

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC WORKS
165 Capitol Avenue, Hartford, Connecticut 06106-1606

JAMES T. FLEMING
Commissioner

April 11, 2007

The Honorable John DeStefano, Jr.
Mayor
City of New Haven
165 Church Street, Second Floor
New Haven, Connecticut 06510

Dear Mayor DeStefano:

As you are aware, the State of Connecticut has committed more than \$140,000,000.00 for the construction of the consolidated campus of the Gateway Community College in New Haven. By agreement, this facility is to be constructed on land that is presently owned by the City of New Haven on the parcels known as the Macy's/Malley's properties along Church Street. The portion of the property that lies to the north of George Street contains the old Macy's Department Store that is being demolished by a contractor retained by the City of New Haven.

Pursuant to the term sheet dated May 24, 2004, and the 2005 Letter of Intent between the State and the City, transfer of title of this parcel to the State cannot occur until such time as the City completes the demolition of the building and remediates the environmental contamination at the site. This is consistent with relevant state law, including the hazardous waste establishment transfer act, as well as prudent business practice.

For reasons relating to the agreement between the city and its contractor, the contractor retained by the city has fallen badly behind schedule and it appears that further delays of six months or more are anticipated before this building is demolished and the site remediated, allowing the State to take title to the property. This demolition was to have been completed in the Spring of 2006. While we understand that the city has made efforts to expedite the now-delayed demolition, those efforts to date have not been enough. We are told now that the demolition is unlikely to be completed before Autumn, 2007.

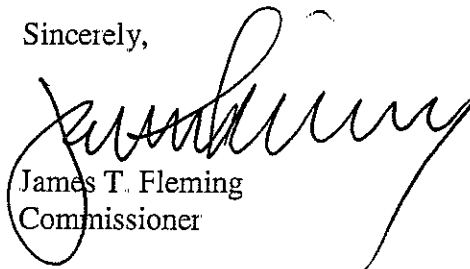
Under the circumstances, it is now likely that this project will be delayed by at least one year. There will be added costs to the project because of this delay. It will likely be necessary for additional bond funds to be authorized by the General Assembly.

The Honorable John DeStefano, Jr
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I am writing to advise you that the state is now unable to proceed with this project beyond the design work that has been completed to date until such time as the City is able to obtain performance from its demolition contractor and provide the state with assurances that the site will be ready for transfer to the state. At that time, we will be able to re-set the project schedule. Until then the delays in the city's performance will cause delays and cost increases for the entire project. This is unfortunate but inevitable if the city cannot complete the demolition on schedule.

If there is anything that we can do to assist you in your efforts to prepare these sites for state acquisition, please feel free to contact me.

Sincerely,



James T. Fleming
Commissioner

cc: Chancellor Marc Herzog



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC WORKS

May, 17, 2007



James I. Fleming
Commissioner

Mr. Anthony Bialecki
Deputy Director
Office of Economic Development
City of New Haven
165 Church Street
New Haven, Connecticut 06510

Dear Mr. Bialecki: *Tom:*

To follow-up our meeting of May 8, 2007, whereas we discussed the schematic designs probable construction cost for the new Tunnel Entrance and the Temporary Ramp, please find attached the following:

- Copy of schematic design submission of new tunnel entrance
- Copy of schematic design submission of the new temporary ramp
- Copy of schematic design construction cost for new tunnel and temporary ramp
- Copy of schematic design new tunnel and temporary ramp "cost study".
- Copy of schematic design new tunnel and temporary ramp "total project cost"

The estimated project cost at the schematic design submission for the "New Tunnel Entrance" is \$ 5,723,393.00 and the estimated project cost at the schematic design submission for the "Temporary Ramp" is \$ 1,505,609.00.

We also discussed the possibility to shut down the tunnel for several months. This would allow the new tunnel entrance construction to be executed without the necessity for the temporary ramp.

I would like to reiterate our conversation to ensure that prior to proceeding to the design development phase, DPW will require a commitment from the City of New Haven to fund the requested work and provide proof of the funding availability.

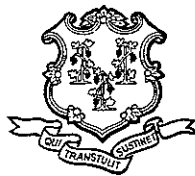
Thank you for your attention to this matter and we look forward to working with you on the successful completion of this project. If you have any questions, please feel free to contact me at (860) 713-5943.

Sincerely,

Emilio Pizzoferrato
Project Manager

JB/EP

cc: R. Terrell, DPW
L. Kittlitz, BOTCTC
File



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC WORKS
165 Capitol Avenue, Hartford, Connecticut 06106-1606

JAMES T. FLEMING
Commissioner

August 2, 2007

Honorable John DeStefano, Jr.
City Hall
165 Church Street, Second Floor
New Haven, Connecticut 06510

Re: Gateway Community College
Consolidated Downtown Campus

Dear Mayor DeStefano:

You have asked that the state provide you with information concerning the square footage of the proposed new Gateway Community College scheduled to be constructed on the former Macy's/Malley's parcel in downtown New Haven. Based on the schematic design submission, the total net assignable sq. footage is 229,036 and, the gross square footage is 364,550. In 2002, as the project was being initiated, it was estimated that the net square footage would be 239,070 and the gross square footage was 360,000.

There have been no programmatic changes made as a result of the development of the schematic design. We are still waiting for the passage of the 2007-2009 bond package. I am hearing now that due to legislative vacation schedules perhaps that will happen sometime in September.

Assuming timely action by the City and the State, the land transfer agreement (the "LTA") for the above-referenced campus could be finalized by the end of this summer. The Department of Public Works (DPW) would then embark upon the internal and external approval process for the agreement. This will likely take not less than four months, which puts us at the end of the year for the title to pass to the State.

During the approval process, DPW should be able to move forward with completing its investigation of the property and the application for a traffic certificate. We are currently processing title and survey issues and expect that investigation to be completed by the end of this summer.

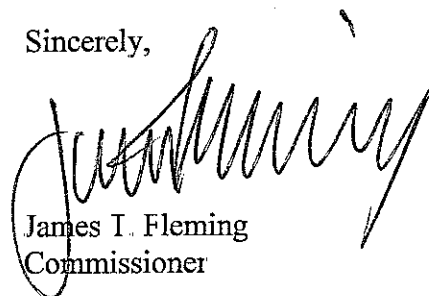
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We have proceeded to perform environmental testing to the extent possible and can complete that as soon as the demolition is complete. Assuming the demolition resolves accordingly, and as soon as we obtain our statutory approvals to the LTA, the State could be ready to close on the transfer by the end of the year. A draft of the LTA was provided to the City on June 20, 2007. No response has been received. I have requested our outside counsel to follow up for a response.

Additionally, Public Act 07-213 section 24 recently passed into law allows DPW to contract to perform work on the city owned tunnel. The work is necessary to complete the college construction. In order to avoid any delays in the construction of the over all project DPW has asked your staff to identify the city funding source that will be used to pay for this work. To date we have not been provided with that information. In order to contract for this work a city funding source must be identified. Your assistance in directing your staff to provide this information is requested.

Please be advised that resolution of the demolition and clearing of the site according to the schedule that was last represented to us, as well as the expeditious response of your staff to concluding the LTA and identifying the tunnel fund source, is necessary if this project is to remain reasonably on time and within the new projected budget. Failure on either of those points will raise a serious question as to this project's viability.

Sincerely,

A handwritten signature in black ink, appearing to read "James I. Fleming", written over a circular stamp or seal.

James I. Fleming
Commissioner