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Where do you go when your bank can't do it all? - The Connecticut Development Authority

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More than two years after the Great Recession officially ended in June 2009, the national banking industry is still struggling to meet the high expectations of all for leading the country back to prosperity.

Saddled with unusually high commercial real estate debt, declining value and problematic holdings, the banking industry simply does not have the lending flexibility it once had.

As a result, the refinancing of long-standing commercial real estate loans has been negatively impacted. Additionally, small businesses are especially feeling the loss of credit availability as they try to rebuild or expand their markets.

No longer is the financing industry capable of providing the kinds of loans it once made that are necessary for reinvestment in established communities - the kind of "smart investment" that makes for smart business. The same kind of smart business sense that has fueled smart growth.

Fortunately, the Connecticut Development Authority has the capability to step into the breach and underwrite loans in certain situations - helping businesses in the critical areas of community investment, reinvestment and reuse of business resources.

With the help of the CDA and other government agencies, BoldWood Interiors and New England Seating Co., two manufacturing companies formerly in Hartford, were able to expand and grow their businesses by reusing existing manufacturing facilities in New Haven.

Rob Bolduc, president of BoldWood Interiors, and Rob Goldenthal, owner of New England Seating Co., are highly-motivated business owners who produce high-quality products. As second-and third-generation business owners, respectively, they know their businesses and are dedicated to investing in their community.

BoldWood Interiors and New England Seating, are complementary businesses that manufacture furniture and other items for the restaurant industry, including bars, fixtures, cabinetry, booths and tables. The companies purchased the 70,000 s/f building at 138 Haven St., formerly home to the Gant Shirt Factory in New Haven. The two businesses were leasing 40,000 s/f of space in this facility for the past several years and, with this recent purchase, will now be able to expand their operations into the building's remaining 30,000 s/f.

"Purchasing our manufacturing facility gives us the opportunity to expand, to create new jobs and to become more fully invested in our neighborhood," said Rob Goldenthal, owner of New England Seating.

"New Haven is our home and many of our employees live in the surrounding area," said Bolduc, owner of BoldWood Interiors. "We're excited to build upon the relationship that exists between our businesses and the community."

The businesses worked with the CDA, New Haven's Department of Economic Development and the

Economic Development Corporation to secure financing for the purchase.

"This shows that aging industrial buildings can be returned to productivity," said New Haven's economic development administrator, Kelly Murphy. "The purchase and improvement of this property has been a collaborative effort to ensure the retention of quality jobs in this historically working class neighborhood."

CDA's focus on business entrepreneurs like the owners of BoldWood Interiors and New England Seating helps in their making real estate purchases a reality, especially with the use of historic buildings.

Showcasing the promise of responsible growth investments that serve businesses, employees, cities and neighborhoods: investments that revitalize existing infrastructure, expand entrepreneurial opportunities and attract companies and jobs, is the mission and the value public economic development financiers like CDA provide.

Bolduc and Goldenthal were introduced to CDA by the City of New Haven and the Economic Development Corporation of New Haven, trusted partners in the entrepreneurs' nearly three-year effort to secure funding for the purchase of their building.

An updated U.S. Environmental Protection Agency report shows a continuing shift in development toward urban neighborhoods in the U.S., despite a slow real estate market. This trend, described in EPA's 2010 report, "Residential Construction Trends in America's Metropolitan Regions," shows that redevelopment continues in many urban neighborhoods. Taking advantage of opportunities to reuse land and to redevelop underused properties is a key smart growth strategy. It helps strengthen the local economy, and puts jobs within easy reach of surrounding neighborhoods.

The Connecticut Development Authority (CDA), the state's economic development financing catalyst, can be your partner - and your bank's partner in devising a new horizon for the loan and creating your new credit options. As a proactive risk manager with a public purpose of feeding the business and job growth necessary for a healthy state economy, CDA has been a resource for "working it out."

Visit the CDA website at www.ctcda.com. The only way to bank on your future is to call the state's bank that has your future in its sights.

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