



MINUTES of the Workshop of the Board of Estimate and Taxation on Greenwich Transportation Center Redevelopment Agreement held on Thursday, September 19, 2019, in the Cone Room, Greenwich, CT.

Jill Oberlander, BET Chair, called the meeting to order at 9:00 A.M., after which the members pledged allegiance to the flag.

Board members in attendance:

Jill K. Oberlander, Chair
Jeffrey S. Ramer, Vice Chairman
Elizabeth K. Krumeich, Clerk
Andreas Duus III
Karen Fassuliotis
Debra Hess
Michael S. Mason
Leslie Moriarty
Leslie L. Tarkington
Anthony Turner
David Weisbrod

Staff: Ben Branyan, Town Administrator; Lauren Elliott, Assessor; J. Wayne Fox, Town Attorney; Gene McLaughlin, Assistant Town Attorney; Peter Mynarski, Comptroller; Howard Richman, Tax Collector

Selectmen: Peter Tesei, First Selectman; John Toner, Selectman

RTM: Peter Berg, (D-8), Chairman, Land Use Committee (LU); Francis "Kip" Burgweger, (D8), Legislative and Rules Committee (L&R); Duncan Burke, (D2), Land Use Committee; Dean Gamanos, (D7), Parks & Recreation Committee; Mareta Hamre, (D10), Education Committee; Miriam Kreuzer, (D7), L&R; Arline Lomazzo (D6), Chair, Public Works Committee; Roz Nicastro, (D3), Budget Overview Committee (BOC); Molly Saleeby, (D8), BOC; Louisa Stone, (D10), LU; Joanna Swomley, (D10), Town Services Committee; Lucy von Brachel, (D4), Transportation Committee

Other: Joseph Angland, Chairman, Greenwich Democratic Town Committee; Ken Borsuk, Reporter, *Greenwich Time*; Bruce Cohen, Attorney, outside counsel for The Ashforth Company (Ashforth) and Greenwich Plaza, Inc. (GPI); Darrell Harvey, Co-Chief Executive Officer, Ashforth; Ryan Harvey, Senior Vice President - Investments, Ashforth; Richard Kaufman, Reporter, *Greenwich Sentinel*; James Moran, Cushman & Wakefield, Appraiser for GPI; David Morosan, Attorney and Principal, Cohen & Wolf, outside counsel for Town of Greenwich (TOG); Stephen P. Olvany, CBRE, Appraiser for TOG; R. J. Scofield, Reporter, *Greenwich, CT*

1. Call to Order and Pledge of Allegiance

The Chair welcomed BET members, Board of Selectman members, Representative Town Meeting (RTM) members, representatives of the Ashforth Company and members of the public to the Workshop on the Greenwich Transportation Redevelopment Project. Ms. Oberlander thanked representatives of the Ashforth Company for participating in this workshop discussion.

2. Discussion of Greenwich Transportation Center Redevelopment Agreement

Ms. Oberlander explained that the informal discussion format was requested by BET members to assist with the decision-making responsibilities of Town officials and for transparency on the issues that have arisen out of their review of the draft of the Greenwich Transportation Center Redevelopment Agreement between the Town of Greenwich (TOG) and Greenwich Plaza, Inc. (GPI) (the Agreement).

Mr. Darrell Harvey provided a history of the Greenwich Transportation Center redevelopment project between TOG and GPI (the Project), noting that the Project had a five-year history of discussions about the complexity of the original lease agreement and several years of discussion about the north side property. Mr. Harvey indicated that he has been working with the Office of the First Selectman (OFS) for about a year on the proposed deal structure. He indicated that Ashforth desires a resolution of the long term impact of the air rights lease as it considers its options for renovation or redevelopment of the contiguous properties. Mr. Tesei noted that GPI has successfully appealed the Assessor's valuation of Greenwich Plaza several times since 2008 citing the lease termination dates, providing support for the position that the Town should resolve the uncertainty created by the current air rights lease.

BET members questioned the basis of the market value of the building being the Town's assessed value, which is based on computer-assisted mass appraisal (CAMA) software rather than a building-specific income per square foot approach that a developer would use to determine fair market value; the use of a Restricted Appraisal Report for the Town's hired independent appraisal; no recognition of the additional value accruing to GPI by eliminating the lease; the use of a 10 percent discount rate rather than a more appropriate reinvestment rate; the precedent of a transaction involving several contiguous parcels; reasons the First Selectman did not engage a firm with expertise in valuations and structures of public/private partnerships; alternative structures considered; and valuation methodology of the public benefit that would accrue to the Town from the development on the north side.

Continuing the discussion, BET members discussed alternatives and possible next steps, including ways to assess acceptable values, unbundling the individual components of the current deal, extending the air rights lease for an additional 50 years, and pursuing a new deal structure.

Ms. Oberlander opened the discussion to allow attendees to participate. Issues identified included the maintenance and general upkeep of the Greenwich Railroad Station, valuation of the public benefit, valuation of the air rights lease, and cash flow impact to the Town. First Selectman Tesei indicated that his intention is to place the Agreement on the RTM October Call for its due diligence examination of the financial and transactional aspects of the proposal.

The Chair indicated the BET would continue its discussion of the issues related to the Project during the BET's September 23, 2019, meeting, although no vote is scheduled on the proposal. Any additional questions from BET members are requested prior to the upcoming BET meeting for forwarding to the OFS. It was noted that a hearing on the application for Municipal Improvement (MI) status is scheduled for the Planning & Zoning meeting to be held on September 24, 2019.

Ms. Oberlander thanked attendees for their interest and participation and assured representatives of Greenwich Plaza, Inc. that all parties were committed to seek the best relationship possible.

3. Adjournment

Upon a motion by Ms. Hess, seconded by Ms. Moriarty, the Board voted 11-0-0 to adjourn the meeting at 11:39 A.M. Motion carried.

The next Regular Meeting of the Board of Estimate and Taxation is on Monday, September 23, 2019, at 6:30 PM in the Town Hall Meeting Room.

Respectfully submitted,

Catherine Sidor, Recording Secretary

Elizabeth K. Krumeich, Clerk of the Board

Jill K. Oberlander, Chair