



BOARD OF ALDERMEN SHELTON, CONNECTICUT

Public Hearing on Ordinances
May 25, 2010

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Aldermanic President John Anglace opened the Public Hearing at approximately 7 p.m. All those present pledged allegiance to the flag.

ROLL CALL

Aldermanic President John F. Anglace, Jr. - present
Alderman Lynne Farrell - present
Alderman John "Jack" Finn - present
Alderman Stanley Kudej - present
Alderman Eric McPherson - present
Alderman Noreen McGorty - present
Alderman John P. Papa - absent
Alderman Anthony Simonetti - absent

Legal Notice City of Shelton

NOTICE IS HEREBY GIVEN THAT THE BOARD OF ALDERMEN WILL CONDUCT A PUBLIC HEARING ON THE FOLLOWING:

- AMENDMENT TO ORDINANCE #839 -PROCEDURE TO SELL CITY PROPERTY

SAID PUBLIC HEARING SHALL BE CONDUCTED ON TUESDAY, MAY 25, 2010 AT 7 P.M. IN THE AUDITORIUM AT SHELTON CITY HALL, 54 HILL STREET, SHELTON.

ALL PERSONS WHO HAVE AN INTEREST THEREIN MAY APPEAR AND BE HEARD IN RELATION HERETO.

1. AMENDMENT TO ORDINANCE #839 -PROCEDURE TO SELL CITY PROPERTY

ORDINANCE #839
Procedure to Sell City Property

Amendment to Ordinance #832 which was formerly Ordinance #782

BE IT ORDAINED BY THE BOARD OF ALDERMEN THAT:

Procedure to Sell City Property

A. Definition:

From time to time the City may be asked or may decide to sell real property owned by the City and hereby determines that a procedure shall be provided regarding the sale of said real property. Said procedure pertains only to property which the Board of Aldermen consider "significant".

"Significant" shall be defined as the sale of real property which has a fair market value in excess of ten thousand (\$10,000.00) dollars.

B. Initial Determination by the Board

If a request is received the Board of Aldermen asking the City to sell City owned real property and the Board of Aldermen determines that the Board has an interest in selling said property or if the Board of Aldermen decides to sell City owned real property, the Board shall follow the following procedure.

C. Procedure

1. The Board of Aldermen shall request from the Conservation Commission and Parks & Recreation Commission their opinion regarding said sale. The Board of Aldermen specifically wants said Commission's opinion regarding the property's open space, conservation or recreational value to the City.

2. The Board of Aldermen will consider the information provided by the Conservation Commission and Parks & Recreation Commission and determine if the Board wishes to proceed.

3. If the Board of Aldermen determines to proceed, the Board of Aldermen will then seek an 8-24 referral from the Planning and Zoning Commission.

- a) If the 8-24 is favorable to sell, the Board of Aldermen may proceed with this process.
- b) If the 8-24 is unfavorable, the Board of Aldermen must override the unfavorable by a 2/3 vote in order to proceed.
4. If the Board of Aldermen wishes to proceed with the sale process, they shall have the property appraised. Any appraisal received shall not be disclosed until after the sale has been completed.
5. The Board of Aldermen shall hold a public hearing in accordance with P.A. 07-218, when applicable.
6. If the Board of Aldermen wish to proceed with the sale process, the Board of Aldermen may then proceed to advertise that it is accepting bids with a cutoff date to receive sealed bids subject to any deed restrictions and/or conditions the Board deems appropriate. Each bid must be accompanied with a check equal to ten (10%) percent of the amount bid. The Board of Aldermen may in the alternative market the property through a licensed real estate agent in the State of Connecticut of the Board's choice at a fee to be determined by the Board of Aldermen on a case by case basis and at a price to be determined by the Board of Aldermen or may determine another method to sell the property if in the determination of the Board said method would be in the best interest of the city.
7. The Purchasing Agent would publicly open the bids if the Board of Aldermen should choose this option and refer them to the Finance Committee off the Board of A&T who would determine the highest, responsible bidder. The Board of Aldermen reserves the right to reject any and all bids.
8. The Board of Aldermen approves the price and authorizes the sale.

Specifically excluded from this process is the sale of real property located within the Redevelopment Plan or a Municipal Development Plan as designated by the Board of Aldermen. The Board of Aldermen shall determine the process of the sale of real property located within a Redevelopment Plan or a Municipal Redevelopment Plan on a case by case basis taking into consideration any Grant and statutory requirements.

