

August 8, 2022

Honorable Maly Rosado, Council President Members of the Court of Common Council City of Hartford 550 Main Street Hartford, CT 06103

RE: Disposition Agreement for National Development Council (NDC) for 1135H, 1137 & 1161 Albany Avenue, and 426 Woodland Street

Dear Council President Rosado:

Attached for the Council's consideration is a resolution which would authorize the City of Hartford (City) to enter into a Purchase and Sales agreement along with a 10-year tax fixing agreement, pursuant to C.G.S. Sec 12-65b with National Development Council (NDC) (the Developer) for the development of four Hartford Redevelopment Agency (HRA) parcels on the corner of Albany Avenue and Woodland Streets.

These under-utilized parcels located at 1135H, 1137 & 1161 Albany Avenue and 426 Woodland are located in the heart of one of the City's most traveled corridors in a prominent intersection of the City within the Upper Albany Neighborhood.

The overall plan will consist of the City selling the parcels to the developer who will then acquire two privately owned lots and combining them with the (4) HRA controlled parcels and then subdivide the property into two parcels. "Parcel A' will be sold to Genesis/Trinity, an approximately \$1.9 Million, 2,500 sqft retail development and "Parcel B" will be developed into an approximately \$12 Million, 38,000 sqft commercial development to include: City of Hartford Health Department, community room, restaurant, retail space(s), and a Public Parking lot.

Upon Completion of the Construction of Parcel B, not less than 10 years after a C.O. is issued, the Developer will provide the City of Hartford an option to purchase back Parcel B for \$1.00. The specific terms of the Purchase and Sales agreement with the Developer are more particularly set forth in detailed term sheets for both NDC and Genesis/Trinity attached to this resolution.

550 Main Street Hartford, Connecticut 06103 Telephone (860) 757-9500 Facsimile (860) 722-6606 This transaction will be subject to an 8-24 Plan review and recommendation by the Planning and Zoning Commission (P&Z) in addition to complying with the Hartford Affirmative Action Plan, MWBE hiring and living wage mandates.

Respectfully submitted,

Luke A. Bronin

Mayor

### **INTRODUCED BY**

### **COURT OF COMMON COUNCIL**

Luke A. Bronin, Mayor

City of Hartford, August 8, 2022

**WHEREAS**, On May 19, 2022, the City of Hartford presented a proposal to the Hartford Redevelopment Agency to split the overall redevelopment of the Albany Woodland project, which includes 1135H, 1137 and 1161 Albany Avenue and 426 Woodland Street, into two separate developments, based on a number of factors, such as funding sources, lending requirements, private developer needs and community needs; and

**WHEREAS**, On May 19, 2022 the Agency nominated Genesis/Trinity II as Tentative Developer for "Parcel A" and on July 14, 2022 the Agency nominated NDC as Tentative Developer for "Parcel B"; and

**WHEREAS**, On August 1, 2022, the HRA granted their initial approval of a disposition agreement with NDC for 1135H, 1137 and 1161 Albany Avenue and 426 Woodland Street in the Albany Avenue-Woodland Street Project Area in order to carry out the proposal; and

**WHEREAS**, Under the development proposal, NDC will establish a public-private partnership by creating a separate Non-Profit entity comprised of 5 members, three of which will come from NDC, one active HRA Commissioner and the Director of Development Services (or his designee) of the City of Hartford; and

**WHEREAS,** In order for the overall redevelopment to proceed, the created Non-Profit entity will take title to the parcels and combine the 4 HRA controlled lots and two privately owned lots and then subdivide into two parcels (Parcel A and Parcel B); and

**WHEREAS,** the Non-Profit Entity, as the title holder will sell "Parcel A' to Genesis/Trinity to construct an approximately \$1.9 Million, 2,500 sqft commercial building with the intent to attract a national retailer, consistent with and subject to the plan presented on May 19, 2022 and further approved on August 1, 2022; and

**WHEREAS**, the created Non-Profit entity will be responsible for pre-construction, development, construction and management of Parcel B; and

**WHEREAS,** The Non-Profit entity will develop "Parcel B", an approximate \$12 Million, 38,000 sqft commercial development to include the City of Hartford Heath and Human Services Department, a community room, restaurant, retail space(s) and a Public Parking lot; and

