute a Memorandum of Understanding with Edwards Development LLC and chapel Equities LLC Regarding the Acquisition of 1161 Main Street

COMMISSIONER ARENA: B on the agenda tonight is Downtown North Project. I believe otherwise, if I'm correct, known as the butt ugly building.

MR. MCGOVERN: That is the official unofficial title. Thank you, members. As you know, the Downtown North plan was approved by the agency in October, and then by the city council which put it into effect in January 2009. And amongst the plans that were newly adopted all had acquisition strategies.

1161-1179 Main is our priority. We have met with the owner, expressed our interest in acquiring the site based on the plan and the goals in the plan. We've agreed to work cooperatively to come up with an evaluation method and terms and conditions of an acquisition, and are approaching that with a memorandum of understanding which is an unpaid option for a period of 90 days which would allow us to appraise the site, review

environmental reports, looking at the leases for the parking operation that's there, and come up with an offer. So the request tonight is for authorization to enter into that memorandum of understanding, not a commitment, but to work for 90 days to come up with a friendly acquisition.

Per state statute we need to take this approach. In the event we can't come to an agreement we will most certainly exercise our powers under eminent domain authority. But in order to do that we have to show there's a breakdown in negotiations. This is the path we have to go down.

We're asking by motion approval, not resolution, for authorization to execute the memorandum of understanding. Should we reach an agreement we will be back before you for approval of an acquisition.

COMMISSIONER SIERRA: I think that's a gateway to Hartford. And it's hideous. Is there any tenants in there right now?

MR. MCGOVERN: Not in the building. There is a parking tenant.

COMMISSIONER SIERRA: I was wondering as a read this why hasn't the city done something already, years ago? Because there's no one in there, and it's unsafe conditions.

MR. MCGOVERN: The building is secure. The building official for the city has deemed the building a hazard, but not in imminent danger of collapse in the past, creating possible injury or property damage. To prevent that from happening the property is fenced off and there is scaffolding over the sidewalk. As much as we would like to go further we are unable to do so.

COMMISSIONER SIERRA: That's all I'm trying to say. It's been like that for so many years. I hate to see it. It's in terrible condition. When you approached him, how did he respond to this; general attitude?

MR. MCGOVERN: He seemed cooperative. So he's given us some level of confidence we'll be able to reach an agreement under an MOU and reach a satisfactory agreement where we wouldn't have to file for condemnation.

COMMISSIONER SIERRA: Because obviously the parking lot is the key to his --

MR. MCGOVERN: That's the value of the property. The building would be considered a liability because it has to be knocked down.

COMMISSIONER SIERRA: How many spaces are there in that parking lot? Do we know?

MR. MCGOVERN: That's the sort of specific information we'd get as we enter this MOU. If I were to ballpark it I'd say probably 100.

COMMISSIONER SIERRA: Do you know what the average value of that lot is per month? Is it \$30 per month?

MR. MCGOVERN: Probably 60 to 75. One thing to point out, it's not the balance of that block. The property includes building and the land behind the building, not the land to the northwest which is also parking operation. Those are separate parcels and not part of this deal. In fact, we did not put in the plan to acquire the rest of that block.

COMMISSIONER SIERRA: Something like that you have 100 spots. And that's a considerable amount of money he makes there a month. So you feel as though maybe he will go this route?

MR. MCGOVERN: I'm hopeful.

COMMISSIONER SIERRA: All right. No further questions on my behalf.

COMMISSIONER ARENA: Commissioner Bonafonte?

COMMISSIONER BONAFONTE: No. I'm all set.

COMMISSIONER ARENA: Commissioner Woods?

COMMISSIONER LEONARD-WOODS: No questions.

COMMISSIONER ARENA: What do we hope this property will eventually become?

MR. MCGOVERN: The city already owns the sliver of land that fronts on Trumbull Street. We hope by acquiring the property, taking the building down, and having the two parcels across the street which are owned by the city, plus what we also hope to acquire from RPI as part of this plan adjacent to Trumbull and Windsor Street, we hope to amass 16 acres in which we can solicit development for mixed use development. We see that as a large scale mixed use development opportunity, something of a neighborhood in its own right.

COMMISSIONER SIERRA: Let me ask a question. What is it when you try to figure out the value of it? Is it the future loss of renting the spaces out? Would that be part of the value of figuring out?

MR. MCGOVERN: We look at the fair market value based on conditions at that time.

MR. BARE: He can ask for whatever he wants to in negotiations.

MR. MCGOVERN: I don't think we will look at future revenue as a means of figuring out value.

MR. BARE: He had it on the market for 1.1 million and he didn't sell it. So 1.1 million is the high-end.

COMMISSIONER SIERRA: I have no other questions. I'd like to make a motion for authorization to enter into a memorandum of understanding with Edwards Development, LLC.

