

NANCY ON NORWALK

'Complex' mall appraisal expected to reap what's been expected for Norwalk

By Nancy Guenther Chapman 5 : 25 AM EDT
 NOVEMBER 15 2019

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The SoNo Collection's Magnificent Room, on Oct. 12.

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who appraises malls, in an effort to obtain fair value on the mall and also to put the city in a good position in case they need to defend that,” Westport Tax Assessor Paul Friia, who is assisting Norwalk, said Thursday to the Common Council Finance Committee.

The Council is likely to vote on a \$60,000 contract with American Valuation Group, Inc. and a \$75,000 contract with Safeground Organic Analytics on Nov. 26, as the Committee moved the proposal forward.

It's been estimated that the mall will contribute about \$2.5 million annually to Norwalk in property taxes in its first seven years, half of what it would pay due to an **Enterprise Zone tax abatement**.

The assessment will be based on The SoNo Collection being classified as a Class A mall, because that was what was written into the Land Disposition Agreement during the mall's approval process, Council member Doug Hempstead (R-District D) reminded everyone.

“Real Estate Investment Trusts generally take a very aggressive position challenging their taxes,” Corporation Counsel Mario Coppola said, reviewing his involvement in getting Class A written into the LDA. He had told mall developer GGP that if they were confident they'd have

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credit, they agreed to it, they agreed to those designations for this property for purposes of tax appeals, I think for 10 years.”

The **transfer of 80 percent of the mall's ownership last week** was no surprise, according to Coppola, who recounted that he'd predicted the “REIT at some point is going to divest its interest in the property.” “Generally my understanding is that if they're bankrolling this without financing, which is what they did here, they'll eventually divest themselves of their equity,” he said.

Last week's transfer wasn't a “sale;” first, Brookfield Properties Partners bought GGP and then Brookfield divested a portion of its ownership interest in The SoNo Collection, he explained. “Which is typical what these REITs do when they develop a mall, only holding it for certain period of time. For example, Westfield divested itself by 50 percent equity in the Trumbull mall within the last 10 years.”

In terms of the mall's valuation, “the reality is that the assessor (is) going to work with a national consultant, someone who has experience with valuing malls around the country to determine what is an appropriate income to attribute to the mall, expenses in capitalization rate based on all the information that we receive,” Coppola said. “To the credit of Brookfield,

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documentation to assist us with getting them the proper value of mall.”

The information provided so far shows that the preliminary estimates were right on target, Coppola said.

Friia, who was brought on after Norwalk Tax Assessor Michael Stewart and Assistant Tax Assessor William O'Brien resigned in August, said he'd sent staff members to the mall at about Oct. 1, so they could document the percentage of completion because values are set on that day.

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John O'Neill

November 15, 2019 at 11:34 am

Maybe I'm looking at this too simply. If 80% of mall ownership was sold last week, you don't have to be a rocket scientist to figure out what the appraised value should be. But then again, once the government gets involved things need to be convoluted and opaque. In fact, you can take my fee for this analysis and put it towards ELL programs which are being ignored by Hartford legislators.

Seth Kent

November 15, 2019 at 1:31 pm

@John, is the number it was sold for public?

[jority-14813840.php](#)

Residente

November 15, 2019 at 4:07 pm

Nice job seeking the Class A classification.

Confused however - "Last week's transfer wasn't a "sale;".. "Brookfield divested a portion of its ownership interest in The SoNo Collection.."

By portion he means 80% right?

Isn't a divestment, the process of selling subsidiary assets?

What am I missing, does Brookfield (or GGP) still own a stake in the mall or not?

Did Brookfield / GGP get cash?

Bryan Meek

November 15, 2019 at 6:35 pm

Aside from the ridiculous effort to assess Fair Market Value, which has been established by the transaction, everyone is missing the nature of the transaction. If title did not transfer, the government loses out on about \$5 million in conveyance taxes by shuffling the money through myriad corporate structures. Who could have predicted this would happen, except for the people who predicted it. Norwalk for sale. I have \$3 can I buy 3 parking lots please?

Erin

November 16, 2019 at 7:41 am

is rarely open now do you expect people to wait to stay here. Downtown sono had food bit way overpriced for a trip to just the mall for walking around and day shopping. I'd much rather spend my money on clothes and grab a quick bite at the food court. As a Norwalk resident I have let to aww locals swarm the mall with excitement solely bc the stores arent all there and theres no snacks for any of the children.

Mckenzie

November 17, 2019 at 12:15 pm

From what I understand from this, the Grade A classification was based off of an agreement to have high quality tenants. The only elevated tenants are the anchors - Bloomingdale's and Nordstrom - and the rest appeared to migrate over from Stamford Town Center which is maybe B at best because of its location. My hope is that the mall is not downgraded because the tenants are not elevated to match the anchors or if the A grade is maintained, hopefully it will encourage higher elevated tenants to want to be there.

I wasn't really sure what the implications were for Brookfield selling the majority stake, but I appreciate the clarification about how it's not uncommon for REITs to divest especially if a project was not financed. It makes sense to free up funds. My guess is that there were other unfinished projects that GGP had? And I suppose the other question would be how did they decide to divest this over others?

As far as the format of SONO, it's not so bad that there isn't a broad based food option; I think it encourages a healthy rotation of people coming in and out and could deter people from hanging out

Mike Mushak

November 19, 2019 at 12:28 am

So you've got duplicate comments with different anonymous names, which proves how easy it is for folks to change their names which is theoretically against the rules of this site.

Better yet, please stop allowing anonymous comments. It's out of control. If folks can't take responsibility for what they say, and NoN can't even control the same folks posting u see different names, then it's not worth ruining this site to accommodate this ongoing nonsense.

This comment was fairly tame, but many others aren't, and if folks can simply change their names to manipulate this comment section as I have been suspecting and this duplicate comment proves, then the credibility of this site suffers. Is it worth it, NoN?

Nancy Chapman

November 19, 2019 at 2:46 am

The comments policy prohibits sock puppets. There is no sock puppetry here. People who post anonymously can choose their screen name; in cases like this, I clarify.

Mike Mushak

November 19, 2019 at 8:25 am

Nancy, you have not clarified the two identical comments above with two different names, "NR" and "Mckenzie" I think you are referring to another post here where you did clarify a comment. Check it out. Thanks.

glitch that puts comments in the trash. I mistakenly rescued two versions. (I just deleted one.)

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About this site

NancyOnNorwalk.com was conceived as the place to go for Norwalk residents to get the real, unvarnished story about what is going on in and around their city. NancyOnNorwalk does not intend to be a traditional print newspaper online; rather, we exist to pull the curtain back and shine a nonpartisan spotlight on how Norwalk is run and what is happening regarding which issues and decisions have the deepest impact on taxpayers' lives, pocketbooks and safety. As an

About Nancy

Nancy came to Norwalk in September 2010 and, after reporting on Norwalk for two years for another company, launched NancyOnNorwalk.com with her husband Mark Chapman so they could engage in journalism the way it was meant to be done. Sadly **Mark,**



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and videographers dedicated to covering Norwalk. In 2019, **NancyOnNorwalk** was recognized by the Connecticut Chapter of the Society for Professional Journalist for excellence in journalism, winning several awards including its coveted First Amendment Award. SPJ recognized **NancyOnNorwalk** again in 2020, with eight awards.

Nancy has a son, Eric, the web developer who designed and built this site. Nancy also has two cats – a senior beauty and a youthful cutie who offer comfort and company while Nancy works. Her favorite color is purple.

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