

Norwalk Explains Its Position As Milligan Says 'Nothing New' In Library Deal

By Nancy Chapman [4 : 54 am EDT September 8 2017](#) [12 Comments](#)

NORWALK, Conn. — Documents provided by Norwalk's legal department Thursday illuminate the dispute with a developer who on Wednesday refused to go forward with a deal negotiated by Norwalk Library supporters.

"{Y}ou should not be concerned so long as the property is insured," Attorney Marshall Goldberg wrote to Jason Milligan in a Aug. 7 email. "When you and I discussed insurance over the phone, my impression was that you believed this suggestion to be a 'no brainer.' 'Of course, I'll keep the property insured.' As long as there is insurance, Paragraph 8 is a nonissue."

"Paragraph 8" was the only item left open Wednesday as the Common Council unanimously approved a 14-point addendum to the agreement to buy a purchase option on 11 Belden Ave., in a deal negotiated to settle a lawsuit filed by the Norwalk Public Library Foundation against Milligan's CT AVE LLC. The six-year purchase option would cost \$460,000 and would lock in a \$4.8 million price for the property next to the library, which includes People's Bank.

Council members voted to keep Section 8 open to allow Corporation Counsel Mario Coppola to further negotiate the clause to "provide that it be more equitable to all parties."

In response, Milligan told NancyOnNorwalk late Wednesday that the deal, which gave library patrons hope that there would be a adequate parking in the neighborhood, was off. On Thursday, Milligan reinstalled the chain on his property, blocking its use as a parking lot.

Observing the situation, a city insider likened Milligan to Kim Jong U, comparing the North Korean leader's constant threats to blow up a nuclear bomb to Milligan constantly threatening to put the chain back up.

The insider mentioned that the city could take the property by eminent domain.

Ask about that Thursday via email, Mayor Harry Rilling said, "We are hopeful we will be able to resurrect the deal through continued discussions. Our desire is to acquire access to the parking through a properly negotiated option agreement. However, in doing so, we must ensure we protect the city's interest and minimize any inherent risks."

NancyOnNorwalk asked Milligan if negotiations were continuing.

"Nothing new today," Milligan replied by email.

Milligan on Wednesday said the agreement had been "completely rewritten." He had been told by Coppola that he could take or leave the agreement that was presented to the Council.

He called Goldberg an "asinine lawyer" paid to add commas and other punctuation to the agreement and said the outside attorney's involvement was the downfall of the deal.

He rhetorically asked why the deal fell through, then answered the question by saying, "Maybe because as the mayor, or the mayor in election season, you have to be careful in how far you stick your neck out. Then you want to make sure you have the support of the other leaders. Then when you try to lead by committee it's very hard to get to an ultimate decision....I am torn. I like and respect the mayor. I think he has done a reasonable job, I appreciate that he personally took the time to go through this and get to an acceptable place on Friday, that he personally asked for an extension. If not for that I would not have done it."

Documents provided by the law department include emails dating back to July 14, in which Coppola informed Milligan that he had retained Goldberg to "review the document and to revise to include the missing provisions that would typically be in an option agreement in order to protect the City's right to the option."

"What you are no suggesting don't mot {sic} even remotely resemble what we have previously hammered out over a period of a year. To add another attorney and law office to the mix right now is a terrible idea!! You are wasting money and time and jeopardizing everything," Milligan replied. "...If you make more than a few subtle changes I will not even review it and no deal!!!"



A chain on Thursday blocks entrance to the private Belden Avenue lot next to the Norwalk Public Library.

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The ensuing discussions including talk of a "subordination agreement," which nolo.com describes as a document that adjusts the priorities of a lien in the event of a mortgage refinancing.

An Aug. 28 email from Goldberg outlining "the outer limits of where the City is willing to go to make this deal happen," specifies that Milligan could refinance a \$1.3 mortgage, but not for more than \$3 million. Milligan would pay up to \$5,000 in attorney's fees for such a refinancing.

If the mortgage were foreclosed on, the city would accelerate its option on the property, reducing the purchase price by \$250,000 to make it \$4,635,000. Reasonable attorney's fees would also be deducted.

"The Mayor just confirmed for me that there will be no further negotiations," Coppola wrote to Milligan on Aug. 30, noting that the city had conceded to removing the clause that would drop the purchase price if Milligan were foreclosed on. Milligan would not be responsible for the city's attorney's fees if he defaulted.

The Aug. 28 conversation also noted that Milligan would be required to have the property insured. If there were a "casualty" and the insurance proceeds were insufficient to repair the building on the property (the People's Bank), the city could cancel the agreement and get its money back, or proceed to closing by obtaining the insurance payment plus Milligan's deductible and "thereupon close this transaction in accordance with the full purchase price set forth hereinabove."

That version of Section 8 is different from the version approved Wednesday by the Council, which specifies that Milligan could either restore the building to its previous state or reduce the option price to \$4 million.

Milligan on Wednesday said that Council Land Use and Building Management Committee Chairman Thomas Livingston (D-District E) was one of the attorneys that had contributed to revising the deal.

Livingston said Thursday evening that he had talked to Milligan hours earlier.

"We want to do the deal but we have to protect the city. That's what it came down to," Livingston said, pointing out that the Council vote was unanimous. "We all want it but we're not going to do anything irresponsible."

As far as insurance goes, if the building burnt down Milligan would take more money than the city would have deducted from its purchase price, Livingston explained.

Milligan won't even read the passage, he said.

"We think everything we proposed was perfectly reasonable – reasonable and appropriate, and he wouldn't even consider it," Livingston said. "...He said, 'You could walk away from the option.' Well, then give us back the option price."

