

~AD HOC REPORT~
State Surplus Property – 71 Main Street
Wednesday, February 15, 2023

Chairman Henry called the meeting to order at 6:03 p.m. on Wednesday, February 15, 2023. Present was Committee Member Duane Perkins, and John Esposito III. From the City were Les Pinter, Corporation Counsel; Antonio Iadarola, Public Works Director & City Engineer; Sharon Calitro, Director of Planning; Sean Hanley, Superintendent of Public Buildings and John Kleinhans, Mayor's Office. Ex Officio Member Councilman Buzaid was also present. Present from the public were Jim Maloney, Petitioner, Connecticut Community Facility Development Corporation (CCFDC); Geoffrey Herald, Danbury Museum & Historical Society Authority, Chair; Bob Doyle, Danbury Museum & Historical Society Authority, Treasurer; and Ken Gucker, Resident.

Mr. Henry confirmed that the item received a positive recommendation from the Planning Commission. Mr. Pinter provided a brief overview of the surplus request and available options (A and B). He noted that the State has extended the city's option to purchase deadline (Option A) twice, but is not sure if they will do it again, and noted that Option B is the topic of this ad hoc.

Mr. Maloney discussed other revitalization initiatives for south Main Street, including plans for improvements and preservation. This proposal includes the acquisition of five parcels and includes the preservation of the courthouse (externally and internally), housing, parking, retail, and upgrades to roads and sidewalks surrounding the parcels. The project will create 100 fulltime job opportunities. CIFC will facilitate the market rate housing portion of this project.

He addressed the abutting property which would need to be purchased, and he indicated that the property owner is willing to sell all the parcels together. He noted that \$900,000 is the contingency for the purchase price/repairs of the courthouse; the total project is about \$6.5 million, and the estimated project value is \$60 million. The plan is to execute a 50-year lease, with a 50-year option to renew, and a triple net lease for \$1 per year, plus costs. Mr. Kleinhans expressed the Mayor's support of the grant application and proposed project.

Mr. Hanley stated he supports the project as long as grant funding is acquired. Mr. Pinter confirmed the proposal includes the acquisition of five parcels, and noted the City's responsibility with regards to contributions and funding for the courthouse. He noted that the State valued the property at \$1.64 million; however, the State will consider a lower value if the City performs an appraisal.

Mr. Maloney clarified possible additional leasing costs with Mr. Buzaid, and he addressed the option for the City to purchase the courthouse after at least 15-years. He clarified the availability of grant funding with Mr. Henry.

Mr. Herald expressed concern regarding the estimated renovation, preservation, and accessibility upgrade costs to the courthouse. Furthermore, he noted that the museum does not have funding available to cover maintenance/repair costs if they occupy part of the space. Mr. Maloney noted that the courthouse will be leased to the City of Danbury, and the City will determine the building use and occupants, he also addressed the need for market rate housing in the City. He verified that the City would not be responsible for any cost overrun with regards to the renovation of the courthouse, and he encouraged the City's input regarding estimated renovation and preservation costs.

Mr. Perkins asked about discrepancies in cost estimates and suggested including real costs in the application submittal. Mr. Maloney suggested that the application amount be increased to \$6.5 million. Mr. Pinter suggested an amendment to the resolution be made on the floor at the City Council meeting.

Mr. Iadarola stated that the City does not have enough information to make a comprehensive estimate at this time. Furthermore, he noted that he does not recommend commingling construction monies, with contingency monies

for acquisition, and he asked about deadlines. Mr. Kleinhans confirmed there is no announced grant application deadline date at this time but noted that when one is announced, the filing deadline is quick.

Mr. Perkins suggested continuing the discussion until real costs are available. Mr. Buzaid suggested the Committee increase the cost estimates to reflect today's economy and supply demands. Mr. Henry recommended that the Committee move forward with a recommendation to allow the CCFDC to apply for the grant, due to the narrow filing timeline when deadlines are announced.

A motion made by Councilman Esposito III, and seconded by Chairman Henry, to recommend the approval of, pursuant to SGS Section 32-285, a Connecticut Department of Economic Community Development, DECD, authorized to extend financial assistance for economic development projects and whereas is desirable and in the public interest of the City of Danbury, and along with the Connecticut Community Facility Development Corporation, CCFDC, an application to the state DECD for \$3 million, in order to undertake the acquisition of the historic courthouse at 71 Main Street, together with two parcels of land immediately adjacent to the east, to be used for parking, including repairs of the courthouse structure, installation of sidewalks, improvements to the intersection of Main Street and Park Place, and the demolition of deteriorated structures on the parcel closest to the courthouse, and to execute an assistance agreement, all such activity is furtherance of the City south Main Street revitalization efforts; now there be resolved that the City of Danbury is cognizant of conditions and prerequisites of the State's financial assistance imposed by CGS 32-285A; and that the filing of the application for State financial assistance by the City of Danbury, and Connecticut Community Facility Development Corporation, in an anticipated amount of \$3 million, is hereby approved, and that Dean Esposito, Mayor of the City of Danbury, is directed to execute and file such application with the Connecticut Department of Economic Community Development; to provide such additional information to execute such other documents as may be required to execute the assistance agreement with the state of Connecticut for financial assistance, if such an agreement is offered to execute any amendments, decisions, and revisions, there to, and to act as authorized representative of the City of Danbury.

The motion was amended.

A motion made by Councilman Esposito III, and seconded by Chairman Henry, to amend the resolution to reflect the changes of; the number of two parcels to five parcels, and change the application amount to \$6.5 million.

1 ABSTENTION (Perkins). The motion carried.

A motion was made by Councilman Esposito III, and seconded by Councilman Perkins, to adjourn. The motion carries unanimously. The meeting adjourned at 7:05 p.m.

Respectfully submitted,
Michael Henry, Chair
Duane Perkins
John Esposito III