TRANSCRIPT OF JOINT PUBLIC HEARING OF THE CITY OF STAMFORD URBAN REDEVELOPMENT COMMISSION and LAND USE-URBAN REDEVELOPMENT COMMITTEE, BOARD OF REPRESENTATIVES

JULY 11, 2013

6:00 P.M.

IN RE: LU28.070

CHAIRMAN DAY: If I could have everybody's attention, I am going to call to order the meeting of the Land Use and Urban Redevelopment Committee of the Board of Representatives. This is a joint meeting of the Land Use Committee and the Urban Redevelopment Commission for purposes of holding a public meeting to consider Item LU28.070, resolution in public hearing approving a proposed plan amendment to the Urban Redevelopment Commission Mill River Corridor Plan that: One, extends the project boundaries; two, expands available financing options; and, three, complies with Connecticut General Statutes Chapter 130 amendments regarding a ten-year plan review.

My co-chair is Taylor Mulgano. And, Taylor, would you like to call to order the meeting.

MR. MOLGANO: I would like to call the meeting of the Urban Redevelopment Commission.

MS. GOLDBERG: And open the public hearing.

MR. MOLGANO: And open the public hearing.

MS. GOLDBERG: On behalf of the Commission.

MR. MOLGANO: On behalf of the

Commission.

CHAIRMAN DAY: Right. And I am now opening the public hearing on behalf of the Land Use Urban Redevelopment Committee. So we have a joint public hearing. This public hearing was properly noticed as required by state statute and by the Mill River Corridor Plan. The statute and the plan require that the URC have a public hearing for a so-called major change to the plan. This is unquestionably a major change, so it requires such a public hearing; and also, the Land Use Committee by custom not by any regulation, also holds the public hearing. So as in the past we are holding this public hearing jointly for the purpose of economy, of time.

It's five after six and the concert outside probably gets underway around 8 o'clock. So if there are other people that like Ryan Cabrera, like myself, I'm hoping we will all be out of here in time to watch him.

MS. GOLDBERG: Unless I am going to get paid by the word, I'm going to be really brief.

CHAIRMAN DAY: Okay. So the matter has been considered in some amount of depth by our Committee.

As a matter of procedure, I should point out that the Land Use Committee does not have a quorum tonight, so we won't be able to vote on it. But we don't vote until after you guys vote anyway.

MS. GOLDBERG: Right.

CHAIRMAN DAY: So it just means that we have a subsequent meeting this month where we will actually vote. But you have a quorum, so after the public hearing is through, you may adjourn and go ahead and approve it.

MS. GOLDBERG: The Commission has our regular meeting tonight, so after the public hearing closes, we will adjourn back to our regular monthly meeting, which we already started.

CHAIRMAN DAY: Okay, great.

MS. GOLDBERG: And we will take a vote up there. I will advise you and the Board of Rep staff what the vote is and that way the record will be set. Assuming that it's a positive vote, I will send you a copy of the resolution passed by the Commission.

CHAIRMAN DAY: Okay. That's really terrific. So we have already discussed it at our prior meeting, which we scheduled this public hearing, but I think for purposes of the record, you might want to just quickly outline what we are talking about. And I also asked Rachel, just for benefit of my committee members, to give us a red line version of the changes of Section 905 to the Mill River Collaborative Plan -- the Mill River Corridor Plan, so if anybody wants -- I will distribute these.

MS. GOLDBERG: My board members already have a copy of that same red line.

CHAIRMAN DAY: Right. Thank you for doing that, Rachel.

MS. GOLDBERG: I'm happy to do it. I should also point out quickly for the record that the statute requires an opinion from the planning board --

CHAIRMAN DAY: Yes.

MS. GOLDBERG: -- that the proposed plan amendments are consistent with the existing City master plan. They have indeed -- we met and made a presentation before the Planning Board, and on June 11th, they did issue an opinion indicating that the proposed amendments to the Mill River Plan are consistent with the City's master plan. And that, in fact, is already up on the Board of Reps' website as a link associated with this meeting.

CHAIRMAN DAY: Right.

MS. GOLDBERG: As Chairman Day pointed out, there are three principal aspects to the proposed plan amendment.

The first is to expand the project boundaries to the north and to the south along publicly-owned properties, only publicly-owned properties, so that the expanded project and TIF boundary area doesn't create a nightmare of financial computing to figure out changes in the tax and financing base year.

CHAIRMAN DAY: Another way of putting it, it provides additional areas where the funds can be used but not sourced.

MS. GOLDBERG: Right.

CHAIRMAN DAY: Yes.

MS. GOLDBERG: The first area is shown on Map No. MRCP-1A, which is part of the Exhibit A package. This is a blow-up of that area, and it extends from the current northern boundary of the Mill River Plan, which is right about Hanrahan Street, opposite where the UConn garage is and extends north to Scalzi Park, coming back towards Washington Boulevard.

I borrowed this from Milton's office

this morning because this might give easier context visually to see what area is encompassed, and it follows both sides of the river permitting improvements to be constructed in those areas and those improvements to be paid for out of the tax increment or out of financing associated with the tax increment, right. The way the statute reads you may only expend funds, tax-increment funds, within the boundaries of the tax-increment history.

MR. FOUNTAIN: Rachel, two questions just for orientation: The north end is right beside Woodside Firehouse?

MS. GOLDBERG: It's -- yeah, the firehouse is -- is that it there?

MR. PURYEAR: It's the building just below the very end.

MR. FOUNTAIN: Yeah, that's what I thought. It's right beyond Woodside Firehouse. And the reason you are not adding anything at the south end on this side down towards Broad is because it's already in Mill River?

MS. GOLDBERG: Yeah, the existing Mill River Plan extends already. This is the UConn garage and this is Hanrahan over here. It already extends up to here.

MR. FOUNTAIN: Okay.

MS. GOLDBERG: And so we're meeting that boundary and extending it north in this narrow corridor.

MR. FOUNTAIN: Okay.

MS. GOLDBERG: On the south side, the south boundary expansion or extension is delineated on Map No. MRCP1B. MRCP1 is the existing boundary map, so we just made north A and south B. And it goes from the current southern boundary, which is by the highway, south. And, again, I think this is a simpler visual cue to where it goes by the Pulaski Street bridge down a little bit further. I'm not sure how to describe that.

MR. PURYEAR: Basically to the property boundary of Harbor Point --

MS. GOLDBERG: Yeah.

