
**CITY OF MIDDLETOWN
RELOCATION SUBCOMMITTEE OF THE
REDEVELOPMENT AGENCY**

MINUTES

December-20-2005

Present

J. ROBINSON
G. DALEY
J. ALEXANDER
J. MAKROGIANIS
P. BUSARI
J. TINE
M. LONG
J. FORTUNA
F. GANGULI
H. NOVICKI
W. DREAHER
L. RUSSO

Absent

R. SANTANGELO
S. SHAPIRO
S. GIONFRIDDO

Also Present

W. WARNER
M. WACKERS
L. BREWSTER
M. TAYLOR
S. GUILIANO
L. HANSON
A. KAST
E. KING
D. SILVER
M. ARAFEE
M. MILLS
M. PALENER
P. MIKUS
D. GREEN-BERRY
R. HADDAD
B. VASILIOU
S. BROWN
V. FINCE
H. MCINVALE
K. BRANCH

John Robinson called the meeting to order at 5:00 PM. Seeing a large number of residents in attendance, John Robinson called for a motion to recess the meeting and reconvene in the Common Council Chambers.

John Robinson called the meeting to continue at 5:05 PM. John Robinson provided a quick introduction of the Mayor and asked him to speak on the North End Redevelopment project proposed for Ferry Street.

Mayor Sebastian Guiliano explained that he had received numerous communications from the public concerning the size and scope of the project. He understands that relocation was completed on Monday December 19, 2005. However, he stated that if he had held office during the proposal of the project he would not have supported it, and doubted that the Common Council would give support to this project today. He stated that 96 units and four stories is too big. He explained that this has been presented to him as a done deal, and could get little to no information from the City Attorney since all legal tasks were handled by outside Counsel. He believed that this project was largely run behind closed doors in the Mayor's office. He believed that a deal this big should have had better consensus from the community and in good conscious he could not sign off on this deal. The Mayor explained that the developer is not the problem. The problem in the Mayor's view was where will these families come from and what apartments will be left empty through out the city as a result of people moving to this project. Will those property owners have to relax their tenant requirements, causing problems in other neighborhoods. The Mayor restated that he could not sign off on this deal. He did state that he was meeting with the Richman Group to see how the project could be modified to address his concerns.

Gerald Daley responded to the Mayor's comments by stating that he is confident that the Common Council would support this project today just as it supported it unanimously when the project was approved. Outside Counsel has represented the City since the Garafalo Administration and has competently represented the City. He has also received letters from the public by the majority are in support of the project only two or three are in opposition. Gerald Daley continued to note that the Redevelopment Agency has had many discussions about this project. He explained that \$20 million investment in the community is a positive for Middletown. Gerald Daley recognizes that the Mayor rightly has the responsibility to ask questions, but he should do so with an open mind. Gerald Daley stated that he is supporting this because it has the opportunity to succeed. Connecticut is in need of affordable housing to sustain its economy. The Hartford Courant writes front-page articles about the need for affordable housing. This project has had numerous false starts in its 30-year history and the City is finally on the doorstep to begin construction. The Richman Group has been responsible and made improvements where possible. Furthermore Broad Park Development Corporation would not want to do this unless the Richman Group's project was in position. Daley reiterated that the City had an obligation to move forward.

Peggy Busari added her comments to the discussion and asked who are these residents that are speaking against this project? She explained that she is a resident of the North End, and has participated in all the discussions about the project over the years. She asked why are they voicing their opinions now, when all of the previous meetings were open for the public to voice their opinions. The neighborhood discussed this project with the Richman Group and explained what we wanted to see in a project. The Mayor's office was never closed. Busari stated that she supports this redevelopment, so that people can afford an apartment downtown. Low-income people don't have big cars but they work and need a place where they can walk to downtown or the hospital. Busari encouraged the Mayor to take this into consideration.

Jennifer Alexander stated that any kind of open discussion is a positive thing, but many of the meetings were in executive session, and no opportunity for public comments at either Redevelopment Agency meetings or Planning and Zoning Commission.

Gerald Daley countered with that all the meetings were open to the public with numerous members of the public presenting comments for the record. These meetings included the Common Council, Housing Authority, and Planning and Zoning.

