

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: 34 LLOYD STREET, Amendment to Land Disposition Agreement between the City and Lloyd Street Properties, LLC for the acquisition of a portion of Parcel I in the River Street Municipal Development Project Area (Economic Development Administrator).

REPORT:1470-11

ADVICE: Approval

Previous Relevant City Actions: Lease Agreement & LDA with option to purchase (CPC 1397-12, 12/13/06); Authorization to Apply for DECD Grant for Environmental Cleanup (CPC 1465-09, 05/16/12); Development Commission adopted Amendment (08/14/12).

BACKGROUND

The City embarked upon a plan to revitalize a 53 acre area bordering the Quinnipiac River in the southern Fair Haven section of New Haven by initiating the River Street Municipal Development Plan in 2002. The plan's objectives include the redevelopment of vacant land and buildings, restoration/adaptive reuse of historic buildings, development of a waterfront park, improvements of public infrastructure and the implementation of standards to create an appealing and sustainable environment.

In early 2007 the Board of Aldermen approved a Lease Agreement with Land Disposition Agreement between the City and Lloyd Street LLC for a 1.8 acre parcel with a 13,500 SF building at 34 Lloyd Street (Parcel I within the River Street MDP). Since that time Capasso Restoration Inc. occupied the building in 2008, has made improvements on the property and operated its masonry restoration business. The City was to conduct environmental remediation of the property as specified in the lease and LDA, and in the process of continuing work, discovered that remediation costs for the site would be twice as costly (upwards of \$1 million) as the original estimate.

The Economic Development Administrator proposes that a revised parcel configuration could exclude the severely contaminated portion of 34 Lloyd Street (approximately 16,000 SF) and a redefined parcel could be transferred to Lloyd Street Properties LLC. An Amendment to the original LDA has therefore been submitted to the Board.

PLANNING CONSIDERATIONS

The material changes to the LDA are a reconfigured property boundary, a reduced purchase price due to the reduced parcel size, and an option for Lloyd Street Properties LLC to purchase the agreed upon alternative site upon completion of agreed upon remediation work to be carried out by the City. The purchase price (originally \$225,000.00) is revised to \$193,436.00 for the 1.051 acres as of January 14, 2013 plus 3% per year beginning each year after January 1. Additionally Capasso will have the option to purchase the alternate parcel to the north of the building which is part of the 198 River Street parcel for an additional \$75,226.00 upon completion of the remediation work. Capasso will have an option to buy the severely contaminated portion to the south if funds are identified to clean it up. The City has already received a commitment of \$500,000 from the Connecticut Department of Economic and Community Development for remediation work on the site, and its intent if feasible is to perform the cleanup work in the spring of 2013 after which time Capasso could exercise its option to acquire the modified property.

ADVICE

The Commission has supported the River Street Municipal Development Plan components in the past and advises Approval of the LDA Amendment.

ADOPTED: October 17, 2012
Roy Smith, Jr.
Vice Chair

ATTEST: 
Karyn M. Gilvarg, AIA
Executive Director