

**CITY OF BRIDGEPORT
CONTRACTS COMMITTEE
TUESDAY, FEBRUARY 11, 2014
6:00 PM**

ATTENDANCE: Co-chair Austin; Co-chair DeJesus, Council members: Holloway, Paoletto, Brannelly, Salter

NON-COMMITTEE: Council President McCarthy, Banta, Swain, Torres, Halstead

CITY STAFF: Associate City Attorney Pacacha; Bill Coleman, OPED;
Steve Hladun, Parks & Recreation

OTHER(s): Representative: Tom Judge (Project Manager); United Illuminating

Co-chair Austin called the meeting to order at 6:15 pm.

Approval of Committee Minutes of January 14, 2014.

**** COUNCIL MEMBER BRANNELLY MOVED TO ACCEPT THE MINUTES**

**** COUNCIL MEMBER PAOLETTO SECONDED**

**** MOTION PASSED UNANIMOUSLY**

13-13 Proposed Resolution concerning Ground Lease with United Illuminating Company to facilitate the construction of a Solar Electricity-Generating Facility on the landfill near Seaside Park and the construction of a Fuel Cell Electricity-Generating Facility on adjacent land.

Attorney Pacacha stated that United Illuminating representatives were supposed to be present tonight, but they had another meeting to attend before the Parks & Recreation board.

Council member Holloway stated that it was important to hear what UI had to say about the project. He said he felt the meeting was useless without hearing from them.

Attorney Pacacha gave an update about the project. He stated that it has been in the works for 1 ½ years. He referred to the Memorandum of Understanding (MOU) that permitted UI to pursue an application to generate renewable power. He explained that since UI has been out of the generation business for ten years, during October 2013, PURA permitted them to generate renewable power at the amount of wattage outlined in the resolution. He further explained that there was a lot of negotiation and drafts to come to an agreement for the ground lease. He stated that there are a number of approvals to go through from: Connecticut Citing Council and PURA for *final approval*.

Council member Holloway asked if PURA dictates how much the city receives from United Illuminating. Attorney Pacacha replied no, the rent is proposed through United Illuminating's application. They negotiated a lower price with taxes and the land rent equates to approximately \$7 million over five years. He clarified that nothing was vetoed by PURA in terms of tenant terminator rights as was stated by Council member Torres. He stated that the matter was finished because negotiations weren't complete.

It was noted that Bruce McDermott, attorney for United Illuminating was present.

Council member Torres referred to the contract for the purpose of addressing the issues he had with specific sections outlined in Section 3-C; Section-6-E and Section-6-F.

The following is a summary of the topics that Council member Torres had regarding the contract and Attorney Pacacha's responses:

- Tenant termination rights **Response** the language exists all the time in lease agreements.
- The representation that the site is not a landmark **Response** the landfill is specifically excluded per the document referenced; and the landfill is **not** part of the ground lease designation.
- Condition of the land fill according to D.E.E.P. – the facility is in arrears in terms of the recording process at D.E.E.P which might mean the property is in violation. It was thought that this could be a major cost to the city if it was found that the land is not acceptable according to D.E.E.P. **Response** there is a provision placed in the contract to ensure that once United Illuminating installed facilities, for example: if there's a gully erosion and the city doesn't want to fix it, United Illuminating will fix it and bill the city; it's only an obligatory remedy.
- Non-compliance with zoning laws – the area is Residential-A and today the property isn't in compliance and it will require a zone change **Response** it's a pre-existing non-conforming use under zoning.
- Giving authority to clean up the landfill if a problem is encountered **Response** United Illuminating doesn't have the right to clean the landfill unless they went to the state and asked for a closure order. If there are improvements to the dike, landfill, pole lines or if they encounter contaminated soils, it's the city's responsibility to remove it and United Illuminating will remove it and it will be a cost to the city.