John Robinson added that the City and Connecticut Housing Finance Authority (CHFA) received letters for and against this project. CHFA ultimately awarded funds to this project, which puts this project at a critical stage to commence construction. The Redevelopment Agency is asking for the Mayor's support. The Common Council would support this plan today and if you do not believe this then bring it back to the Common Council for a vote.

Hank Novicki added that the Richman Group was selected because they will get this project done

John Robinson opened the floor to allow the public to speak.

Luke Hanson, a resident of the North End and a member of the North End Action Team (NEAT), stated that he has been a part of the discussion for five years. They have been many open forums for the public to raise concerns. The neighborhood and NEAT have raised concerns at these open forums and at their own meetings. The concerns have been worked and discussed to a point where the neighborhood is comfortable to move forward with the project. This money that will be invested will be a boom for the neighborhood. It will bring new people and a better standard of living. I don't know who it is that is against this project, because they have not attended those meetings. It is a slap in the face to the residents who have fought for this. It is time to move forward.

Alice Kast stated that the commitments by the City should be followed through. NEAT has been very active in discussing this. The improvements will make a big dent in the problems of the North End.

Elizabeth King a residents of Miller and Bridge Street commented that the North End project on Ferry Street should not be frozen like the project in Miller and Bridge Street. The Ferry Street project may help me move out of Miller and Bridge Street.

Dan Silver, attorney for Morris Properties LLC, stated that, I think it is time for politics to be over. My client is unable to pay taxes, unable to pay mortgage, and residents have been forced to move through the holiday. The only outcome is litigation, if the City does not move forward. The City should live by the contracts it has made.

Michael Arafee, owner of the Coffee house recording studio, explained that his business is located 1000 yards from the project, and will be impacted by the noise of the construction, and possibly go out of business.

Marylyn Mills, a real estate agent, asked what is so precious about Section 8, when we have charming old houses that can be saved.

Myron Palener, attorney for Paul Fazzino, explained that the City has exerised dominion over Mr. Fazzino's property. They have sent letters and relocated the tenants. This is in effect a inverse taking of the properties. Paul Fazzino has no rents, and is unable to pay his taxes, mortgage and has cancelled his insurance. Within two hours of the property being vacant, the property was broken into and has become extremely unsightly. If this property is not purchased after the first of the year we will institute action. The City has to take the property. Paul Fazzino cared for the property and had some tenants there for 20 years. He is not a slumlord. It is wise for the City to carry out it obligations.

Pam Mikus, of the Richman Group, explained that many studies show an extreme need for this. They decades of experience across the nation show that this project will be successful. It will be privately owned and managed with rents between \$300-\$1200 for 1, 2, and 3 bedrooms.

David Green-Berry, attorney for the Richman Group, presented the facts that on October 21, 2005 the City completed negotiations, and on November 4, 2005 the City closed with the conditions that the construction financing be completed and relocation be completed. To day Richman has spent over \$900,000 and has liabilities of \$1 million in tax credits and \$15 million in financing. We need the City to let us move forward.

Rami Haddadd, a new resident to Middletown, explained that he did not hear the Mayor not support the project. There is a lot of support for the project, but not a lot of support for the process. Replacing 24 units with 96 units is a large increase. Is the City ready to receive 96 new families? I am not challenging the project but asking for clarification. What are the benefits to the City?

William Warner responded to the questions of history of the project at the request of the Redevelopment Agency chair. He explained that the Redevelopment Agency awarded the project to two developers after two attempts to receive funding failed on the part of NEHI. Every meeting was public. NEAT started in opposition to the project but has been brought on board and supports the project now. Thirty people attended Planning and Zoning meeting where the project was approved and made comments mostly in support and with a few against. The Police Department and Middletown School System spoke favorably. The Richman Group has received glowing recommendation from people such as Dan Malloy. The Common Council approved this with 10 or 11 separate resolutions in support of this project.

Bill Vasiliou , describing himself as a tax payer, asked for a subsidy analysis of the project, which includes the Community Development Block grant funds, 30 year tax abatement, and bonding. This is not known. This information is required to be submitted to CHFA. What is the real cost?