**WHEREAS,** In order to support the success of the commercial development, The City of Hartford wishes to relocate and enter into a lease agreement with the Non- Profit Entity for approximately 15,600 sqft of office space for their Health and Human Services Department and Women and Infant Children (WIC) Program, at an amount not to exceed \$270,000 per year; and

**WHEREAS,** The City wishes to enter into a ten-year tax assessment fixing agreement for "Parcel B" to make the project economically feasible as allowed under CG.S. Sec. 12-65b, and

**WHEREAS,** Once the debt service is satisfied on the development of "Parcel B", no sooner than 10 years from the date of the issuance of a Certificate of Occupancy, the City will have the option to acquire "Parcel B" for a \$1 or other adequate, but nominal consideration; and

WHEREAS, Through this public-private partnership, this redevelopment of the Albany Avenue-Woodland Street project will transform a currently underutilized site that is located in the heart of one of the City's most traveled corridors in one of the most prominent intersections of the City that will bring economic vitality to the Upper Albany Avenue Neighborhood; Now therefore be it,

**RESOLVED,** That the Mayor is hereby authorized to enter into and execute a Purchase and Sale agreement for the properties located at 1135H, 1137 and 1161 Albany Avenue and 426 Woodland Street with the National Development Council or its successors (the Non-Profit Entity) or assigns for the purposes set forth above, upon and subject to the above terms and conditions and such other final approved terms and conditions that the Mayor, Executive Director of the Hartford Redevelopment Agency and the Corporation Counsel may deem appropriate and in the best interest of the City; and be it further

**RESOLVED,** That the Mayor is hereby authorized to execute any and all manner of documents, including easements or rights of way, and to take such actions as he and the Corporation Counsel may deem appropriate and in the best interests of the City in order to effectuate the above transaction; and be it further

**RESOLVED,** That the Mayor is hereby authorized to enter into a 10-year tax assessment agreement pursuant to C.G.S. Sec.12-65b for "Parcel B"; and be it further

**RESOLVED,** That the Mayor is hereby authorized to enter into and execute a Lease Agreement with the National Development Council or its successors (the Non-Profit Entity) or assigns for the relocation of the City's Health and Human Services Department and Women and Infant Children (WIC) Program not to exceed \$270,000 per year during the term; and be it further

**RESOLVED**, That no person or entity shall be entitled to rely on, or otherwise claim any benefit by reason of this resolution should the City fail to execute the aforementioned purchase and sale agreement or other documents, or to take any of the other aforesaid actions.

# Albany/Woodland NDCs Purchase and Sale's Agreement - Key Terms/Issues

THE FOLLOWING IS A DRAFT DOCUMENT AND IS SUBMITTED FOR CONSIDERATION AS SUCH. THIS DOCUMENT IS SUBJECT TO SLIGHT MODIFICATION AS MAY BE NECESSARY OR WARRANTED AT THE DISCRETION OF THE CITY

Form of Dronoutry	City and the Dayslaner shall enter into a Durchage and Cale's Agreement
Form of Property	City and the Developer shall enter into a Purchase and Sale's Agreement
Conveyance	which will outline all of the City and Developer responsibilities and
	requirements for the development of the Development Site.
Development Site	The Development site consists of (4) Parcels under the control of the Hartford
F	Redevelopment Agency and (2) Parcels currently owned by Kings Chapel
	Church of God as noted below:
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	Cubicat Dagarantica (Hautford Dadaralamanat Assassa)
	Subject Properties (Hartford Redevelopment Agency Owned)
	1137 Albany Avenue (Parcel# 176-198-134)
	1135 Albany Avenue (Parcel # 176-198-133)
	1161 Albany Avenue (Parcel # 176-198-135)
	426 Woodland Street (Parcel ID # 176-198-078)
	Privately Owned to be acquired by the Developer
	414 Woodland Street (Parcel# 176-198-080)
	418 Woodland Street (Parcel# 176-198-079)
	410 Woodiand Street (Farcei# 170-170-077)
	Referenced herein collectively as, the "Parcel" or the "Property".
Project Profile	Proposed Commercial development consisting of:
	Combine 4 HRA Controlled lots and 2 Privately Owned lots & then Subdivide
	combined property into 2 Parcels
	Parcel A -To be Sold to Genesis/Trinity for Commercial Development
	(Approximately 2,502 SQFT Development per the attached Site Plan) and
	subject to a separate attached term sheet (See attached)
	Parcel B- Commercial property (Approximately 38,000 SQFT Development to
	include:
	City of Hartford Health Department
	City of Hartford WIC Offices
	Community Room
	Restaurant
	Retail Space (s)
	Public Parking Lot
	I ublic raiking but
	Development Program & site plan subject to change upon agreement of the
	parties.