MR. PURYEAR: -- proposed property boundary where they have constructed the greenway.

MS. GOLDBERG: That connection. So there will be a natural connection all the way from the water and the development south by others all the way up to Scalzi Park.

And, again, within this new area, we would be able to utilize tax increment funds if they are added to the district and to the project plan.

MR. FOUNTAIN: Okay. The Pulaski --

MS. GOLDBERG: The Pulaski Street bridge is right here.

MR. FOUNTAIN: Okay. And Greenwich Boulevard, the roundabout that's being proposed over there --

MS. GOLDBERG: Is right here.

MR. FOUNTAIN: Okay. It will not go into this property or does it matter?

MS. GOLDBERG: It does not. If you go back to the map, you'll see that -- here is the Pulaski Street bridge. The area here is not impact. This is where the Czescik homes are. The area of the roundabout is over here by Waterside Place, as I understand it.

CHAIRMAN DAY: Waterside Place is actually being discontinued.

MS. GOLDBERG: I didn't see anything in the materials that I've been privy to that in anyway impacted the Czescik-owned property for that road project. And as you know, I have been asked to help the City with one property acquisition.

MR. FOUNTAIN: Go back to the other map, Rachel. So past Pulaski, it doesn't really extend onto the land on the west side of the Mill River because we don't own any land --

MS. GOLDBERG: That's right.

MR. FOUNTAIN: Okay. It goes down the east side behind the buildings on Berkeley Street; is that right?

MS. GOLDBERG: Yes. It hugs the --

MR. PURYEAR: It includes the little park south of Pulaski Street.

MR. FOUNTAIN: Yeah, that little park there at the edge?

MR. PURYEAR: Yes.

MR. FOUNTAIN: Okay. And it goes on down, and then it picks up with what BLT has already done.

MS. GOLDBERG: Well, it ends right where BLT starts.

MR. FOUNTAIN: Okay.

MS. GOLDBERG: You can see the heavy line is really tight and tied for the most part with the river to avoid including privately-owned properties within the district.

MR. FOUNTAIN: The homes, you know,

the ones you mentioned right above Pulaski, what is the plan for those long term? Do we have a plan for them or --

MS. GOLDBERG: We don't have the -- the Mill River Project Plan does not have at this point a long-term plan for them. But the Charter Oak has talked about a whole variety and others have talked about a whole variety of options for what may happen at those properties in the future.

MR. FOUNTAIN: Are they in a flood plain now?

MR. PURYEAR: Yes. They are in the hundred year.

CHAIRMAN DAY: I got in trouble last time for making a comment on that, so I won't make it this time.

MR. FOUNTAIN: Don't make it. Don't need to.

MS. GOLDBERG: Better you than me.

CHAIRMAN DAY: Yeah.

MS. GOLDBERG: The second principal change is in the Section 905. And Harry's idea of doing the red line, I think, was really very, very helpful because it crystallizes the changes.

What we've done is in the original plan

we had a vision of how we would be financing bonds or other borrows using the TIF, the tax increment fund. What we have proposed with this plan amendment is to increase the tools in our tool box so that when we go to market, we have as much flexibility as we may achieve in order to get the best rate.

The plan was originally written 11, 12 years ago and the nature of the public financing market has changed substantially in that period of time. And what we're trying to do is give ourselves the best chance to get the best deal, if you will.

So the blue, obviously, is the new language. And we've changed the structure of that section from TIF financing to debt financing. And 905A is a description of how TIF works and indicates that in addition to the ability to issue TIF bonds that are paid solely from and are separate and distinct from the City's other debt, the City has the ability under the statute, the blue language on the bottom, to, if it were to choose, provide guarantees against the tax increment debt or supplemental funding to the tax increment debt if the TIF isn't sufficient. So if the City were interested in participating in capital debt for an improvement, this makes it clear in the plan and identifies the statutory authority to permit that to happen.

On the second page, you will notice there's two paragraphs in red. While they are here as deleted, they are not actually out of the document. They have just been incorporated elsewhere. But the way the Word works, it shows up as a deletion here, but they become part of subparagraph D further down.

The things that are important in section A to remember are that we are leaving the language and actually strengthening the language that simply because there's authority to issue debt or to issue guarantees doesn't mean there's any obligation on behalf of the City, Board of Rep or Board of Finance to approve that debt. And any debt that gets issued using the TIF funds must be approved by those two boards.

MR. FOUNTAIN: Of any type, in other words?

MS. GOLDBERG: Yes, absolutely. Subsection B is entitled "GO Financing" and this section would permit the City, if it were so to choose, to issue GO bond debt payable from the tax increment financing account, the TIF account, for improvements because that may get a better rate. But on the flip side, the TIF financing debt, the TIF debt that we have now, doesn't count against the City's debt limit because it is not an obligation of the City. If the City were to proceed in this way, it would show up in the City's financial reports as debt of the City. This is simply a mechanism that permits the City to do that if it were to decide to do so. And without this language, that option doesn't exist.

Paragraph C recognizes that the Urban Redevelopment Commission has independent bonding and borrowing authority and that it has the ability to issue bond or notes and then pay for those debt out of the tax increment.

Again, to be really clear, even though it's not a TIF bond and it's not a GO bond, the Commission doesn't have the ability to issue its own debt without the approval of the Board of Representatives and the Board of Finance.

So, you know, our board couldn't go out and just do a borrow without the City being aware of it and having approved it, specifically.

MR. McMULLEN: Can I ask a

question?

CHAIRMAN DAY: Sure.

MR. McMULLEN: So here's the question I have of this. So we have a bunch of TIF bonds out already which have restrictive covenants restricting the repayment of those bonds from property taxes collected in the TIF area.

MS. GOLDBERG: Yes.

MR. McMULLEN: If the City were to go ahead and issue -- and I don't know what the dollar amount of the bonds are -- say it's $10 million; I don't know what it is. If the City were to issue additional TIF bonds and guarantee them, then how do you guys envision the property taxes generated by the TIF area being allocated to those in the event -- and I understand this moral obligation thing -- but in the event there isn't enough TIF revenue to satisfy all of the bond increments?

MS. GOLDBERG: Some of the things that are not changed is that the -- we cannot issue TIF debt unless there is sufficient revenue to cover the debt service out of the TIF, unless with this new language, the City decides it wants to kick in, if you will.

MR. McMULLEN: Okay.

MS. GOLDBERG: Otherwise, any debt cannot be sold without the existing tax revenue being sufficient to cover all the costs of that borrow.