- Tenant security measures – asked for clarification about this aspect of the contract; it was thought that the wording was vague **Response** whatever UI installs is subject to approval by the Citing Council and the City Council, similar to the procedure that was done for the fuel cell on Fairfield Avenue. *Comment – there was a suggestion that language should be added to the contract to avoid any risk.*
- Environmental indemnity – exposing the city to the potential for massive liabilities for people that will be there. Until the site is capped and sealed, it's not an appropriate area for people to work on **Response** when UI comes in, the contractor provides insurance and indemnity bonds and the city is the beneficiary of those. After the project is completed, there shouldn't be anything that will be exposed to anyone and there shouldn't be any contact with hazardous materials. *Comment – it was thought that in this case, the language should be stricken* **Response** it's mandatory to have to have indemnification outlined in the contract.
- The right for United Illuminating to do what they want once the contract is signed **Response** protection comes with the Citing Council approval and any changes in the landfill; they have to maintain a fuel cell, but they wanted to ensure that they can operate as a utility and energy generating facility because it's in the context of their use and it should be their right.

Council member Torres submitted a letter into the record from Bloodroot Restaurant that outlined a request for denial of the item.

Attorney Pacacha referred to the Park Master Plan that outlined Seaside Park/Barnum Field solar array landfill information – *submitted into the record*

**** COUNCIL MEMBER BRANNELLY MOVED TO ENTER EXHIBIT 13-13-13-2-11-14 PARK MASTER PLAN INTO THE RECORD**
**** COUNCIL MEMBER PAOLETTO SECONDED**
**** MOTION PASSED UNANIMOUSLY**

**** COUNCIL MEMBER BRANNELLY MOVED TO ENTER EXHIBIT 14-13-13-2-11-14 LETTER FROM BLOODROOT RESTAURANT INTO THE RECORD**
**** COUNCIL MEMBER PAOLETTO SECONDED**
**** MOTION PASSED UNANIMOUSLY**

**** COUNCIL MEMBER BRANNELLY MOVED TO ENTER EXHIBIT 15-13-13-2-11-14 COPY OF GROUND LEASE INCLUSIVE OF COUNCIL MEMBER TORRES OBSERVATIONS AND THE CITY ATTORNEY'S RESPONSES INTO THE RECORD**
**** COUNCIL MEMBER PAOLETTO SECONDED**
**** MOTION PASSED UNANIMOUSLY**

Council member Swain commented about the income the city will receive. She mentioned that they should be cautioned if they pull out at any time, which will affect

what the city will receive. She further commented that the contract is lengthy and detailed and she asked the committee to consider not rushing into a vote until it's thoroughly reviewed.

Council member Holloway stated that it's his 21st year serving on the city council. He said he was part of the Natural Resource Committee that brings in (120) people out of the fifty states three times per year. He recalled that the Department of Environmental Protection began in 1966 behind a flare up in the Ohio River, because there was the dumping of sludge and chemicals into the river. However, he said they learned that the DEP and DEEP will not grant a permit to build anywhere unless they give the okay. He said he knows for a fact that they will not get a permit to build on contaminated soil unless it's cleaned up and meets three standards for heavy industrial, light industrial and residential. He recalled the Seaside Park dump that in the past burned daily for years and subsequently closed in 1987. He explained that all the contaminated debris that popped up from the ground was cleaned up. He further stated that he has seen other cities build windmills that are killing eagles, so he thought that this proposal is a way to generate energy without harming the ecology. He stressed that they are looking to get taxpayers and ratepayers the best buck for the dollar and he likes the project and will vote yes. However, he stated that he was slightly distraught that he didn't feel they were getting the best buck for the dollar. Attorney Pacacha responded that they used the National Development Council to look at the projections of the best rent they could get for this particular use. They averaged per acre based on the fair rent generated. He stated that the information is what they received from PURA. He added that the rent will be much higher than it was originally anticipated.

Attorney Pacacha commented that they could decrease the use of coal fire plants through the installation of fuel cells; even though this type of proposal only generates a small amount of energy.

Council member Halstead asked what the Citing Council's role was. Attorney Pacacha said they have the overruling over local zoning. They are the preemptive jurisdiction for this type of project. He further noted that there will be a public hearing scheduled.