Disposition	<ul> <li>City will enter into a Purchase &amp; Sales agreement with Developer for all City-owned Parcels</li> <li>Developer will be provided a 6 Month due diligence period</li> <li>Developer will Purchase 414 &amp; 418 Woodland Street parcels from Kings Chapel Church of God for the appraised value of \$54,000.00</li> <li>Once acquired developer will subdivide Parcel A and Parcel B in accordance with the Site Plan and within 6 months will sell Parcel A to Trinity/Genesis (Selected Developer for Parcel A by the HRA) for the sum of \$250,000.00 with the sale's proceed to be added to the overall development budget         <ul> <li>In the event that the developer is unable to finalize deal with Trinity/Genesis, the Developer shall attempt to identify an alternative developer/purchaser of that site consistent with these same terms and conditions and subject to approval by the HRA.</li> </ul> </li> <li>Upon Completion of the Construction, not less than 10 years after a C.O. is issued, Developer will provide the City of Hartford an option to purchase back Parcel B for \$1.00</li> </ul>
Purchase	The City intends to transfer and convey the subject properties over to the National Development Council (NDC) or its yet to be created, Non-Profit Project Affiliate for the sum of \$1.00
Due Diligence and Financing Period	Developer shall have a six-month due diligence period which shall commence on the full execution of a Purchase and Sale's Agreement between the City and Developer. During the due diligence period, Developer shall obtain all zoning and building permits. The Developer may request an extension of the Due Diligence Financing Period. This period shall not exceed three months. Such request must be submitted to the City in writing.
Post-Closing	<ul> <li>Developer will sell what is known as Parcel A to Genesis/Trinity-subject to a separate attached Term Sheet (See Attached)</li> <li>Developer agrees to hold all relevant contracts- with architect, contractor and other professionals</li> <li>Developer agrees to supervise design, financing and construction</li> <li>Upon Completion of Parcel B, Developer agrees to manage the asset and maintain ownership until the property is transferred back to the City of Hartford</li> </ul>

Developer	<ul> <li>NDC will create a non-profit entity comprised of 5 members, three from the Developer and two board members will be representatives of the City of Hartford and HRA through one active HRA Commissioner and the Director of Development Services (or his designee) of the City of Hartford.</li> <li>The created non-profit must be established with bylaws and a development agreement consistent with the terms herein prior to closing</li> <li>Developer agrees to hold all relevant contracts- with architect, contractors and other professionals</li> <li>Subject to City review and approval</li> <li>Development shall comply with all City Zoning Code requirements.</li> </ul>
Tenants and Easements	<ul> <li>Developer agrees to enter into a lease agreement with the City of Hartford to operate the City's Health Department and WIC offices for approximately 15,600 SQFT in the amount not to exceed \$270,000.00 per year.</li> <li>Developer agrees to enter into a lease agreement with LaPerle Restaurant for approximately 6,000 SQFT</li> <li>Developer agrees to enter into a Management agreement with the Hartford Parking Authority or another mutually agreed upon organization to operate the Public Parking lot with approximately 130 Parking spaces</li> <li>Developer agrees to enter into an easement agreement with Kings Chapel Church of God &amp; Genesis/Trinity II to provide both organizations access to the Parking lot</li> <li>Developer agrees to provide Parking Lot access to the Kings Chapel Church of God at least (5) times a year to allow the Church to set up a tent at an agreed location of the parking lot for Church sponsored events</li> </ul>
City Approval Rights	City shall have the right to approve:  Project Design (Design Standards Limited to Zoning Regulations) Project Schedule Construction Financing Security for Project Completion Project Changes City will act timely on all approvals
Permits and Approvals	Developer responsible to seek and obtain all required permits and approvals at Developer's sole cost and expense. City to cooperate and provide timely review and approvals.