MR. McMULLEN: What does that mean? 100 percent committed? Or 80 percent? Or is there some kind of --

MS. GOLDBERG: That means the actual taxes have to be flowing to the City and into the TIF account. And, remember, the TIF fund, the tax increment is split: 50 percent goes into the TIF fund and 50 percent goes into the general fund.

MR. McMULLEN: Okay.

MS. GOLDBERG: And the TIF fund is held separately by the City in a segregated account. The funds flowing into the segregated account, 50 percent of the increment, have to be sufficient to cover the entire cost of the debt service in order for any purely TIF debt to be issued. The only way that that can change is if the City were to independently decide, your Board and the Board of Finance, were to decide that: Okay, the TIF revenues will permit a $5 million borrow; we see a need for $10 million in capital improvements and we are willing to throw in another 5-. And if it does want to do so, this allows it to happen. It doesn't have to do that.

MR. McMULLEN: No, no. But --

MS. GOLDBERG: The other thing the City could do is, say, we go out to bid for a $5 million borrow and the best rate we can get is 7 percent, the City could provide loan guarantees, basically credit enhancement, in the form of guarantees from the general fund that we can actually insure, so it wouldn't show as -- you know, even if there was a need for it, you can insure against those things --

MR. McMULLEN: Right.

MS. GOLDBERG: -- that can potentially reduce the cost of borrow by a point or point and a half or more depending on the where the market is --

CHAIRMAN DAY: That to me is a more likely scenario. In fact, if that tool had been available to us when we did our original bonding here, we could have saved a lot of money.

MS. GOLDBERG: The other thing that it does is it reduces the amount of money that we need to keep segregated in trust accounts, debt service reserve funds, which limit our ability to do future borrows. Because we've got a couple million dollars really sitting around doing nothing but sitting in a reserve fund -- and not that it's doing nothing; that allowed us to do the borrow -- but there are better ways to leverage those funds. And all we're trying do with these changes is give us flexibility to be able to leverage those funds in the most cost effective manner for the City.

MR. McMULLEN: That's what I mean. So, today, assume that we have the tax revenue necessary to issue some new bonds --

MS. GOLDBERG: Okay.

MR. McMULLEN: -- the City steps up and says, I am going to guarantee those. We have a tax situation like we've had in several of the districts where tax revenues dropped 30 percent, and that can happen within the TIF area because we've had it happen in parts of the city right now where certain properties have dropped that much in value --

MR. FOUNTAIN: The tax revenue, the --

MR. McMULLEN: Huh?

MR. FOUNTAIN: The tax revenue

would --

MR. McMULLEN: But it would. It would. Because this is a space. So if I have a house down on Shippan, there's a house in Shippan that the tax revenue went down by 30 percent -- and this is a space within the city; this isn't the whole city. This is a space.

MS. GOLDBERG: I can tell you what the answer to that is. When we went to market two years ago, the people in the marketplace and the underwriters were absolutely looking at the fact that the City had already started and was looking at reval --

MR. McMULLEN: Right.

MS. GOLDBERG: And it was very clear that in two years, at that point in time, it was absolutely possible that tax revenue from the TIF district would decrease.

MR. McMULLEN: Right.

MS. GOLDBERG: And there is no question in my mind that that was part of their analysis and how we ended up at the rate we did. And -- because it really all comes back to the rate which reflects the perception of risk. So --

MR. McMULLEN: So they don't really

lend you the whole --

MS. GOLDBERG: Hence $2 million sitting in reserve fund.

MR. McMULLEN: Okay. I mean, that's my question.

MS. GOLDBERG: And we can avoid that reserve fund with loan guarantees and we can protect the City in the loan guarantees with an insurance policy.

CHAIRMAN DAY: I think the thing to remember here is none of this ever happens without the full approval of the boards, number one; and number two, looking forward, the picture is actually looking good. This Advocate property is about to come on and we've got the -- RBS is going to.

MS. GOLDBERG: There is only two more years left in their enterprise zone --

CHAIRMAN DAY: -- in their enterprise zone. So the revenues coming from RBS is going to come up substantially. So what we are really doing is looking at an enhanced resource here with additional, as Rachel said, more tools in the toolbox. Makes a lot of sense.

MR. McMULLEN: Well, we are taking away from the City the protections that the TIF provides the City.

MS. GOLDBERG: No, we're not bypassing this.

CHAIRMAN DAY: No, we are not.

MS. GOLDBERG: This doesn't change -- or this is not a debt issue. This doesn't change the existing debt and/or create new debt. So the existing bonds that are out there are not going to show up on the City's financial reports as debt of the City.

CHAIRMAN DAY: It is not changing a single thing without further action.

MS. GOLDBERG: The only time it would change is if in a year we come back with a new separate financing that takes advantage of one of these provisions and you, as the Board of Representatives and the Board of Finance, both agree that, yes, you believe that that's in the best interest of the City.

MR. FOUNTAIN: Rachel, that happened with WPCA. Because there was a discussion on our committee, on the fiscal committee, about whether we should use revenue bonds or GO bonds. And the fiscal committee said, no, we're going to use revenue bonds and keep it the way it is. And that was consistent with what the Board of Finance did. So even though we are allowed to use that option, there was a decision made not to use that option.

MS. GOLDBERG: And they may be your decision, you know, when we do go to market. But it's more likely, as Harry pointed out, that what will happen is that either the City or the URC will issue debt under the TIF and ask the City to provide loan guarantees and as part of the borrow package provide the City with an insurance policy for its position.

I am not a bond counsel or an accountant, so I am not able to tell you how that appears on your financial report, but it is not pure debt of the City is my understanding.

MR. FOUNTAIN: I believe it's no disclosure, Rachel. I think there's no disclosure.

MS. GOLDBERG: Well, there's always a disclosure.

CHAIRMAN DAY: It is a disclosure but --

MR. FOUNTAIN: It's not on the face.

MS. GOLDBERG: Exactly.

CHAIRMAN DAY: No. That would have been an extremely valuable tool for us.

MS. GOLDBERG: That's an important consideration. And it would have reduced the cost to borrow substantially, not just by not having the need for such a large debt reserve fund but we would have gotten a better rate. There is no question I think in anybody's mind that was associated with that borrow.

MR. McMULLEN: So the City can get insurance for this --

MS. GOLDBERG: What would happen is --

MR. McMULLEN: -- but the URC cannot?