Tom Judge, Project Manager displayed rendering of the project to show the visual impact of the project. He referred to the renderings and gave an overview of the site landfill area. He noted that at the top of the landfill it's 12.4 acres. He pointed out the area where the fuel cell will be installed and will generate 2.2 megawatts of solar.

He went on to review the three different views located at the following sites:

Black Yacht Club – the rendering showed the solar panels **Captains Cove** – the rendering showed the back of the solar facility and it was noted that there won't be any significant changes to the landscape **West Beach Bath House** there is no great visual impact. He pointed out where there will be one single panel that sits at 15-degrees from flat and 24 inches above ground, noting that the conduit stays above ground and all the converters will be tucked in and not visual.

Co-chair Austin asked if only the visibility of the structure was the color glass. Mr. Judge said yes.

Mr. Judge stated that the fuel cell facility is tucked in and measures approximately 70x70x50 feet wide.

Mr. Judge commented that it's not United Illuminating's intent to get out of the contract, noting that they are investing a large amount into the project. They are going to PURA with the cost estimate and they will evaluate the project again and let them know if they can move forward. They also require approvals from the Citing Council and the D.E.E.P. Overall, the solar facilities will be evaluated and the city will have the opportunity to comment on feedback from the Citing Council and D.E.E.P. He emphasized that if at any time in the future they say they no longer want it, the intent isn't to build and abandon the facility. If they decide to leave, they have to return the landfill to its original state.

Council member Brannelly stated that the three other renderings presented at the community meeting weren't available tonight to see the visual impact. She stated that she wouldn't vote on the item until she sees the visual impact as they were requested. She stressed that the visual perspective from her neighborhood is crucial. She repeated that she wouldn't vote in favor tonight.

Council member Torres mentioned the solar panels being noticeable from I-95; he asked if that was correct. Mr. Judge said the landfill is far away. He speculated that they would see what is similarly seen on the Black Rock Yacht Club rendering that was displayed.

Council member Torres asked that the UI representatives leave the renderings they displayed for the city council's reference – *Mr. Judge distributed copies of 8x11 renderings.*

Council member Swain stated that the residents are concerned about who is paying for the fuel cell and how much the rate will go up. Mr. Judge said that the assets that will go into the rate and generation from the facility are returned to the ratepayer based on market value. He added that it will amount to an increase of .2 to .3 cents per month. He noted that the cost of the project is roughly \$22 million.

Co-chair Austin asked if the ratepayer will eventually see a discount due to the reduced use of kilowatts that will be needed. Mr. Judge stated that eventually, there will be a return on the facilities in terms of assets.

Council member Torres stated that the average kilowatt cost is .7 cents per kilowatt. He said he felt that the cost would be drastically greater than what they currently are paying. He also said he didn't feel there would be any savings to the ratepayer in the long run.

Council member Torres questioned other aspects of the contract related to: the disruption permit applied for; renewable solar power and the plume of steam into the area that might be noticeable. Mr. Coleman stated that they will meet with Mr. Tedesco of the EPA of Long Island Sound to follow up on these issues.

**** COUNCIL MEMBER BRANNELLY MOVED TO ENTER EXHIBIT 16—13-13-2-11-14 SET OF FIVE (5) 8X11 RENDERINGS AS DISPLAYED AND REFERENCED DURING THE MEETING**

**** COUNCIL MEMBER SALTER SECONDED**
**** MOTION PASSED UNANIMOUSLY**

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE**
**** COUNCIL MEMBER HOLLOWAY SECONDED**

Council member Brannelly stated that she preferred to see the renderings that she requested at the community meeting and through the administration before voting on the project. She emphasized that they need to know the impact on the neighbors and property values. She suggested tabling the item.

Council President McCarthy recapped that Council member Brannelly requested renderings of specific views. Mr. Judge stated that currently, they don't have the views that were requested. He explained that they processed renderings for what they thought would be the most popular views. He noted that he thought the view from Fairweather would be much less impactful.