Developer Responsibilities	<ul> <li>Finalize Project design; subject to review and approval by the City.</li> <li>Seek and obtain all required permits and approvals.</li> <li>Seek and obtain Project construction financing.</li> <li>Construct Project in accordance with approved plans and approved Project Schedule.</li> <li>Operate and Maintain the Project in first class manner.</li> <li>Perform environmental remediation of the Development Site.</li> <li>The Developer and the City shall establish a milestone schedule for the transfer, construction and occupancy of Parcel B with appropriate cure periods established. Failure to meet the milestones established, and mutually agreed upon by both the Developer and City will be deemed to be an event of default, which may result in the Developer's loss of committed subsidies. City shall notify developer of any and all defaults in writing and provide time, to be agreed to in the Purchase and Sale's Agreement, to cure all defaults.</li> </ul>
Tax Fixing Agreement – Parcel B	<ul> <li>The City &amp; Developer shall enter into a 10-year Tax Fixing Agreement pursuant to CT General Statutes 12-65B at the following rates based on Gross Revenues</li> <li>Year's (1-10) Taxed at 0%</li> <li>Agreement to be executed at time of closing and recorded on the land records</li> </ul>
City Responsibilities	<ul> <li>Provide a Purchase and Sale's agreement detailing the provisions contained within this term sheet upon Court of Common Council approval</li> <li>The City may issue a Temporary Certificate of Occupancy at its sole discretion.</li> </ul>
Developer Financing	Proposed (Subject to change prior to closing)  CRDA Loan  City of Hartford Grant
Closing Contingencies	<ul> <li>Receipt by Developer of all Permits and Approvals.</li> <li>City review and approval of final development plans and construction schedule.</li> <li>Construction financing in place, and acceptable to City.</li> <li>Final financing commitments.</li> <li>Construction Schedule</li> <li>All closing contingencies set forth in the Purchase and Sales Agreement must be addressed prior to the closing</li> </ul>
Closing Date	<ul> <li>Closing at the conclusion of the 6-month due diligence period or sooner with time of the essence.</li> <li>If the Developer exercises its right to extend the due diligence period for up to 3 months, then, the Closing Date will be automatically extended for the same period of time</li> </ul>
Infrastructure improvements	Developer Responsible for any on site infrastructure improvements or other mitigation required for its Project.

<b>Events of Default</b>	During Construction:
	<ul> <li>Failure to comply with Purchase and Sale's Agreement, including any applicable milestones contained therein, including, but not limited to, construction commencement and completion dates.</li> <li>Failure to secure appropriate funding.</li> <li>Failure to obtain a CO.</li> <li>Failure to remediate the property (remediation means a remediation consistent with the State of Connecticut's Remediation Standard Regulations)</li> <li>City shall notify developer of any and all defaults in writing and provide time to be agreed to in the Purchase and Sales Agreement to cure all defaults.</li> </ul>
City Remedies for Developer Default (Only after notice and failure to cure within designated time period.)	Satisfactory remedies to be determined by Developer and the City within the Purchase and Sale's Agreement.
Changes in Project	Subject to City review and approval, which approval is not to be unreasonably withheld.
Public Review and Input	Developer to attend all public meetings as required and to meet with community leaders and stakeholders as requested.
Common Council Approval	The terms proposed herein are conditioned upon, and subject to, approval by the City of Hartford's Court of Common Council.
Use Restrictions and Covenants	To be discussed

### **Community Benefits**

### **GOOD FAITH EFFORTS:**

- Hartford Residents Construction jobs (30% of project hours)
- MWBE Participation-(15% of project hours)

### **REQUIRED:**

- MWBE Participation (Vendors or Sub-Contractors) 15% of total construction costs. City will entertain a reduction of the Total Development Costs that would otherwise be attributed toward meeting the Community Benefits requirements for construction items that are uniquely sourced (i.e. modular construction components).
- Living Wage Construction jobs (Article XII City of Hartford Municipal Code)
- Developer and its contractors will be subject to the City's Living Wage Ordinance and MWBE participation requirement (15% of total construction costs) as set forth above.

