

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

July 19, 2022 at 5:15 PM

The Chairman called the meeting to order.

The Clerk called the roll.

Present: Aldermen T. Sapienza, Stewart, Fajardo, Burkush

Absent: S. Sharonov

Messrs.: P. Chiesa, J. Nelson, M. Trombley, R. Tilsley, Jr., R. Paccione

1. Communication from Marlana Trombley, Orbit Group, requesting an air rights lease in Cat Alley for a lighting project.

Chairman Sapienza stated I think this is a nice project. I have a couple of questions on the lease. Is it a 50-year lease or a 99-year lease? It seems to say both things in the lease.

Peter Chiesa, Deputy Solicitor, answered I believe this one is 50 years.

Chairman Sapienza replied so item #4 on the lease says on the 98th year and then it says 50th. It says both. So it is a 50-year lease?

Atty. Chiesa responded it can be either.

Chairman Sapienza stated we need to fix that. I guess my question is what would the life expectancy of the lights be? Shouldn't the term of the lease match the life expectancy of the lights?

Jamie Nelson, Orbit Group, stated we intend to maintain the lights throughout their life. So if there are any bulbs that are out or if for any reason the lights stop working we will constantly maintain them as long as we have rights to the space.

Marlana Trombley, Orbit Group, stated we do have a maintenance team on staff as well and Jamie manages them.

Alderman Fajardo moved to approve a 50-year revocable lease.

Chairman Sapienza stated the other thing is I think these leases should be revocable. We are committing the city in this case for 50 years and in the other case it is 99 years. I really think when we do these kind of things we should make these revocable.

Atty. Chiesa responded the reason that they are not revocable is that they usually entail capital improvements like fixtures that go up over the areas and they are difficult to remove. When we do a revocable license, it is usually for something that is easily removable such as the kiosk on Elm Street that is one example. It is a revocable license and it can be easily removed. Some other items whether it is an awning or a

light fixture, they are fixed and difficult to remove. That is why the terms are usually longer and not revocable.

Chairman Sapienza stated well I don't like the idea of committing the city for 50 years. I would like to have this revocable and we are only going to revoke it if something drastic changes. The applicant who is getting the lease for \$1 should be happy with that.

Alderman Fajardo asked what are the criteria for revoking the license.

Chairman Sapienza answered the Board would have to vote to do that.

Alderman Fajardo asked so if we did it before the 50 years were up it needs to be...

Chairman Sapienza interjected you would need a vote of the Board to revoke it sooner than that.

Alderman Fajardo asked but do we have conditions under which we would want to do that.

Chairman Sapienza replied I think I would leave that up to future boards.

Alderman Stewart duly seconded the motion for a 50-year revocable lease.

Chairman Sapienza called for a vote. There being none opposed, the motion carried.

2. Communication from Roy Tilsley, Jr., Attorney, on behalf of Grand Central Suites, LLC requesting an air rights lease to construct balconies above Central Street, Manhattan Lane and Litchfield Lane as part of their apartment building project.

Chairman Sapienza stated on this one, I read all of the material but I am still left wondering because we are already building a building up to the lot line which in that district is not uncommon. I guess my first question is can't we find an architect that can design the building without going over the street?

Roy Tilsley, Jr., Attorney, responded when we were at the ZBA we wrestled with this. We got the necessary variances to build it out to the lot line. I think part of...I am forgetting the ZBA vernacular now but since the district is in the arena overlay and kind of the connective tissue between downtown and the arena, the plan is to have this type of urban development where lots are pretty densely developed. This is a relatively small lot and in order to make this project, I think, financially feasible to do this type of improvement in the city and get the number of units we need to justify building a building like this, we really do need to use the entire lot. In fact, our initial proposal was to discontinue Litchfield Lane in the rear of the building and try to go out to the center line of Litchfield Lane which we weren't able to do because of the utilities that are there and to move those was cost prohibitive. We are in a smaller footprint now because we aren't using that Litchfield Lane area.

Chairman Sapienza stated I support building all the way to the lot line but what I am asking is can you find an architect to design it so it stays on the lot line and not over the street.