Council President McCarthy asked if the renderings that Council member Brannelly requested would be done by Friday. Mr. Judge said they could provide the Fairweather rendering, but it will take a couple more days to produce the other views.

Council President McCarthy stated that there is city council meeting on Tuesday and if the item passes tonight, it will be on the agenda. He said the other alternative would be to hold a special meeting before the city council to discuss the other views. He clarified that they need to know if the other views requested would definitely be done to avoid the item being added off the floor at the city council meeting. Mr. Judge responded that the Fairweather view would definitely be done, but the other two views at the condominium complex and Brewster Street will require taking a technically enhanced picture and then producing them – *after checking about availability of the views, Mr. Judge verified that the new views/renderings will definitely be done and available on Monday, February 17, 2014.*

Council President McCarthy stated there was an option to vote the item out of committee with the understanding that the views will be provided at the city council meeting scheduled on February 18, 2014. He stated that if Council member Brannelly still has an issue with the item, she could speak about it then.

Council member Brannelly stated that she hoped the project would pass, noting that it probably has the support of the full city council without her vote. She said she hesitated to hold up the matter with her request, however; she is not in favor of adding items to the floor and she reiterated that she would like to see the item tabled tonight and come back to committee to review the new views.

Council member Holloway made an attempt to explain that the views Council member Brannelly was concerned about wouldn't have a great visual impact. He suggested that they vote the item out of committee.

A role call vote was taken as follows:

Yes vote: Council members: DeJesus, Holloway, Paoletto

No vote: Council members: Brannelly and Salter

**** MOTION PASSED WITH THREE VOTES IN FAVOR AND TWO VOTES IN OPPOSITION (COUNCIL MEMBERS: BRANNELLY, SALTER)**

23-13 Proposed Resolution concerning Tax Cooperation agreement with Housing Authority regarding Maplewood Courts Apartment.

Bill Coleman distributed a copy of the resolution. He stated that Keith Cryan, Mutual Housing was present to speak about the property. He said they were asking the committee to consider the formal establishment of a tax abatement for eight (8) of the units; noting that there are thirty-two (32) units total and eight of the two units are public housing units that are eligible for a tax break.

Mr. Cryan stated that the rent will vary and the maximum rent is 60% of the area median income that amount to \$375.00 per month for operating cost. The tax is 10% of the shelter rent, i.e., the city receives \$37.50 per month that equates to roughly \$440.00 per year.

Mr. Coleman recalled that the deal was brought before the city council during 1999, but there weren't any minutes available and no proof that the city council passed the item.

Mr. Cryan mentioned that they have been paying taxes on the property since 2007.

Mr. Coleman asked the committee to approve the resolution for the purpose of establishing an agreement as it was outlined.

Council member Holloway questioned why they were unable to find the minutes for the meeting back in 1999. Mr. Coleman confirmed that was the case, noting that because of that, they should assume that there was no action taken (*he referred to a document that*

indicated minutes weren't available for the meeting held during 1999). Council member Holloway was adamant that there should have been minutes recorded for the meeting, noting that the city clerk should have a copy of them on file. Mr. Cryan reiterated that they couldn't find the minutes.

Council member Holloway asked the location of the site. Mr. Coleman said the site was at the old Maplewood School.

Council member Holloway asked if each rental would pay \$37.50 per month. Mr. Coleman said yes, noting that the amount consists of 10% of what Mutual Housing receives.

Council member Holloway stated that he had a problem with residents that make less than the minimum wage, in relation to what is required to live there. He noted that if a resident isn't making enough; it could cause a hardship.

Council member Salter asked if any of the units were Section-8. Mr. Cryan said they have eight (8) Section-8 units.

Mr. Cryan explained that the Housing Authority contributed \$700k equity at the time under the Father Panik Village relocation agreement. However, it doesn't service any debt and it only contributes to the operating area. And even if they get Section-8, it only pays 50% of the fair market rate, which still meets the low income criteria.

Mr. Cryan clarified that the (8) units will always be Housing Authority units and public housing in perpetuity. He added that if they don't remain that, then normal taxes will apply.

