

Cost of BLT licensing

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I attended the Planning Board's public hearing on Tuesday regarding the licensing of city property to a developer (Building and Land Technology). The overflow crowd shows that the public is really interested in how its government plans to shape Stamford's future. The meeting was cut short, but not before the city's Corporation Counsel and Director of Economic Development made disturbing revelations about the city's approach to economic development and to legal and financial matters.

At the meeting, both city officials tried to convince the board, and the public, that the city should license three separate waterfront parcels of municipal land on Magee Avenue to the developer so that it can build a boatyard on its landlocked land, instead of rebuilding the one it illegally tore down in the South End.

The deal would provide the developer with the use of city parkland, 2.4 acres of WPCA property and the Czescik municipal marina for 40 years. The developer would not put any cash down. The only cost would be \$5 million in undefined improvements to the marina and two city parks, plus the construction of an animal shelter for which there no defined plans and the city is required to kick in \$500,000. All this to let the developer skirt the zoning restrictions on the 14-acre Yacht Haven site.

When asked how she came up with a \$5 million value on the deal, the economic development director cited assessment records for the three municipal parcels and two other parcels, one being the site of the demolished boatyard. She took the average and assigned that value to 2.4 acres of landlocked WPCA property. That's it.

I guess my initial question is whether the economic development director is qualified to give a formal appraisal. It would seem to me that the city should be hiring two independent appraisers to determine these land values, because a number of financial considerations were not factored into her analysis such as:

The current or future value of the riparian/littoral rights of the three city parcels which is essentially the waterfront and waterward area that makes a boatyard possible;

The commercial value of Czecsik Marina, or even its land value;

The lost value of city buildings on the WPCA property that will be "disassembled," which are valued at \$1 million in the tax assessment records;

The cost of storing the building materials and then rebuilding them (believe it or not, the agreement says the buildings will be re-assembled by the city at an undisclosed location).;

The cost of relocating city personnel using the buildings;

The cost of relocating and temporarily housing the animal shelter during construction;

The lost tax revenues by allowing the developer to operate a commercial business on municipal land that is not subject to property taxes.

In valuing the deal, perhaps the economic development director should have referenced a lease that the city negotiated just a few years ago for a Magee Avenue property just a few hundred yards away. The city offered to pay about \$40,000 per month for just over 2 acres and had an option to buy it at \$8.3 million. To be fair, the Planning Board and Board of Finance approved the deal, but it was never completed. Essentially the WPCA land has the same value, and based on acreage the lease would be \$48,000 per month. Over 40 years the loss to the city is \$23,000,000.

Nevertheless, today, the city is valuing much more land and water rights at just \$5 million and will accept the equivalent of \$10,000/month in rent (\$5 million over 40 years.) I get the feeling that somebody has not negotiated a deal that's in the taxpayers' best interests.

The U.S. Naval Sea Cadets, who also will be evicted (Loft Artists, does this have a familiar ring?), have been "promised" a new home by the administration. But they have nothing in writing and no idea where that home might be. The license agreement fails to site these details or indicate who will pick up the relocation costs. (By the way, the U.S. Navy sold the city the building that will be ripped for \$1 and it was understood that the Sea Cadets would remain there.)

Neither of these city officials could provide specific details, projected costs or scope of work for the \$5 million in improvements that BLT promises to make. They could not answer how the city would deal with unfinished improvements if BLT spends the \$5 million prior to completing the promised work. What's more, they are ignoring procurement procedures and handing out no-bid contracts that will be paid with "work in kind." Wouldn't it be nice if we could pay our tax bills with "work in kind"? We could, say, spruce up a neighborhood park, straighten bent signs around town, or fix the sidewalk in front of our house and let the city know the value of our services so that it could credit our tax bill accordingly.

Another interesting point is that BLT is not actually a party to the license agreement, so would not be liable for any default. The actual parties are two corporations controlled by BLT: Waterfront Magee LLC and Strand BRC, but city officials explained that BLT would do the work. Well, this makes it pretty hard to figure out who will do what. The only thing that is clear is that none of these corporations will operate a boat yard. Does this let BLT off the hook?

The agreement is so convoluted it is hard to list all the questionable terms, but one of the most interesting is hidden in the "term" clause itself. It states that even if the license agreement is terminated (which means there is no more boatyard on Magee Avenue), it would not invalidate the "Project Approvals" for the Bridgewater site. In other words, BLT can default on its obligations on Magee Avenue and it still builds the Bridgewater Project!

The one thing I really wanted to hear was never mentioned. Real Estate experts have said that converting the 14-acre site to buildable land is a loss of at least \$100,000,000 to the City of Stamford. I understand the concept, but maybe not the fine points of this. I do know that I expect the professionals working for the city of Stamford to get this, and to include it in the equation when valuing this license. This seems to be the most egregious omission of all!

It's clear that the Planning Board, and other Boards and Commissions, are being under-served by the city's corporation counsel and economic advisor. So are the taxpayers who ultimately pick up the bill when they are outsmarted and out-negotiated.

As someone who has never really seen the city's legal and economic advisors in action, and know very little about them, I wonder if the city is simply not adequately staffed or equipped for such business negotiations and that maybe these advisors should be asked to move on.

Where is Donald Trump when you need him! "You're fired!"

Stamford taxpayers deserve better!

Kevin Dailey is a Stamford resident.