MS. GOLDBERG: Yeah, we can. But the URC doesn't have a bond rating that's going to provide any benefit to a purchaser of debt to reduce the rate and improve the borrow. The City does. In other words, you see, our independent financial position isn't going to reduce an interest rate or help the borrow.

MR. McMULLEN: But wouldn't the insurer's credit rating help that if the insurer was insuring the debt?

MS. GOLDBERG: Yes, so if the City were to insure our debt --

MR. McMULLEN: No, not the City.

CHAIRMAN DAY: No, it would have to be --

MR. McMULLEN: There are insurance companies out here that do that. And if the City is going to be able to go to an insurer --

CHAIRMAN DAY: They don't have the resources to back up the debt.

MR. McMULLEN: -- then the URC can go to an insurer. So then it's not a -- it doesn't leave us completely off the hook.

MS. GOLDBERG: What we are insuring is your credit enhancement position.

CHAIRMAN DAY: Yeah.

MS. GOLDBERG: So we tell the purchaser of the debt -- you know, we are going to sell $10 million in bonds -- and you tell them the first place you have to look for recovery is out of the tax increment. If there are insufficient funds in the increment, you can look to the City who will back that up. And then in turn, using TIF moneys, we would purchase an insurance policy for the City to protect it from having to come out of pocket if it turned out that the TIF revenue was insufficient to meet the needs of the debt service. It's kind of the way it works.

CHAIRMAN DAY: We have to look at this in terms of the real situation. The real situation with this financing that already took place is with this tool, which had zero risk to the City because of the reserve fund that's already there, the zero risk would have saved us -- I don't remember the exact number but in the millions -- in incremental interest costs that we are having to pay and it would have resulted in zero risk to City to provide a guarantee company with insurance.

MR. McMULLEN: That doesn't make sense. Because if it would have provided zero risk to the City, then it would have been zero risk to the bondholders.

MS. GOLDBERG: No.

CHAIRMAN DAY: No, no. It's the form of the bond. You have to understand when this thing was put together ten years ago, there was a market for standard TIF bonds. That market regrettably doesn't exist anymore. Even -- our consultants told us, you guys, have the best TIF prospect going because you are already getting the revenues. Most of them come -- at the beginning of a project, the revenues are off in the distance. You already have the revenues. This should be the easiest thing to finance. It turned out it wasn't. It just turned out there was no particular market for those.

So we were all surprised we ended up paying a significant premium for a financing that basically is totally secured just because of the form of it and it was unfortunate. All we are saying is this gives us an additional tool.

MS. GOLDBERG: The idea is to reduce the risk to the purchaser of the debt. And you can minimize the City's exposure to zero by buying the policy.

MR. FOUNTAIN: The policy is less expensive than the interest rate?

CHAIRMAN DAY: Oh, yeah. It's a fraction.

MR. McMULLEN: Then why can't the URC buy that same policy?

MS. GOLDBERG: Well, it's not the policy. It's the guarantee. You see, it's the City's guarantee that gets us the lower rate. It's not the insurance policy that gets the lower rate.

MR. McMULLEN: Why not?
CHAIRMAN DAY: It's the guarantee.
MR. McMULLEN: But the insurance policy is a guarantee.
CHAIRMAN DAY: No, no, no.
MR. McMULLEN: So it's a guarantee. So why can't the URC by it?
CHAIRMAN DAY: Because, JR, they don't have the assets that the City has.
MR. McMULLEN: So the City is at additional risk --
CHAIRMAN DAY: It's not at additional risk.
MR. McMULLEN: You can't have your cake and eat it, too. We either don't by the insurance policy or we do. What's providing -- what's lowering the risk? If the City backing it up is lowering the risk, then the City has the risk.
CHAIRMAN DAY: But they insure it out.
MR. McMULLEN: But if they insure it out, the City shouldn't have to be in there --
MS. GOLDBERG: We can't.
MR. McMULLEN: -- the URC should be able to insure the risk.

CHAIRMAN DAY: What use is a guarantee from the URC if they don't have any assets? A guarantee is not --

MR. McMULLEN: No, no. Who is insuring it? Is the city of Stamford insuring it?

CHAIRMAN DAY: JR, JR, we should have this offline.

MR. McMULLEN: No. Answer the question, though. Is the City of Stamford going to be the insurance company that is going to back this up?

MS. GOLDBERG: No, they are going to be a guarantor.

MR. McMULLEN: Okay. Okay. So --

MS. GOLDBERG: The URC can't be a guarantor because we don't have sufficient assets.

MR. McMULLEN: I understand. But the insurance company is.

MS. GOLDBERG: No, the insurance company is going to insure the City against its position as a guarantor.

CHAIRMAN DAY: And that's a small risk for them.

MR. FOUNTAIN: A very small risk.

CHAIRMAN DAY: That's a tiny risk

for them. It would be a huge risk for them if it was the URC doing it.

MR. McMULLEN: So if the URC defaults on these, it falls to the City. If it falls to the City --

MS. GOLDBERG: Well, right now --

MR. McMULLEN: -- right, that's what we are saying. If the City backs it up and the URC defaults -- and I'm not saying they will -- but if they default, then --

MS. GOLDBERG: Let's be clear. The URC didn't issue the TIF debt that is out there.

CHAIRMAN DAY: The URC is not in the picture.

MS. GOLDBERG: We've created a situation where the URC could issue debt --

MR. McMULLEN: Because another entity issued the debt.

MS. GOLDBERG: Because of a technical issue on some taxable debt that has to be dealt with.

MR. McMULLEN: But there is an entity that issued the debt.

MS. GOLDBERG: The City issued TIF debt. It's revenue bonds paid solely out of the tax increment fund, all right. And in order to sell that debt, we had to create a cash debt reserve fund of a very -- almost $2 million, a substantial amount, out of a 13 or $14 million --

MR. PURYEAR: $16 million. Almost 3 million went into debt reserve.

MS. GOLDBERG: Had we had the -- had the City had the ability at the time we sold that debt to say to the City of Stamford, please provide loan guarantees to the purchaser of this debt so that they minimized the risk that something will happen to the tax increment fund and their investment is at risk, that would have substantially reduced the cost of borrow, the interest rate, and the amount of money we had to put in the debt service reserve funds.

And in order to minimize the City's risk, separate and apart from the City's guarantee, we could buy an insurance policy at minimal cost in the scheme of things to protect the City against having to come out of pocket in the event the debt -- the funds in the TIF account were insufficient to meet the obligations of the debt.