Council member Brannelly asked what the normal tax on a regular unit was. Mr. Cryan said the tax is approximately \$1,400.00 per year that equates to an \$11,000.00 difference in tax revenue.

Council member Paoletto stated that he and Council member Holloway have dealt with Mr. Cryan and Mutual Housing and they are familiar with the Father Panik Village lawsuits. He said that he was aware that both Bill Coleman and Keith Cryan are trying to do the right thing.

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE**

**** COUNCIL MEMBER HOLLOWAY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

***Consent calendar**

25-13 Proposed Lease-Purchase agreement with PNC Equipment Finance, LLC for tractor equipment at Golf Course D. Fairchild Wheeler.

Steve Hladun stated that he was present on behalf of Charles Carroll, Department of Parks & Recreation. He stated that he reviewed the lease with PNC Equipment for a tractor and attachments to the tractor. He explained that the golf course has thirty-six(36) holes, noting that the catering facility has enjoyed more usage than in the past and maintenance of the grounds is key to keeping up clientele; so the equipment is critical to maintain grounds – *he referred to pictures of the type equipment they were looking to lease*. He stated that the type of equipment reference will be used for multiple years and it will replace the older equipment.

Council member Holloway stated that being a golfer, generally no golf course owns any equipment, it's usually rented or leased. And when the equipment depreciates, it's leased or rented again. He said he felt that it was a good thing to improve the equipment to properly operate the golf course.

Council member Brannelly asked how old the equipment was. Mr. Hladun said the grounds keeper uses the equipment on a rotating basis year round. He explained that if they encounter operating problems, they will service the equipment as much as possible. He added that the Department of Parks & Recreation has funding in the general fund for these types of purchases for landscaping and maintenance of the golf course.

Council member Salter asked what the cost was for the equipment. Mr. Hladun said over the course of the lease the equipment cost will be approximately \$85k for the types of equipment outlined in the lease. He explained that it's one primary piece of equipment with attachments.

Council member Torres asked cost to lease the equipment on a monthly basis. Mr. Hladun said it's five payments over the term of the lease that averages out to a cost of \$20k for each piece of equipment.

Council member Torres asked who owns the equipment. Mr. Hladun said at the end of the lease there is an option to buy. He explained that there is a benefit to having a lease on the equipment and instead of paying cash upfront, there is the benefit of servicing and spreading the payments over a number of years. He added that the equipment is virtually self-sustaining.

Council member Holloway asked the number of golf rounds there are in a typical year. Mr. Hladun said they aim for a minimum of 60,000 rounds, noting that they may exceed that number at any given time.

Council member Holloway stated that during 1996, when the city agreed to franchise out the golf course; he was against it because he felt the city had better employees at the course and it brought in \$800k-900k per year to the general fund. He emphasized that he thought it was wrong that they needed budget approval through the city council for an entity that is consistently a great money making entity.

Council member Banta stated that since they will lease the equipment with the option to own, he asked who pays for the maintenance. Mr. Hladun said that servicing is provided in the lease.

Council member Banta questioned if the equipment isn't being used, is it able to be used for a different location. Mr. Hladun said the golf course is under the umbrella of the Department of Parks and Recreation. He said if they needed to use the equipment elsewhere such as at the Ninety-Acres property, then they could coordinate the use of the equipment as needed.

Council member Banta asked the number of high schools in the city that have a golf team. Mr. Hladun said he wasn't sure of the exact number, but he believed that there was a golf team at Central High School. It was mentioned that there are probably golf teams at the other high schools as well.

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE**
**** COUNCIL MEMBER HOLLOWAY SECONDED**
**** MOTION PASSED UNANIMOUSLY**
***Consent calendar**

ADJOURNED

**** COUNCIL PRESIDENT AUSTIN MOVED TO ADJOURN**
**** COUNCIL MEMBER HOLLOWAY SECONDED**
**** MOTION PASSED UNANIMOUSLY**

The meeting was adjourned at 8:10 pm.

Respectfully submitted,

Diane Graham
Telesco Secretarial Services