Alderman Anglace explained, tonight's public hearing is on the amendment to Ordinance #839 Procedure to Sell City Property. Before we get into taking comment on the proposed changes, we'll make a few statements. A number of people have asked me to just give a little background on this. That I would like to do with your permission. We've had this ordinance for maybe two, three years now. There was nothing before it. I believe we collectively felt that there should be some procedure in place to sell city property. And recognizing the fact that there are number of types of city property, different sizes, shapes, etc. It wasn't easy to put something together

and we knew at the outset that this was going to be a work in progress. That we would come up against things and we would have to make changes as we went along. We felt it was important to have something in place so that this board and every other board that follows us would have a procedure to follow. The procedure helps to dispose of something in an orderly fashion and they maximize the city's return on the sale, so I think we are all in agreement that having a procedure is the right thing to do. Now we made a couple of changes to it over the years, I don't have them identified as to when and what they were and this one marks another change and Alderman Jack Finn has raised the question which I think is a fair and a good question and I want to respond to it because if you look in the ordinance at paragraph number six, the proposed change reads that "If the Board of Aldermen wish to proceed with the sale process, the Board of Aldermen may, it used to be shall, then proceed to advertise that it is accepting bids with a cutoff date, etc., etc. and then it goes onto say, "the Board of Aldermen may in the alternative, market the property through a licensed real estate agent." I am not sure that that represents what Alderman Papa and myself had in mind and so I say to you tonight that this is not cast in stone. I think what we had in mind was this. We hold a public hearing and if the Board of Aldermen wish to proceed with the sale, we get an appraisal and then we go out for bids, we get the bids and you submit with your bid a check for 10 percent and we see where we go. We wanted to look at that but there are many different types of situations, many different types of properties that do not lend itself to a clean procedure, so we felt it should come back to the board, not as an alternative, not as 'either/or' but in following up on the bid process if that doesn't seem appropriate, then we wanted to provide another alternative for the board in addition to that. For instance, some properties you take a piece of land one acre, with a house on it, that's pretty straight forward and you should get bids. The board then has to make a decision whether it wants to sell for the highest bid that we got. Suppose there's something about this property that makes it difficult to sell, the shape of the lot or suppose it's a piece of income producing property in the light industrial park where we, as the Board of Aldermen, may want to optimize the marketing potential for this property and we might want to say 'instead of advertising this locally, let's broaden the search, let's a real estate on it and lets get a maximum return for the city, or try to get the maximum return. So, we thought, if the bid process didn't work and came in short of what our expectations were, we thought it'd be a good idea to have this in place so we can go to that next step and if the Board agrees put it in the hands of a real estate person. Now we understand that process is always fraught with which real estate person do you give it to. We are going to have to work that out as a board but I think that it makes sense to get this out to the broadest possible scope of information. I think that John and I were thinking about is that when it got printed out and put together by Assistant Corporation Counsel it came out a little differently and I am not so sure that is what we had intended. So, I just wanted to share that with you and I think it kind of explains a little history and a little of what we are looking at tonight.

Alderman McGorty stated, I just have a couple of questions or comments. When you have in here 'in the alternative market', I'm not sure what is meant by that in

using that word, but when it says, "in the State of Connecticut of the Board's choice at a fee to be determined by the Board of Aldermen on a case by case basis and at a price to be determined by the Board of Aldermen," the fee is for the real estate agent right? So, I guess in our calculations, and I don't know if it needs to be written here, but if we feel that the bids that we receive aren't good enough or as high enough as we had hoped, then we should also take into account of how much the real estate fee cost and does that cover the difference of what we thought the bids would come in at.

Alderman Anglace replied, this board or any future board, and I think you can do this in executive session, discuss the fee, discuss what you have in mind, discuss whether or not you are accepting the bids that that were received, but I don't think we intended and I think this is important, I don't think we planned to give this board, or any other future board an alternative. You can go with the bid process or you can go with this. Our thinking went that it was the bid process but after that the next step could be real estate.

Alderman Finn replied, so you are thinking about sending this back to committee then?

Alderman Anglace stated, well, I'm not thinking of sending it back to committee. I think it's perfectly all right as explained and when we revised the language and send to everybody...

Alderman Kudej stated, when we put this thing together, we said we were going to get appraisals on how much that item was going to be worth, so if we get an appraisal and we already know what the worth is, what's the use of having a real estate agent?

Alderman McGorty replied, if the bids come in significantly lower, right?