[Milligan email exchanges 17-072520170907](#)

[Milligan email exchanges 17-0807 20170907](#)

[Milligan email exchanges 17-0807 20170907 0001](#)

[Milligan email exchanges 17-0828 20170907](#)

[Milligan email exchanges 17-0830 20170907](#)

[Milligan addendum Council approved 17-0907 20170907](#)

12 comments

Ernie DesRochers [September 8, 2017 at 7:58 am](#)

This is a mess that sounds as if it could have been handled much better by the city. This deal is something the City wanted to get from Mr Milligan for its needs. Note that there are certain unwritten rules that should be followed in any real estate negotiation. You should have a sense what the other side wants to achieve. You need to make sure that you don't leave the impression you are retrading a deal if the framework has been already agreed to by the parties involved. The last is to make sure it's handled professionally and properly from the beginning. From the memos that were attached it sounds as if the city bears most of the responsibility in this mess. The Mayor and his team failed to heed these rules. Oh yes comparing Mr. Milligan to Kim Jung Un won't help this either. The Mayor needs to apologize for that comment. It's insulting and unprofessional even if it is attributed to a City insider. It's about LEADERSHIP.

Just another Norwalk Voter [September 8, 2017 at 8:02 am](#)

Why doesn't this turn of events surprise me?

Not only too many cooks (and lawyers) involved with this deal but improperly managed by Coppola. Letting Goldberg take over negotiations was a real blunder! Law firms are paid by the hour; needless to say, they are motivated to charge more hours rather than getting a deal done. Now Coppola gets into a public fight with the seller – yet another bright move by the Corporation Counsel. Common Harry, show us why we elected you as mayor and take control of this important project!

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Concerned [September 8, 2017 at 9:14 am](#)

Ernie,

The mayor didn't make the comparison, and insider did.

Milligan is in it for the money. He doesn't care a damn about Norwalk except to acquire as much land and build more apartments.

I for one applaud the city for looking towards the future for once, and I'm glad they are standing up to the bully that Milligan is. Let him keep putting up his chain, he looks like a spoiled child taking their toys and going home after not getting their way.

huh? [September 8, 2017 at 11:46 am](#)

Let's stop having developers dictate what goes on in this town.

Take the property by eminent domain, pay him fair-market value and call it a day.

He could use the money to hire a PR firm to help create a more positive image for himself because based on comments made in the news over the past few years this guy sounds like a real jerk.

Rick [September 8, 2017 at 12:47 pm](#)

The more you hear the better its gets.

This serves a purpose ,city forgets what else is going wrong while we wait for water to boil.

A pollution problem on day st is not going away ,while we all watch the ball on this parking lot.

If we can only get thru the election without rocking the boat everyone has done their job.

Bear in mind Norwalk has a limited legal staff at a premium price.

Thomas Livingston and Coppola seem to be useless ,Norwalk doesn't have a large swamp yet its full and needs to be drained.

Developers have bought into the next election no way will they let anyone take the office without first making sure they have what they want.

Donna [September 8, 2017 at 1:07 pm](#)

The fatal flaw lies neither in the quality of the deal nor in the particulars of the players. The data flaw lies in the circumstances which lead Norwalk time and again make deals in order to solve land use problems. Milligan, Knopp and Rilling should never have needed to hammer out a serpentine agreement to save library parking. There is a Master Plan (POCD). And that Master Plan ought to have informed the decision of the Zoning Commission in granting Milligan his approval. It did not. The sequence of development proposal, land use approvals, law suits and settlements should not be the way Norwalk gets work done. Solve the structural problems in Norwalk by updating the charter and changing the way the land use boards are populated. Make the boards accountable. I know Kleppin doesn't like elected land use boards, but at least the people on those boards are accountable to someone. The Master Plan currently in development must be enforceable. When Norwalk decides what kind of a City it wants to be, and how encourage controlled development, the city will begin to reach its enormous potential. But this mess began with the charter and the POCD. Until you fix those things, we'll deal with land use problems ass-backwards, and the taxpayers will cover the damage.

[Nancy Chapman September 8, 2017 at 2:02 pm](#)

Mayor Harry Rilling didn't make that comment. It's a joking observation from someone not involved in the discussions.

Patrick Cooper [September 8, 2017 at 3:22 pm](#)

@Donna – root cause analysis, exactly. What is the plan. How do we execute it. Fix this first, indeed.

Ernie DesRochers [September 8, 2017 at 8:01 pm](#)

I did not mean to imply the mayor made the comment. As CEO of the City of Norwalk he needs to understand that the "buck stops here". A city hall insider means exactly that. He and his staff really need to fix this mess. As a very capable real estate lawyer friend of mine said to me this afternoon "they could have gone on line and found a workable option agreement that would have worked just fine".

Donna [September 8, 2017 at 10:51 pm](#)

The City should invest in the Acme Dehydrated Boulders Kit to get rid of pesky developers. Just add water. Warning: fast acting.

Dawn [September 8, 2017 at 11:20 pm](#)

Cannot blame Milligan. He's a businessman he saw an opportunity. The city could have taken it they didn't. Shane on Norwalk for being short sighted

He could do the honorable thing and sell to the city at the cost he paid and be lauded a hero. Name the darn place after him.

But not his fault for trying to look out for himself. This is America and that's what we do.

Bryan Meek [September 9, 2017 at 8:55 am](#)

What are the outside counsel costs for the city here? Or are those investigations limited to BOE matters? Selective journalism at its finest.