MR. FOUNTAIN: Rachel, I think one thing that may be missing, one link --

MR. McMULLEN: So there is not an entity here, the City is the entity?

CHAIRMAN DAY: Yes.

MR. FOUNTAIN: Can I finish?

CHAIRMAN DAY: Yes.

MR. FOUNTAIN: What's happening is that there is an inefficient bond market for TIFs right now.

CHAIRMAN DAY: Exactly.

MR. FOUNTAIN: That's the problem. It is not acting like it should. If it acted like it should, we would get credit for the type of TIF we've set up and we would have had a much lower rate than we got. They are treating us just the same as they would for somebody who just set up a TIF: they have no buildings in the TIF area; no revenue coming in.

MS. GOLDBERG: Exactly right.

MR. FOUNTAIN: And we are paying a premium for that.

CHAIRMAN DAY: That's exactly right.

MR. FOUNTAIN: So that's why there is a big difference between the interest rate on TIF bond and the insurance policy cost because the people on the insurance realize that there's no real risk here.

CHAIRMAN DAY: There is no risk.

MS. GOLDBERG: Right. It is important to note that the insurance providers are a very different market than the bond purchasers.

CHAIRMAN DAY: And, once again, all we are doing is providing these tools. None of this can ever happen until we act individually and approve any one of these transactions.

MR. FOUNTAIN: I don't understand the TIF market right now, the way it's behaving. It's just really strange.

MS. GOLDBERG: I agree completely but it is what it is.

MR. FOUNTAIN: -- because of people selling TIF that never got developed.

MS. GOLDBERG: You will recall when we wrote this plan, there were a couple of towns in California that got into trouble because they defaulted on TIF debt that was issued in anticipation of a project or a series of projects that never happened. So when we wrote this plan and the resolutions, we were very clear -- and that doesn't change -- you can't issue any debt until the revenue is following and we have -- according, you know, the fiscal advisers that the City hired, we are showing ten years of tax funds flowing into the TIF account. We had a terrific history. But the market is what it is.

And all we are trying do with this language is put ourselves in a position to take advantage of wherever the market is the next time we go to sell debt.

MR. FOUNTAIN: Thank you.

MS. GOLDBERG: Okay. The final part -- actually, I should have said associated with the boundary change, there are several new maps that are all identified in Exhibit A.

MR. McMULLEN: I do have a question about the boundary changes.

MS. GOLDBERG: Sure.

MR. McMULLEN: Does any of this City property that we are talking about moving into the TIF zone, is it currently managed by -- what City departments are these properties currently managed by?

MS. GOLDBERG: I have no idea. I know some are Charter Oak, the Czescik homes, schools.

MR. PURYEAR: Yeah, there is some school property and there's basically the river. There is a small --

CHAIRMAN DAY: For the record, I should just point out this is Milton Puryear, who is the director of the Mill River Collaborative.

MR. PURYEAR: -- which the Mill River Collaborative has been managing since they are the generally the ones that clean it up and so forth. There is a sliver behind the Hart School, a sliver behind Cloonan. There is the greenway that goes behind Wright Tech that connects up to Scalzi Park. And all of that has been managed by the Collaborative for the last six --

MR. McMULLEN: So you have been managing it but this is one of these things where there is really no City department taking care of this stuff --

MR. PURYEAR: No.

MR. McMULLEN: I mean, I know that's why the Collaborative is put in place in the first place.

MR. PURYEAR: The Czescik homes are managed by Charter Oak --

CHAIRMAN DAY: Charter Oak.

MR. PURYEAR: -- and there's a little park south of Pulaski Street, which is pretty much no management, but it is managed by the parks development.

MR. FOUNTAIN: But moving it into the TIF district does not change the structure of who is managing it.

MS. GOLDBERG: No, it does not.

MR. FOUNTAIN: It just allows the expenditure of TIF funds on that parcel.

MS. GOLDBERG: So if we want to make improvements along the river, we would be able to utilize TIF funds to pay for the cost of those.

MR. FOUNTAIN: But for someone like Charter Oaks, you would have to get approval from Charter Oaks on anything you did in that area.

MS. GOLDBERG: Yes.

MR. McMULLEN: Okay. I just --

MR. FOUNTAIN: That's a hypothetical point.

MS. GOLDBERG: Are we good?

MR. McMULLEN: Yeah, yeah. No, I just wanted to make sure we weren't creating some conflict down the road.

MS. GOLDBERG: Yeah, I don't think

we are.

MR. McMULLEN: Not that I'm adverse to conflict.

MS. GOLDBERG: Well, obviously, I'm a lawyer. I get paid for it. The third and final --

CHAIRMAN DAY: TIF is just a district. That's what it is. It doesn't -- for purposes --

MS. GOLDBERG: It doesn't give us any control over properties.

MR. FOUNTAIN: We have a separate agreement with them to manage the park area.

CHAIRMAN DAY: Exactly.

MR. McMULLEN: So this isn't going to become like part of the Mill River Collaborative? It's something -- a superset of that somehow?

MS. GOLDBERG: Well, right now the Collaborative has a contract with the respect to the existing TIF district -- let me be clear -- the park portions of the existing TIF district. It's altogether likely that you will see them come to the City and ask for an amendment to that contract to include -- so that they would legally be able to take care of the properties that they are currently taking care of without a formal agreement.

The third and final change is to resolve a conflict that was created by the Connecticut General Assembly a few years ago when it amended the Urban Renewal and Urban Development Statutes. The statutory amendment now reads that urban renewal and redevelopment plans and all kinds of similar plans can only be ten years in duration, and every ten years they have to be reviewed by the Board of Representatives. One of the things that Harry pointed out that we are accomplishing is a decennial review of the entire plan, and it can be renewed every ten years.

A separate part of the statute, in fact the TIF enabling legislative portion of the statute, requires that the TIF district remain in place as long as there is debt outstanding. Duh. We'd never be able to sell anything if we could eliminate the TIF district and add some source of funds.

So the final change creates a new end date for the plan ten years out, but in no event can the tax increment financing district be discontinued so long as there is outstanding debt. So we've crafted language, specific language, that meets the provisions to the best way possible of those two inconsistent statutes.

MR. McMULLEN: So we can't fall back on this particular zone would be grandfathered in under the old statute. We have to now conform.

MS. GOLDBERG: We have to conform.

