



CELEBRATING
55 YEARS

nererj

Brownfield redevelopment projects can be difficult but never insurmountable

July 15, 2010 - Connecticut

Brownfields in Connecticut received a great deal of positive attention on July 1st when Governor Jodi Rell signed two brownfield bills at the site of a former industrial park in Waterbury. HB 5383 (PA No.10-135), An Act Concerning Regional Economic Development and HB 5436 (PA No.10-138), An Act Concerning Brownfield Liability, will no doubt serve to bolster the clean-up and redevelopment of many brownfield sites in the state.

A great deal of team effort within the state is necessary to effect brownfield redevelopment. In the late 1990s, the Connecticut General Assembly recognized the need to create state programs that would make it financially feasible for municipalities and developers to redevelop environmentally contaminated sites. This resulted in the creation of a subsidiary within the Connecticut Development Authority known as the Connecticut Brownfields Redevelopment Authority (CBRA). CBRA's primary goal is to provide the expertise and facilitate the necessary financing to overcome fiscal and logistical obstacles commonly associated with developing these properties. CBRA assists developers, municipalities, and environmental professionals in transforming neglected, underutilized properties that are an eyesore to their neighbors into an economic development opportunity that will ultimately revitalize a community. These parties make it possible to identify potential opportunities and implement a plan more rapidly than a traditional development organization.

A key to this effort is the Authority's ability to provide both direct and indirect financial assistance for brownfields remediation through direct loans and loan guarantees. What separates CBRA's financial assistance program from others is its use of Tax Increment Financing (TIF) as a tool to restore economic life to contaminated properties. The TIF Program uses future increases in tax revenue to finance the current improvements that will create those gains. The developer obtains the benefits of such funding in the form of a grant while the municipality pledges to the CBRA a portion of increased tax revenue. TIF creates funding for projects that might otherwise be unaffordable to municipalities.

Governor Jodi Rell created the Office of Brownfield Remediation (OBRD) in 2007. OBRD's member agencies are the Department of Economic and Community Development (DECD), the Department of Environmental Protection (DEP), the Department of Public Health (DPH) and the Connecticut Brownfields Redevelopment Authority (CBRA). The formation of the OBRD was a huge step forward in the expansion of Connecticut's efforts to expedite brownfield redevelopment.

CBRA has had three stellar success stories that deserve recognition for teamwork:

CBRA recently closed on \$2.3 million in Tax Increment Financing for the North Haven Commons project. Located on the banks of the Quinnipiac River, North Haven Commons is a development of retail shops, chain stores and restaurants conveniently located right off Exit 9 on I-91. The \$55 million development is currently home to a number of tenants including Best Buy, Petco, Red

Lobster, Olive Garden, Toys R Us, and Babies R Us. The site, once home to a scrap yard and an auto wrecking and metal reclamation site, had suffered from extensive environmental contamination. Another great success story is the University of Hartford's Handel Performing Arts Center. Located at the corner of Albany Ave. and Westbourne Pkwy. in Hartford, the 7-acre site was the former home of an automobile dealership that required environmental clean-up. The CBRA provided \$2.5 million through a Brownfield PILOT which enabled the university, a not-for-profit, to access funding. The new facility is an advanced 55,000 s/f building that serves as the instructional home for students at The Hartt School of the University of Hartford. It has five dance studios, four theatre rehearsal studios, three vocal studios and two black box theatres, as well as faculty offices, a community room, bank and caf  . It has added vibrancy to the University, the professional arts and music arena, as well as the local community. University officials worked diligently to secure various sources of funding for this project, including philanthropic dollars. The Handel Center adds significantly to the vitality of the Upper Albany neighborhood.

A model smart-growth/brownfield project, Goodwin College's expansion and relocation delivered significant community contributions and neighborhood housing development opportunities to the local community of East Hartford. The 109,000 s/f flagship academic and administrative building serves over 2,000 students. The CBRA provided \$3 million in financial assistance through a Brownfields PILOT. The previous use of the 11-acre site was a former petroleum tank farm along the banks of the Connecticut River.

The final thought of the day is that brownfield projects are difficult real estate projects to bring to completion but they are never insurmountable!!

Cynthia Petruzzello is vice president of brownfield redevelopment, Connecticut Brownfields Redevelopment Authority, Rocky Hill, Conn.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540