COMMISSIONER BONAFONTE: Second.

COMMISSIONER ARENA: All in favor? Opposed? Passes.

The motion to approve authorization to enter into a memorandum of understanding with Edwards Development, LLC for 1161-1179 Main Street passed 4-0.

C. Main/John/Hudson Street Project

1. Consideration of a Resolution Authorizing a Certificate of Completion for Immanuel Hudson House, Inc. for 363-391 Hudson Street

COMMISSIONER ARENA: I understand the Main/John/Hudson Project is not --

MR. MCGOVERN: We ask you to table that. In your write-up we mentioned a couple of things that would have had to happen. We are still waiting for consent from an adjacent property owner regarding a fence. It would be premature to act tonight.

COMMISSIONER ARENA: When they have an open house can the commissioners be invited to that?

MR. GEATHERS: Absolutely.

MR. MCGOVERN: Glenn, do you have a time frame on when they're planning to do that, late in the summer or fall?

MR. GEATHERS: No. They're waiting to finish things up with HUD. It should be on your agenda for approval in July.

COMMISSIONER ARENA: Do we need to table this, or has this been tabled already?

COMMISSIONER SIERRA: Motion to table the Main/John/Hudson Street Project.

COMMISSIONER BONAFONTE: Second

COMMISSIONER ARENA: Any discussion? All in favor? Opposed? Abstentions? Passes.

The motion to table the Main/John/Hudson Street Project passed 4-0.

IV . Executive Director's Report

COMMISSIONER ARENA: Do we have an executive director's report?

MR. MCGOVERN: I do. I have a very short one. In March you approved the Parkville Municipal Development Plan. I want to give you a quick update. It was approved by the city council on May 26. It is now being transmitted to the Department of Economic and Community Development for the commissioner's approval which is the last approval in that planning process. So good news with that. We'll be in a position to work with the state as best as possible to identify funds and begin implementation in that area.

One update on the Downtown West Section II Plan over near Union Station: One of the targeted acquisitions is 1-7 Myrtle Street, also known as the Capitol West building. We've been in negotiations with the owner there for quite a while now. The planning and zoning commission approved renovation for apartments. To the extent they go forward with that plan we have no need to acquire that building. Just recently they submitted a new design plan that will have different types of windows in the building, giving us some indication they want to move forward. We'll see with that. But it's a matter working through the planning and zoning process. I would expect it would go to the planning and zoning commission in a month or so.

COMMISSIONER SIERRA: Is it possible on that building -- Is there any way he can cover it up and make it more presentable? Do we have powers to do that?

MR. MCGOVERN: We've looked at that from every angle. He's done some things, but not enough to make us satisfied. Unfortunately I think our authority is more on the ground level and keeping people out of the building. Because -- You can have correct me if I'm wrong, Ben - it's not against the code to have open windows on the second floor and above. We have consistently cited the property owner over the last few years as it relates to the ground floor and issues around the building. But our hands are tied as it relates to the upper floors.

COMMISSIONER ARENA: Is there a time frame that he's been given to deal with this?

MR. MCGOVERN: Quite frankly our challenge is we can't do all these acquisitions at once because we don't have all the funding. If we had the funding we would be at the same stage with this property as we are with 1161-1179 Main.

Just one more point, just to remind the agency that election will be at next month's meeting in accordance with the bylaws.

COMMISSIONER SIERRA: Didn't we have that in February?

MR. MCGOVERN: Actually I made a mistake. And I realized we synced up the bylaws to coincide with the fiscal year.

COMMISSIONER ARENA: Do we have a meeting in July, or do we have that month off?

MR. MCGOVERN: We're scheduled for a meeting. And we typically take August off depending on the workflow. More often than not we cancel the August meeting. That would conclude the report.

V. Other Business

COMMISSIONER SIERRA: I do have business. I have been approached by several persons regarding the situation on Main Street located directly across from City Steam and Dish Restaurant. It's horrible looking, dangerous. Something has to be done. People are putting their hard-earned money into it. That is a travesty on Main Street. That is the old American Airlines building. I don't want answers tonight, but suggestions as to what we can do to get it moving, even if we can do something on the outside of the building.

MR. MCGOVERN: That was a Redevelopment Agency property. And in January they were here before us, and the Agency approved or amended the facade plan of that building, which included the facade of the tower, plus the new code compliant rooftop establishment. So they were under time frames by the Planning and Zoning Commission. The redevelopment agency would follow with a Certificate of Completion once that was done. The owner has not

MR. GEATHERS: Absolutely.

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COMMISSIONER SIERRA: Motion to table the Main/John/Hudson Street Project.

COMMISSIONER BONAFONTE: Second

COMMISSIONER ARENA: Any discussion? All in favor? Opposed? Abstentions? Passes.