MR. FOUNTAIN: Right now the way it is structured, before we make any change, what is the year in which the TIF district would terminate? 2030 something?

MS. GOLDBERG: I think 2031 or '32.

MR. McMULLEN: Can we review it more often than ten years if we want?

MR. FOUNTAIN: Well, not if the debt is outstanding. We can't do anything with the debt if it's already there.

MS. GOLDBERG: Well, you can still review the rest of the plan. The only thing you can't do is eliminate the district.

MR. McMULLEN: Right.

MR. FOUNTAIN: Let's say it's '32 just for --

MS. GOLDBERG: It was a 30-year plan. It was passed in 2001.

MR. FOUNTAIN: Okay, '31. I have some discomfort, okay, with having an open ended TIF district. That's all. I see the issue. But I would feel much more comfortable if we had a date, say, 2045, 2040, something like that for the TIF district. Then if we are issuing bonds, we would issue bonds that matured before that date so we would know that. It's not like we are going to issue bonds after that. I know we need to extend it somewhat, but I feel very uncomfortable with having a date that we can keep coming back and automatically extending just by the issuance of bonds. I'm not sure we're thinking it through.

Now, that's not to say I am going to be here in 2040. I hope not anyway.

MS. GOLDBERG: No matter what -- the way it will work anyway is that when the City issues TIF debt in three years and it signs the contract with a purchaser, it will commit because it will have to commit to leaving that district in place as long as that debt is outstanding.

MR. FOUNTAIN: But we have the right to term -- the maximum term of TIF debt; we can set it at any time we want to when we issue that, right?

MS. GOLDBERG: Yes. So say --

MR. FOUNTAIN: If we had a

termination period -- I'm just making that up --

MR. SCIARRETTA: On new debt.

MR. FOUNTAIN: -- on new debt. Not debt that's already out there.

MS. GOLDBERG: Say in five years or six years we go out for another sale of debt and we propose a 30-year bond, you guys can say, no, make it a 20-year bond or a 15-year bond because we don't want it to go beyond that, and that and in that way you would control the length of --

MR. FOUNTAIN: Yeah, I like it better if we do it now and say to terminate the date -- I am willing to negotiate on a date -- 2040, that's when the TIF is going to -- the district is going to terminate unless we take action. And then you come out --

MS. GOLDBERG: You have that.

MR. FOUNTAIN: Not with this we don't. The only way we can do that is by every time there is a bond issue coming up to us saying if that bond will not mature past whatever that date is.

MR. McMULLEN: And what he is saying is --

MR. FOUNTAIN: Let's put it fixed.

MR. McMULLEN: -- put the wall in

there now and whenever anybody wants to go out, there is a limit.

MS. GOLDBERG: There's already -- in a sense there is already a wall built into this because what we are doing is we are extending the plan for ten years.

MR. McMULLEN: No, no, no.

CHAIRMAN DAY: Guys, this is not a discussion. This is a meeting.

So, Jay, you have the floor.

MR. FOUNTAIN: Yeah, it's just that's the plan; that's not the TIF district. Well --

MS. GOLDBERG: You can't have a TIF district without a plan.

MR. FOUNTAIN: Okay. But without the plan, we have to keep the plan going as long as there are bonds with maturities outstanding.

MR. SCIARRETTA: Yes.

MR. FOUNTAIN: Okay. And what I'm saying is --

MS. GOLDBERG: And you have to by statute and this language in ten years' time again renew the TIF district and the plan or not --

MR. FOUNTAIN: I understand that.

But if --

MS. GOLDBERG: So --

MR. FOUNTAIN: -- let's say during that ten-year period, we issue debt, this 30-year debt, let's say we issue it in 2018, 30-year debt, that means the TIF district is -- now we are legally obligated to keep a TIF district until 2048, if I am understanding correctly.

MS. GOLDBERG: But say -- but say, you know, we issue that debt in five years and when we come back in ten years, you say we want this to end in five years, go out and negotiate the sale or the termination and payoff of the outstanding debt, we would have to then do that.

MR. FOUNTAIN: Well, I don't want to have to get into that position.

MR. SCIARRETTA: The power is there.

MR. FOUNTAIN: Yeah, the power is there but I'm not --

MR. SCIARRETTA: -- exactly what you want.

MS. GOLDBERG: I am not really sure how I can write --

MR. FOUNTAIN: Write, "no debt

shall be issued that it matures later than" --

MR. SCIARRETTA: No new debt can be issued.

MR. FOUNTAIN: Yeah, I'm sorry, correct. The old debt is already going to mature before that.

MR. SCIARRETTA: But I don't know how that benefits.

MS. GOLDBERG: The problem I have with that is if I stick in a -- what I am trying to resolve is a conflict between one statute that says your plan has to end in ten years and be reconsidered and another part of the same statute that says it can't end before the last date. So I can't put in a date that's different from or more than ten years out.

MR. SCIARRETTA: I think your concern is covered, but it's a little gray; is that the right word?

MR. FOUNTAIN: It's very gray.

MR. SCIARRETTA: In other words, if a few people like you are in a room and recognize that concern, they vote on those limits and that power is there to end it.

MR. FOUNTAIN: Yeah, that means you

have to bring it up every time.

MR. SCIARRETTA: You do under the review period. I don't know -- I mean, I am not an attorney -- how you write that in with a wall.

MR. FOUNTAIN: I don't either.

MR. SCIARRETTA: I don't know that that's --

MS. GOLDBERG: I'm sorry?

MR. McMULLEN: Why can't you just add it to the first part? So it has to be reviewed every ten years; it can't terminate -- it can't terminate while there is outstanding debt not to go beyond 2040.

MR. FOUNTAIN: 2045.

MR. McMULLEN: Whatever the number.

CHAIRMAN DAY: Listen. Guys --

MS. GOLDBERG: Because when I put the date in, I'm not in --

CHAIRMAN DAY: -- she is now in conflict with the --

MS. GOLDBERG: -- direct conflict with the new part of the statute. My problem is -- it's a problem of the people in the General Assembly --

MR. FOUNTAIN: Just one last try,

if I may, Harry.

CHAIRMAN DAY: Go ahead, Jay.

MR. FOUNTAIN: How about if we have another section in the document that states that?

MR. SCIARRETTA: I think it still --

MR. FOUNTAIN: It still conflicts with --

MR. SCIARRETTA: I mean, we have to ask an attorney but --

MS. GOLDBERG: Let me just pull up the statute.

MR. FOUNTAIN: That's all right.

