

**FISCAL IMPACT STATEMENT
TO BE FILED WITH SUBMISSION OF ITEM TO BOARD OF ALDERS**

DATE: April 20, 2020

FROM: Michael Piscitelli, EDA

SUBMISSION ITEM: Order of the Board of Alders of the City of New Haven authorizing the Mayor to execute a Development and Land Disposition Agreement among the City of New Haven, the New Haven Parking Authority and WE 101 College LLC

I. List Cost:

	<u>General</u>	<u>Special</u>	<u>Capital/Bond</u>	<u>Dept/Act/Obj. Code</u>
A. Personnel				
1. Initial start-up				
2. One-time				
B. Non-Personnel				
1. Initial start-up				
2. One-time		(see note below on City's required public improvement contributions)		
3. Annual				

II. List Revenues: Will this item result in any revenues for the City?

1. One-time
2. Annual: The Developer and its successors and assigns will pay all taxes and assessments assessed against the 101 College Street Parcel, and the improvements thereon. The Developer may take advantage of the as-of-right Assessment Deferral Program or Enterprise Zone program. In the event the Parcel becomes tax exempt, the DLDA stipulates that the Parcel shall be treated as taxable through a PILOT agreement for a period of 30 years from the effective date.

Other Comments: There are three (3) major public investments associated with this DLDA as noted below:

1. Downtown Crossing Phase 3. The City received a TIGER grant in the amount of \$20M previously approved by the BOA, which when coupled with other funding, allows Downtown Crossing Phase 3 to move forward later this year. The City must achieve three "Critical Milestones" or the City will be subject to liquidated damages. While not part of the Critical Milestones which are subject to liquidated damages, the Temple Street Extension and other aspects of Phase 3 will not be completed until funding of approximately \$6-10M is available.
2. Temple Street Garage Improvements. Improvements to the Temple Street Garage are expected to cost \$1.25-1.5M and are required to be carried out as part of the DLDA. As per the DLDA, the City will be required to reimburse the NHPA if an outside funding source is not identified.
3. On-Site Public Improvements. The On-Site Public Improvements are estimated to cost \$16.5M. Given that the City recently updated its Air Rights Design Guidelines and design is ongoing, a \$2.0M contingency is also in the budget. Per terms of the DLDA, the City's overall amount which needs to be covered is \$10.0M of the base and the \$2.0M in contingency. DECD has committed to fund \$8.0M and the City will be requesting a reallocation of state transportation funds (LOTICIP) with the sources and uses adjusted accordingly. This is anticipated to cover the cost of On-Site Public Improvements and soft costs.

The DECD commitment letter (attached) of \$8.0M is a significant milestone and provides the City with an opportunity for the project to move forward. However, as per terms of the DLDA, if the Phase 3 design changes in a material way which adversely affects the Project, then the Developer may ask for design adjustments or payment to cover related changes that may be necessary to carry out the Developer's Private Improvements or the On-Site Public Improvements.

This, together with the reimbursement to the NHPA would need to be covered out of the FY22-23 City Capital Improvement budget unless outside funding is identified.

**** This is an important part of the Order and a requirement of the DLDA. ****



Department of Economic and
Community Development



David Lehman
Commissioner

April 1, 2020

Mr. Justin Elicker
Mayor
City of New Haven
165 Church Street, 2nd Floor
New Haven, CT 06510

Dear Mayor Elicker:

The Department of Economic and Community Development (DECD) is pleased to express support of State financial assistance for the City of New Haven's plans to proceed with 101 College Street Infrastructure Project and the redevelopment of 101 College Street by Winstanley Enterprises, LLC. The State of Connecticut is proposing State funding assistance in the form of a \$8 million Urban Act grant over the course of three years; \$3 million in fiscal year 2020, \$3 million in fiscal year 2021, and \$2 million in fiscal year 2022 for the design and construction of 101 College Street Infrastructure Project .

The entire amount of \$8 million of State grant assistance is contingent on a binding development agreement from Winstanley Enterprises, LLC with the City of New Haven for the development of 101 College Street and other conditions to be set forth in DECD's assistance package. The \$8 million State funding is also subject to State Bond Commission approval.

This letter of financial support is non-binding and is not an attempt to define all terms and conditions that may be included in the final documentation. It serves to outline certain basic provisions from which a final agreement will be structured.

Our staff will continue to be available to you and your staff throughout the duration of the project. If you have any questions concerning this proposal please contact Ryan Acosta, your Project Manager, at 860.500.2392.

Sincerely,

David Lehman
Commissioner

Agreed and Accepted By:

City of New Haven

Name

Title

Date

CC: OPM Secretary, Melissa McCaw
DECD, Ryan Acosta

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