Developer will be required to make good faith efforts to ensure that thirty percent (30%) of project hours worked are performed by residents of the City of Hartford and fifteen percent (15%) of project hours worked are performed by Minority/Women Business Enterprises (MWBE). Such good faith efforts shall include, but not be limited to, outreach to employment offices, organizations working in the City to provide job training and support for Hartford residents, and/or the establishment of, or participation in, job fairs to enable Hartford residents to apply for job opportunities.

Developer will participate in a Pre-Construction meeting with City compliance unit and regular Project meetings with the assigned Project Manager. Developer agrees to use all necessary reporting mechanisms put in place by the City of Hartford including but not limited to LCP tracker for the reporting of Wage Rates, MWBE usage and Hartford Residence requirements.

It is the expectation that in the event of Developer Default the successor of the Developer will assume all obligations associated with the Community Benefit requirements that have been established for the development.

## Genesis/Trinity Albany/Woodland Development Purchase and Sale's Agreement - Key Terms/Issues

THE FOLLOWING IS A DRAFT DOCUMENT AND IS SUBMITTED FOR CONSIDERATION AS SUCH. THIS DOCUMENT IS SUBJECT TO SLIGHT MODIFICATION AS MAY BE NECESSARY OR WARRANTED AT THE DISCRETION OF THE CITY

Form of Property Conveyance	A Non-Profit entity ("Project Affiliate") created by National Development Council (NDC) and the Developer shall enter into a Purchase and Sale's Agreement which will outline all of the Project Affiliate and Developer responsibilities and requirements for the development of the Development Site in accordance with the terms and conditions of the term sheet between NDC and City of Hartford.
Development Site	The Development site consists of a future subdivided parcel that is approximately .6 acres. The property will be commonly known as Parcel A of the Albany/Woodland Redevelopment Project as outlined in the attached site plan.  Referenced herein collectively as, the "Parcel" or the "Property".
Purchase	The Project Affiliate intends to transfer the subject property over to Genesis/Trinity Development Partners for the sum of \$250,000.00
Due Diligence and Financing Period	Developer shall have a six-month due diligence period which shall commence on the full execution of a Purchase and Sale's Agreement between the Project Affiliate and Developer. During the due diligence period, Developer shall diligently seek and procure written financing commitments.  Developer has the right to terminate the agreement for any reason or no reason during the due diligence period. The Developer may request an extension of the Due Diligence Financing Period. This period shall not exceed three months. Such request must be submitted to the Project Affiliate in writing.
Project Profile	Proposed Commercial development consisting of:  One Commercial Space  • Approximately 2,502 SQFT (with drive-thru for major retailer)  Development Program subject to change upon agreement of the parties and HRA approval.
Scope and Details of Project/Project Design	<ul> <li>Subject to Project Affiliate's review and approval</li> <li>Development shall comply with all City Zoning Code requirements.</li> </ul>

Approval Rights	Project Affiliate shall have the right to approve:
	<ul> <li>Project Design (Design Standards Limited to Zoning Regulations)</li> <li>Project Schedule</li> <li>Construction Financing</li> <li>Security for Project Completion</li> <li>Project Changes</li> </ul>
Permits and Approvals	Developer responsible to seek and obtain all required permits and approvals at Developer's sole cost and expense.
Developer Responsibilities	<ul> <li>Finalize Project design; subject to review and approval by the Non-Profit.</li> <li>Seek and obtain all required permits and approvals.</li> <li>Seek and obtain Project construction financing.</li> <li>Construct Project in accordance with approved plans and approved Project Schedule.</li> <li>Operate and Maintain the Project in first class manner.</li> <li>Perform environmental remediation of the Development Site at its expense.</li> <li>The Developer and the Project Affiliate shall establish a milestone schedule for the transfer, construction and occupancy of Parcel with appropriate cure periods established. Failure to meet the milestones established, and mutually agreed upon by both the Developer and Project Affiliate will be deemed to be an event of default, which may result in the Developer's loss of committed subsidies. Project Affiliate shall notify Developer of any and all defaults in writing and provide time, to be agreed to in the Purchase and Sale's Agreement, to cure all defaults.</li> </ul>
Non-Profit Entity Responsibilities	<ul> <li>Project Affiliate will provide a Purchase and Sale's agreement detailing the provisions contained within this term sheet upon the closing between the Project Affiliate and the City of Hartford</li> <li>Project Affiliate agrees to enter into an easement agreement with Developer to provide access to the Parking lot</li> <li>Project Affiliate agrees to enter into an access agreement to allow Developer to place trash receptacle in designated area in "Parcel B"</li> </ul>
Developer Financing	Proposed (Subject to change prior to closing)  • Developer Equity
Closing Contingencies	<ul> <li>Receipt by Developer of all Permits and Approvals.</li> <li>Project Affiliate review and approval of final development plans and construction schedule.</li> <li>Construction financing (including equity investment) in place, and acceptable to City.</li> <li>Final financing commitments.</li> <li>Construction Schedule</li> <li>All closing contingencies set forth in the Purchase and Sales Agreement must be addressed prior to the closing</li> </ul>