MR. SCIARRETTA: The power is there.

MR. McMULLEN: I feel the same way. I don't want to leave a legacy that says this thing can run forever just like with the street signs.

CHAIRMAN DAY: Well, I don't think it says that.

MS. GOLDBERG: And we weren't trying to do that, obviously --

MR. FOUNTAIN: No, I understand that this is a by-product of that.

MS. GOLDBERG: -- were it not for

the poor draftsmanship at the General Assembly, we wouldn't be talking about this.

CHAIRMAN DAY: Jay, I understood your point earlier. But listening to what Rachel is saying, she is trying her best to comply with a statute that's screwed up. So she is basically addressing both parts of the statute.

MR. FOUNTAIN: We have to handle it separately somehow if we wanted to handle that.

CHAIRMAN DAY: Yeah.

MR. SELKOWITZ: But you do have -- it can't run forever. It has to be reviewed every ten years.

MR. FOUNTAIN: No, it could run forever.

MR. McMULLEN: That's the problem, it could.

MR. SELKOWITZ: It could but it doesn't have to.

MS. GOLDBERG: Only if you decide to keep approving the issuance of debt. So ultimately it comes back to this board, the Board of Finance, saying enough is enough, we are done.

CHAIRMAN DAY: Another way of looking at this is that there is an automatic ten-year look. So it is not like it goes on ad infinitum. There is a ten-year look which the statute requires. And at the end of ten years, you are visiting the issue so there is a built in safety.

MS. GOLDBERG: Maybe what we ought to do is, apart from this in the next session of the General Assembly, see if we can't fix the language. I have not had that conversation with anybody up there at this point, but I know others have. At the time, a couple of people raised the fact that they were creating conflicting regulations within the same statute, and I think that's where the fix is. I don't think we can really craft language that doesn't violate one section or the other.

MR. McMULLEN: Okay. Then so we have existing debt. We have language that says the TIF can't go beyond ten years. So does that mean that we cannot issue bonds that go beyond ten years?

MR. FOUNTAIN: No.

MR. McMULLEN: Because the problem -- well, doesn't it? How can I issue bonds for something that is not going to exist in ten years according to the statute?

MR. FOUNTAIN: Because it says here

that you can't terminate the TIF district until the bonds are paid off.

MR. SCIARRETTA: Until the bonds are paid off.

MS. GOLDBERG: And the financing section has provisions for longer term debt and shorter term debt.

CHAIRMAN DAY: Yeah.

MS. GOLDBERG: And it differentiates them in different sections of the statute.

MR. FOUNTAIN: So does we and the board of financing. We have extended the --

MS. GOLDBERG: The General Assembly has a knee jerk reaction to the Kelo decision, and in doing so, it didn't realize it was creating an internal conflict between two, one less important and one very, very important provision in the statute.

MR. SCIARRETTA: But the checks and balances --

MS. GOLDBERG: And the problem is because we are one of the very few cities in the state that has ever issued tax increment financing debt. Although it is happening more frequently now in Connecticut, we are really one of the very few places that's doing it.

MR. SCIARRETTA: Checks and balances are in place, though, for who you have to approve this debt and then it has to be reviewed every ten years. So there is an open endness. There is a real responsibility in the language that people have to adhere to. There is not this freedom --

MR. McMULLEN: Well, the problem is that it allows us to obligate future generations to continue this because we can approve 30-year debt and you can review it the next 10, 20 years and it is not going to go away just because we reviewed it. I think that's what Jay is getting at.

MR. SCIARRETTA: But you have the power to stop it.

MR. McMULLEN: You could but we are trying to put a discipline in place.

MS. GOLDBERG: Here is what I would envision happening. There are two reasons for which funds are likely to be expended in the project area: One is for the park and the improvements associated with that; and the second is affordable housing. Those are the two goals of this plan.

Let's say when we come back in ten years, we have been working with the Collaborative and the City and the park is doing great -- and I am hopeful that it will be done within that time frame -- and when we come back in nine years, the borrow we are going to be looking at is to meet our affordable housing obligations and promises that were made and we've got an affordable housing project going somewhere in the district, I would anticipate that the plan amendment at that time would say this is the final debt and the final project to be financed out of the TIF.

MR. FOUNTAIN: And it would have a life of no more than --

MS. GOLDBERG: And it will go as long as whatever that debt is when we believe mutually between the Commission, the Collaborative, the City and the Board of Finance, that the project has been completed, if you will, that it's met its needs.

Even though there may be some debt out there, there will come a point where there's no more -- we've done what we set out to do. And at that point, we would have the plan change say, okay, this is it.

We did something similar with the large major urban redevelopment project when we extended it a couple years ago -- maybe 8, 9 years ago now -- we said the controls that used to apply to this entire downtown area now only apply to these select few properties that remain to be completed.

And, though, I can absolutely envision the same kind of thing happening where we say, except for this, we are done, and that means this is the last debt -- this is -- and from this point on, in fact there's language in here that talks about the increment going back to fund -- the unexpended increment -- going back into the general fund.

MR. FOUNTAIN: Just -- Harry, I see the problem and I understand.

CHAIRMAN DAY: Okay, Jay.

MR. FOUNTAIN: I think what we'll try to do is when the next bond issue comes, not the last one but when the next bond issue comes, we will put something in there saying this bond issue should not be made longer than this many years if that's what we feel like, the Fiscal Committee and the other things, and that way we start showing this is a reason for terminating, we are not going out beyond 2045 or whatever the year is.

MS. GOLDBERG: And from my side, I will go to the General Assembly in the next session and see if we can't come up with some language that resolves the conflict.

MR. FOUNTAIN: Right. Good luck. Difficult conflict to resolve.

MS. GOLDBERG: If I can get it started in judiciary instead of planning and development, yeah, we can do something. Anyway, that's really it.

CHAIRMAN DAY: Okay. I think in the interest of moving it along, this is a public hearing.

Artie Selkowitz is here, who is the chairman of the Mill River Collaborative. Artie, do you have anything you want to say?

MR. SELKOWITZ: The only thing I would add is that the Mill River Collaborative Plan or the Master Plan for the park, the Master Plan for the park, does call for a greenway going from Scalzi to Stamford Harbor, most of that accomplished on public land, some of that accomplished through BLT's property as RBS was accomplished through RBS's property. And there will come a time when we need to finance that operation. We can't do it

100 percent through private sources. So this change is really important to give more flexibility in terms of finding the resource, assuming the TIF funds are generated.