Gerald Daley stated that Mr. Vasiliou's position is executive director of the Housing Authority, and the City's commitment is \$2 million.

William Warner added that there is \$500,000 in Block Grant funds being used for relocation. \$305,000 in bonded funds, and \$1.4 million in lease financing over 10 years. The tax abatement is phased out.

Gerald Daley added that the balance of the funding is \$20 million in private financing.

Shannon Brown asked for a benefit cost analysis. He feels it is impossible to calculate, since there is no single document to get answers from.

Gerald Daley added that the Plan is the document.

Vihay Fince, resident of High Street, commented that he is against this proposal. He is all for low income housing, but not when it looks like this project. He supported the initial plan of this project, but how could it change in this. He feels there is a problem with the process.

Gerald Daley added that the initial plan was a great vision, but two attempts at financing failed. We don't want to turn our back on the neighborhood and we needed to move forward. The Richman Group's initial plan was not perfect, but they have been responsive.

Sebastian Guiliano commented that City funding has not been adequately laid out. There is a dark cloud over this project. However we should not go through another eight years, but the Richman Group should explore options. Is 96 units where it has to be and this is the best we can do? This process has ended up with mistrust and rumors.

John Robinson asked the Richman Group where are you in your closing?

Pam Mikus commented that we can close tomorrow if we could but we need to set a closing within five business days. We need the Mayor to approve a date.

Huston McInvale, an owner of 16 units in the project area, stated that I had a lot of good tenants, but today I have no tenants. These were families working in Middletown. We are at a crossroads. This could be another project that does not get done. But Ferry Street, Green Street and Rapallo Avenue need this. The area needs a face-lift and it will be money well spent for the City. The state of Connecticut is facing a shortage in apartments according to Bloomberg reports of 26%. This project will be successful and for the good of the community approve this project.

Lincoln Street Resident, state that I think the project will be a disaster.

Sebastian Guiliano commented that if you want to kill a project put it in the courts.

Kathy Branch, Middletown School Association President, stated that the North End deserves this project.

Lydia Brewster stated that these issues have been discussed at many meetings for eight years. Over the last eight years the neighborhood has learn a lot about housing. Catching this issue at the 11th hour is too late. Housing development is complex. Yes, NEAT has made compromises, and we learned a lot about saying what you need. The Richman Group has been persistent, but we do not believe the Richman Group will solve all of the problems. The plan is not for an apartment building, but it includes a total plan for the three streets with homeownership to be carried out by Broad Park Development Corporation. I do think the balance with 44 units does create a nice urban neighborhood. More education is need to teach people about density. The neighborhood has decreased in density over the years and he result is that decent people have been taken over by the criminal. I would like to refer to the social benefits of this plan for a historic neighborhood where low-income residents can live in a downtown setting. How many have been inside these buildings or at NEAT meetings. The neighborhood residents know about the project and its details and anyone reads the newspaper knows all the debate. You should also refer to all the minutes from all the meetings for NEAT, the Redevelopment Agency, Common Council and special meetings at the Green Street Arts Center. I do not think it is fair to say I did not know what was happening. All of a sudden there

are people stating it is too dense, it is too much money, it is too many low-income people. Where have you all been? Why have you not been standing shoulder to shoulder with the neighborhood?

John Robinson closed the hearing to public comments.

Gerald Daley motioned that the Mayor take the steps necessary to confirm that relocation has been completed and move forward on the closing with Richman and the property owners. The motion was seconded by Michael Long and Louise Russo.

Gerald Daley stated that I know the Mayor's intentions are sincere. As a new Mayor, he has been approached by many over this project. I am convinced that there has been a lot of disinformation. This has been an open process. I do not know of another project that has had more deliberation. This plan is a product of all of these emotional discussions. I have heard concerns from the businesses and support from North End businesses. I am happy to have two developers. Tax abatement is used to revitalize Middletown, why not in the North End. It is a significant change and change is scary. Things are not static, communities are dynamic. People have waited 40 years for us to stand up and act.

John Robinson called for a vote on the motion and the motion was approved unanimously

There being no further business, the meeting adjourned at 7:05 PM

Respectfully submitted,

Michiel Wackers, Deputy Director of Planning, Conservation & Development