Alderman Anglace replied, well, I don't think an appraisal answers all your questions. An appraisal will tell you what the person who appraised it thinks it's worth in today's market but it's not going to find you a buyer or a person willing to pay that.

Alderman Kudej responded, but it's going to give you an idea of what it's worth and you go from there. Somebody says it's worth \$100,000 and the highest bid is \$80,000, you either take it or you don't.

Alderman Anglace responded, if you look at this ordinance the way it's written and the procedure takes you down x number of steps, and then it stops and your not satisfied, without adding more to it, the board can then decide on its own, without any guidance and all this is saying is here's another step for guidance and how to resolve it.

Alderman Finn stated, the Board would have the opportunity to reject all bids, but I think there are some good comments pertaining to the fee structure. Why go out and hire a real estate agent for that purpose when you can go out and sell it, as many homeowners do, for sale by owner?

Alderman Anglace responded, I'm not arguing that issue, I'm simply saying those options are open to us on a case by case basis. As a board, representing the city interests, we want to maximize the return to the tax payers. Whatever the asset is we want to get rid of, and we need all these opportunities and all these potentials available to us for consideration, for us or any other board.

Alderman Kudej stated, I guess going through a real estate group might advertise the piece better than we would.

Alderman Anglace stated, well for instance, I am thinking of a commercial real estate firm that has contacts through out the United States, to the major companies, and they are aware of who needs what to a great degree. They work together, they cobroke. So if they have a free, we would know this is what it is appraised at, this is their fee, this is how much we pay if we took them on and if they can sell it for x amount of dollars, we'd have all that information and that's a positive for us. So, when I read this after Jack questioned it. I didn't think it came across the way John and I had intended it and so I wanted to just straighten that out.

Alderman McGorty asked, what does it mean when it says, "The Board of Aldermen may in the alternative market?"

Alderman Anglace responded, in the 'alternative,' comma, 'market.'

Alderman McGorty stated, okay, got it.

Alderman Anglace stated, and that's not what we had in mind because that then says, the Board of Aldermen can choose to go with the bid process or go with the real estate. We didn't intend that. We intended to go the bid process and if that doesn't work for some reason the Board would have the next option, but that would be the choice of the board.

Alderman Finn stated, so you are going to revised this and come back with some clearer language which everybody understands.

Alderman Anglace stated, yes. I think we should come back with some language regarding what we are talking about. I don't think we have to go to public hearing again and if any of you have comment then let me know.

Alderman Finn stated, I was sent this letter by a constituent to read into the minutes tonight.

Shelton Board of Aldermen
54 Hill Street
Shelton, CT 06484

RE: Public Hearing May 25, 2010 "Proposed Changes to Ordinance #839"

Please read this into the minutes of the Public Hearing.

For the record my name is Chris Panek, I reside at 19 Meghan Lane. I am unable to attend tonight's hearing but I would like to express my concerns with the proposed changes to Ordinance #839, "Procedure to Sell City Property."

I am opposed to the proposed changes for the following reasons. This ordinance has undergone several changes in recent years and this newest recommended change puts too much power in the hands of the Board of Aldermen during the process of selling city property.

The new language which reads "*the Board of Aldermen...may determine another method to sell the property if in the determination of the Board said method would be in the best interest of the city*" is much too broad and general in nature. The process to sell city property needs to be much better defined than having an open ended statement like that determine how city property is sold.

The Board of Aldermen needs to protect the city's and our taxpayers interest's and assets. By making these changes future members of the Board of Aldermen could easily bypass the entire process to sell by using another to be determined method which only they themselves determine. This could possibly compromise the entire process if the determined method does not in fact meet what the BOA determines as the "best interests" of the city. Plain and simply this puts too much power for too important of a decision into the hands of our Board of Aldermen and needs to be better defined.

I therefore request that you forward this ordinance back to committee for further review or oppose its' passage when it come before the full board for a vote.

I thank you for your time.

Chris Panek
19 Meghan Lane
Shelton, CT 06484

Alderman Anglace asked if any member of the public wished to speak. Being no member of the public, he recognized Alderman Finn.

Alderman Anglace asked if any other member of the public wished to speak. Being none, at 7:10 p.m., Alderman Kudej MOVED to close the Public Hearing; SECONDED by Alderman Simonetti. A voice vote was taken and the MOTION PASSED 8-0.

Respectfully submitted,

Theresa Adcox
Clerk, Board of Aldermen

DATE APPROVED: _____

BY: _____

Mark A. Laretti
Mayor, City of Shelton