MR. PURYEAR: I would only add, Harry, that the ability to fund this work and when the park can be completed is a function of redevelopment in the district, the pace of redevelopment, how many properties get redeveloped and generate TIF revenue so that the City can invest money in completing Phase II, III and the Greenway North and the Greenway South.

So I would love to be finished in ten years, but that's really going to be determined by a lot of private decisions about whether to buy this parcel, assemble this set of parcels and put the money into redevelopment and generate new tax revenue to the City.

And I think the park is helping to generate that energy and that momentum, but it really is something that you won't know until you're there, whether you have the revenues to issue the next set of bonds.

And, you know, to your point, the bonds can only be issued if there's sufficient revenue and sufficient cushion. You know, the underwriters, the bond buyer is not going to buy it if you just have enough to pay the interest. They are going to want to see that you've got a cushion so that you can absorb those ups and downs. And that will be what determines the pace of all the improvements in the district. But within the Corridor, eventually the job will be done.

MS. GOLDBERG: And if I can conclude, it's not just the park. It is also the need for affordable housing. And I always say that because I don't want any of us to lose sight of it. That was the other principal purpose of this plan.

MR. SELKOWITZ: And we recognize that. But I think we all recognize that the development of the park was going to generate and encourage the development which is going to yield the tax revenue to build the houses.

CHAIRMAN DAY: I would just say that we are a significant way down the path in a story that's going to turn out to be a great story for the city of Stamford. In terms of whether you measure it by the quality of life or you measure it as a pure financial transaction, this thing is so far a total triumph. And if it goes half as well from here on out that it has gone so far, I mean, this is just a tremendous project.

And the TIF financing is a magical tool for development. I mean, without the TIF mechanism, none of this would have happened and we still by the way, setting aside all the problems it has presented, we would at this date have polluted industrial brown fields in the south end. So that's what we are talking about here. This TIF program is just an extremely productive device in terms of leveraging the quality of life and financial well being.

MR. FOUNTAIN: Yeah, I would like to second what you are saying about the development. The park is wonderful. What a transformation that has been, and I see that going forward north and south.

I have one question. This is just a technical. What's the boundary on the west side of the TIF?

MR. PURYEAR: The boundary on the west side --

MS. GOLDBERG: In part, it's along Greenwich Avenue. And as you get north of --

MR. McMULLEN: Isn't it on the map?

MS. GOLDBERG: Not that map. I have -- I don't have a full-size version of it, but I do have --

MR. FOUNTAIN: Along Greenwich Avenue up to Main or where?

MS. GOLDBERG: Let me pass this around.

CHAIRMAN DAY: It's just easier to show the map.

MS. GOLDBERG: It is easier to show the map than -- because it cuts over to Skylark.

MR. FOUNTAIN: Okay. Where? At Smith or --

MS. GOLDBERG: So if we are here -- this is north, east, west -- Greenwich Avenue comes along this little curve by Stillwater. And you know where that huge cliff is? Behind those, there's a car wash and it goes behind those properties to Greenwood. And you know where it goes up the hill, there used to be a car dealer right on the corner there? It includes both sides of the street but not the property on that side of the street.

MR. FOUNTAIN: Okay. The Hampton Inn is not in it.

MS. GOLDBERG: Right. But then you

have three small office buildings. One is -- what's the name of the landscape --

MR. McMULLEN: Frattaroli.

MS. GOLDBERG: -- and two small medical office buildings. There's a gas station on the corner and there is a Volkswagen dealer.

MR. McMULLEN: Yeah, it used to be banks or something, a credit union.

MR. FOUNTAIN: But mostly gas. The most expensive gas in town.

MS. GOLDBERG: It includes the gas station. It includes the development that was constructed on the old Lincoln, Lincoln -- I'm losing my memory -- the car dealer site that was Lincoln forever.

MR. MOLGANO: Roberts Oldsmobile.

MS. GOLDBERG: Oldsmobile, yeah.

MR. McMULLEN: Riverbank is this one down here.

MS. GOLDBERG: No, that's the Volkswagen dealer.

MR. McMULLEN: Riverbank, the one that used to be down here.

MS. GOLDBERG: And then this is where Goodwill is and the parking garage for the --

MR. FOUNTAIN: Tressor up to Greenwich Hill and then it cuts down and goes around and comes back. Thank you very much.

MS. GOLDBERG: You're welcome.

MR. FOUNTAIN: That's a good area to see development come in.

Now, are we limited in affordable housing to building it within the TIF zone or could it be built somewhere else?

MS. GOLDBERG: The way the statute is currently drafted, you can only expend the funds within the TIF boundary.

I should say, for the record, that I and others, independently of our work for the City, have been looking at ways in which to improve the way TIF works. One of which would be to permit the expenditure of TIF funds within 500 feet -- we haven't exactly figured it out -- adjacent to an existing district. That's something that already existed in urban renewal regulations but it's not permitted in a TIF district, and that's one of a bunch of ideas that many of us have been throwing around.

MR. FOUNTAIN: To allow more flexibility.

MS. GOLDBERG: Yeah, but that's something the General Assembly has to address.

CHAIRMAN DAY: That would be a win-win because it would allow it to enhance the park and therefore make all the property more valuable.

MS. GOLDBERG: And that whole conversation flowed from the idea of trying to use the TIF funds to create a better connection from the Mill River Park across Washington Boulevard to Columbus Park. And we can't -- we simply aren't allowed to use the funds there.

MR. FOUNTAIN: We don't have the building on the west side of Washington Boulevard that's necessary.

MS. GOLDBERG: But we will.

CHAIRMAN DAY: So any other comments? Questions?

I think it's appropriate then to close the public hearing. It's 7:10.

Taylor, you want to close your --

MR. MOLGANO: We will close the URC's public hearing.

(Whereupon, the meeting was adjourned at 7:15 p.m.)

TRANSCRIPT OF JOINT PUBLIC HEARING OF THE CITY OF STAMFORD URBAN REDEVELOPMENT COMMISSION and LAND USE-URBAN REDEVELOPMENT COMMITTEE, BOARD OF REPRESENTATIVES

CERTIFICATION

I, Matina Papas, Licensed Shorthand Reporter and Notary Public for the State of Connecticut, hereby certify that the foregoing 59 pages is a true and accurate transcription of the stenographic notes taken by me in the above-entitled case.

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MATINA PAPAS, LSR # 489