The motion to table the Main/John/Hudson Street Project passed 4-0.

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MR. MCGOVERN: That was a Redevelopment Agency property. And in January they were here before us, and the Agency approved or amended the facade plan of that building, which included the facade of the tower, plus the new code compliant rooftop establishment. So they were under time frames by the Planning and Zoning Commission. The redevelopment agency would follow with a Certificate of Completion once that was done. The owner has not

met his time frames of the Planning and Zoning Commission. David Panagore has been leading the group working with the developer to try to see that the improvements are made. They haven't been made to our satisfaction. In the last week or two they've been started to address the rooftop establishment. However, this may be a situation whereby if he doesn't perform we could exercise our right to take the building back. We could go to that extreme if necessary.

COMMISSIONER SIERRA: I'm not necessarily advocating for that. It came before us. I remember we voted on it. I was excited about that. And literally nothing has been done. And it's unfair. That's a marquee property for the city of Hartford. That's Main Street. A lot of people have come up to me mad about it. And I'm sure you guys are enlightened about it. We have to do something. We can't be sitting here. If you don't have momentum you're not going anywhere. People have to see the change to believe in it. It's an opportune time.

MR. MCGOVERN: I couldn't agree with you more. And the success of the apartments has come despite the facade and restaurant. As the units have come on they've been rented. So to a certain extent I believe the developer is quite satisfied with the apartments rented, 80 of 102. And the remaining ones that haven't been rented is because of shortcuts taken that L&I discovered. But as soon as another batch came online they were rented just like that. So, plus or minus, every unit that can be rented in that building is rented.

COMMISSIONER SIERRA: Well, I believe his feet should be held to the coals. It's dangerous, dark. We have problems in that building, and we should put him to the task.

MR. MCGOVERN: I would recommend that the board direct the executive director to express these feelings in a letter right away.

COMMISSIONER SIERRA: I would like to make a motion to the owner --

COMMISSIONER SIERRA: Also known as the American Airlines building. We give a letter regarding our concern with the facade and the slowness of what's going on over there, being in part it's a marquee property, it's Main Street, and our commission is set up to get momentum going and get the city back on the right track.

COMMISSIONER BONAFONTE: I'll second that.

COMMISSIONER ARENA: Any discussion? All in favor? Opposed? Abstentions? Passed.

The motion to have the executive director send a letter to the owner of 901-915 Main Street regarding the agency's discontent concerning the facade and slow pace of progress on the building passed 4-0.

COMMISSIONER ARENA: Thank you.

COMMISSIONER BONAFONTE: I have one question with respect to the federal grant money or any applications for stimulus finding .

MR. MCGOVERN: Yes. Now I wish David was here, because he is the appointed stimulus czar. He leads the multidepartmental meeting that takes place every Tuesday at three o'clock. We are monitoring the formula grants as well as the competitive grant opportunities. There are several more we've been waiting for. Some of the ones the city has already been authorized to apply for include those related to energy. We're going to see a couple million dollars put in energy efficient upgrades in public buildings; schools, firehouses, libraries; and grants related to the public safety from the department of justice to hire police cadets. And there will be -- We're waiting on announcement from EPA to see if there would be brownfield money. There's such a backlog. There is also an Economic Development Administration grant opportunity that we're currently evaluating for the Downtown North Project area. So, yes, we're all over it.

The city has a recovery website on the front page of the city site. It identifies all the different grants the city is actively pursuing and all the announcements from different agencies.

COMMISSIONER SIERRA: In the minutes it says Mr. Panagore is actively tracking 43 of them and has 12 staff members working on it. But it seems like it's going to take a long time.

MR. MCGOVERN: The federal agencies are not staffed up. There are 47,000 open positions in the federal government. In some cases what are called notices of funding availability haven't been issued by some of the agencies because people are not there to issue it. It is going to be a long, drawn out process. The Economic Development Administration one was issued in March with a deadline of September of next year. And it's an additional \$11,000,000 on top of the \$43,000,000 that our district office is already getting. In many cases it's not a new opportunity, just the additional money.

COMMISSIONER BONAFONTE: So we don't see any new money coming to the redevelopment agency for property acquisition?

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MR. MCGOVERN: Not the way the redevelopment agencies were funded in the past with money from HUD. For the most part it will be city bonded funds through the capital improvement program.

COMMISSIONER ARENA: Any other business?

VI. Adjournment

COMMISSIONER SIERRA: Motion to adjourn.

COMMISSIONER BONAFONTE: Second.

COMMISSIONER ARENA: All in favor?

The motion to adjourn the meeting was passed 4-0. The meeting was adjourned at 5:32 p.m.

Respectively submitted,



David B. Panagore
Director/Secretary