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Closing Date	<ul> <li>Closing at the conclusion of the 6-month due diligence period or sooner with time of the essence.</li> <li>If the Developer exercises its right to extend the due diligence period for up to 3 months, then, the Closing Date will be automatically extended for the same period of time</li> </ul>
Infrastructure improvements	Developer Responsible for any infrastructure improvements or other mitigation required for its Project.
Events of Default	<ul> <li>Failure to comply with Purchase and Sale's Agreement, including any applicable milestones contained therein, including, but not limited to, construction commencement and completion dates.</li> <li>Failure to secure appropriate funding.</li> <li>Failure to obtain a CO.</li> <li>Failure to remediate the property (remediation means a remediation consistent with the State of Connecticut's Remediation Standard Regulations)</li> <li>Project Affiliate shall notify Developer of any and all defaults in writing and provide time to be agreed to in the Purchase and Sales Agreement to cure all defaults.</li> </ul>
Remedies for Developer Default (Only after notice and failure to cure within designated time period.)	Satisfactory remedies to be determined by Developer and the Project Affiliate within the Purchase and Sale's Agreement.
Changes in Project	Subject to Project Affiliate review and approval, which approval is not to be unreasonably withheld. Any substantial changes to the development plan are subject to the approval of the Hartford Redevelopment Agency in accordance with the terms and agreement of the term sheet between NDC and the City of Hartford.
Public Review and Input	Developer to attend all public meetings as required and to meet with community leaders and stakeholders as requested.
Common Council Approval	The terms proposed herein are conditioned upon, and subject to, approval by the Hartford Redevelopment Agency.
Use Restrictions and Covenants	To be discussed

### **Community Benefits**

#### **GOOD FAITH EFFORTS:**

- Hartford Residents Construction jobs (30% of project hours)
- MWBE Participation-(15% of project hours)

### **REQUIRED:**

- MWBE Participation (Vendors or Sub-Contractors) 15% of total construction costs. City will entertain a reduction of the Total Development Costs that would otherwise be attributed toward meeting the Community Benefits requirements for construction items that are uniquely sourced (i.e. modular construction components).
- Living Wage Construction jobs (Article XII City of Hartford Municipal Code)
- Developer and its contractors will be subject to the City's Living Wage Ordinance and MWBE participation requirement (15% of total construction costs) as set forth above.

Developer will be required to make good faith efforts to ensure that thirty percent (30%) of project hours worked are performed by residents of the City of Hartford and fifteen percent (15%) of project hours worked are performed by Minority/Women Business Enterprises (MWBE). Such good faith efforts shall include, but not be limited to, outreach to employment offices, organizations working in the City to provide job training and support for Hartford residents, and/or the establishment of, or participation in, job fairs to enable Hartford residents to apply for job opportunities.

Developer will participate in a Pre-Construction meeting with City compliance unit and regular Project meetings with the assigned Project Manager. Developer agrees to use all necessary reporting mechanisms put in place by the City of Hartford including but not limited to LCP tracker for the reporting of Wage Rates, MWBE usage and Hartford Residence requirements.

It is the expectation that in the event of Developer Default the successor of the Developer will assume all obligations associated with the Community Benefit requirements that have been established for the development.