Atty. Tilsley replied well then you have to push the building back. All we are putting over the lot line are the balconies which are going to be three and a half feet out. Obviously it is a nice amenity if you are on the 8th floor but it is a pretty small balcony. You are not going to have a dance party out there but it is kind of an architectural feature that breaks the building up and gives the building a little more polished look to have these balconies on the top floor. Again, for us we need to go right to the lot line. If the decision is no balconies, then we will live without balconies as opposed to pushing it back but the balconies seem to be a good feature I think for the city in the way it breaks the building up and makes the building look a little more polished and a little better. It is obviously good for the tenants and I think it is the kind of development that is supposed to be in this area again connecting downtown with the arena district.

Chairman Sapienza stated the next question I have is when I read the lease I see that it is a lease for the air rights. I don't see anything in the actual lease that limits it to the 8th floor. I think if we gave you the lease the way it is written you could put a balcony on every floor.

Atty. Tilsley responded when Peter and I get to this we can limit the balconies to the 8th floor. That is fine.

Peter Chiesa, Deputy Solicitor, stated you are right. There is no limitation right now but we can certainly clarify that and limit it to the 8th floor or however many floors the committee prefers.

Chairman Sapienza stated well I suggest you do that and bring it back to this committee so we can review it.

Alderman Fajardo asked why do you only want them on the 8th floor.

Atty. Tilsley answered Rob Paccione is the architect so I will have him address that.

Rob Paccione, RP Architectural Studio, stated the first reason we did that was because we wanted to provide a unique amenity for the 8th floor tenants. Also, we didn't like the way the building looked with a lot of balconies. Those were the two justifications.

Alderman Burkush stated if we have a commitment that they are going to correct the lease do you want to approve it without...

Chairman Sapienza interjected without seeing it no I don't. I don't know why it wasn't fixed already to be honest with you. I think this should come back to this committee.

Atty. Tilsley stated I am pretty confident that Atty. Chiesa and I can get that into the lease. It is a pretty easy change and certainly what we are asking for is an approval that is consistent with what we submitted and what we submitted were the plans that show the 8th floor balconies only. Peter and I have worked together on tons of stuff and

this will probably be the easiest think we have ever worked on regarding making this change to the lease before it is signed.

Chairman Sapienza stated well I am wondering why it isn't here tonight.

Atty. Tilsley stated we submitted it for the air rights consistent with the plan we submitted and the plans show the 8th floor only. I didn't feel that it was something that was necessary when I drafted the lease. I am certainly happy to put it in there and I understand your concern. We don't want to have balconies on every floor. We don't like the look of it so our intention is to have 8th floor balconies. I would be happy to have the lease just say that and again it is a pretty easy fix for Peter and I.

Alderman Stewart moved to approve the air rights lease for balconies on the 8th floor only. **Alderman Fajardo** duly seconded the motion.

Chairman Sapienza stated I have one more question. In the lease, there is a section about required insurance amounts. It is a 99-year lease and those numbers look reasonable in 2022. In 2100 they are not going to look that reasonable. There is no escalator on those. How does that work?

Atty. Chiesa replied there are none currently.

Atty. Tilsley stated I proposed those numbers based on other 50-year leases that I have seen with the city. Those I think are pretty decent amounts for what we are talking about which are balconies with air rights. I am not quite sure what types of damage claims we would have. If the city wants to reserve the right to add a CPI element and every 10 years increase it by the CPI, that is fine. I don't have an issue with that.

Chairman Sapienza stated I think we should do that. Will you add that to your motion?

Aldermen Stewart and Fajardo responded yes.

Chairman Sapienza called for a vote on the motion to approve the air rights lease with the stipulation that it be only for 8th floor balconies and that the minimum liability limits under the Comprehensive General liability provisions be increased every 10 years at the rate of the Consumer Price Index (CPI). There being none opposed, the motion carried.

There being no further business, on motion of **Alderman Stewart**, duly seconded by **Alderman Fajardo**, it was voted to adjourn.

A True Record. Attest.



Clerk of Committee