



**Luke A. Bronin**  
**Mayor**

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: SALE OF 1355 & 1359 MAIN STREET AND 522 & 532 ANN UCCELLO 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 with Gateway Partnership, LLC (the "Developer") for the development of four City owned parcels on the corner of Main and Ann Uccello Streets.

The properties located at 1355 & 1359 Main Street and 522 & 532 Ann Uccello Street have been blighted and underutilized for decades. In January 2021, the City issued a Request for Proposals seeking qualified developers to redevelop the existing structure at 1355 Main Street along with 3 adjacent vacant lots. Gateway Partnership, a partnership between San Juan Center Inc. and The Carabetta Companies (the "Developer") submitted a proposal and was ultimately selected as the preferred developer for the project.

The plan proposed by the Developer consist of the purchase of (4) privately owned parcels 506, 520, 525 & 529 Ann Uccello in addition to the City owned parcels; for the creation of \$17.4 Million mixed used development that includes approximately 43 residential units with a mix of studios, one-bedroom units and two-bedroom units, along with approximately 7,300 SQFT of commercial space.

In addition, the Developer has requested the City of Hartford enter into a ten-year tax assessment fixing agreement for the overall development to make the project economically feasible as allowed under CG.S. Sec. 12-65b.

**550 Main Street**  
**Hartford, Connecticut 06103**  
**Telephone (860) 757-9500**  
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The specific terms of the Purchase and Sales agreement with the Developer are more particularly set forth in a detailed term sheet that is attached to this resolution.

The proposed development will result in the redevelopment of a severely blighted City owned building along with two underutilized privately-owned historic structures. This development will be a critical component in the link between downtown Hartford and the City's North end neighborhoods.

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,

A handwritten signature in black ink, appearing to read 'Luke A. Bronin', with a stylized flourish at the end.

Luke A. Bronin  
Mayor

**INTRODUCED BY:**  
Luke A. Bronin, Mayor

**COURT OF COMMON COUNCIL**  
City of Hartford, August 8, 2022

**WHEREAS,** The City owns 4 parcels situated at 1355 & 1359 Main Street and 522 & 532 Ann Uccello Street (collectively, the “Property”); and

**WHEREAS,** In January 5, 2021, the City issued a Request for Proposals seeking qualified developers to redevelop the Property into a mixed-use development with commercial space on the ground floor and residential spaces above; and

**WHEREAS,** Gateway Partnership, a partnership between San Juan Center Inc. and The Carabetta Companies (the “Developer”) submitted a proposal and was ultimately selected as the preferred developer for the project; and

**WHEREAS,** The plan proposed by the Developer calls for the purchase of (4) privately owned parcels 506, 520, 525 & 529 Ann Uccello in addition to the City owned parcels; for the creation of a mixed used development that will include approximately 43 residential units consisting of a mix of studios, one-bedroom and two-bedroom units, along with approximately 7,300 sqft of commercial space; and

**WHEREAS,** The project would contain a 25% affordable housing requirement with rents at 50% AMI, and the redevelopment is required to comply with the Hartford Affirmative Action Plan, MWBE hiring and living wage mandates; and

**WHEREAS,** The City wishes to transfer 1355 Main Street (Parcel# 244-288-094); 1359 Main Street (Parcel 244-288-095); 522 Ann Uccello (Parcel# 244-288-061) and 532 Ann Uccello (Parcel# 244-288-060) over to Gateway Partnership for the sum of \$1.00 under a purchase and sales agreement; and

**WHEREAS,** The total projected cost of the project is projected at approximately \$17.4M, with financing for the project consisting of a DECD grant, historic tax credits, City HOME funds, CRDA loan, Senior loan and private equity; and

**WHEREAS,** The Developer has requested the City of Hartford enter into a ten-year tax assessment fixing agreement for the overall redevelopment to make the project economically feasible; and

**WHEREAS,** The specific terms of the purchase and sales agreement with the Developer are more particularly set forth in the attached term sheet; and

**WHEREAS,** The proposed development agreement will result in the redevelopment of a severely blighted City owned building along with two underutilized privately owned historic structures. This development will be a critical component in the link between downtown Hartford and the City’s North end neighborhoods; therefore be it

**RESOLVED,** That the Court of Common Council hereby authorizes the Mayor, subject to review and approval of a Term Sheet for the project, to enter into a purchase and sale agreement with the development team of Gateway Partnership, LLC.; and be it further

**RESOLVED**, That the Court of Common Council hereby authorizes the Mayor to enter into a ten-year agreement with the Developer fixing the tax assessment as identified in the term sheet, and be it further

**RESOLVED**, that the Mayor is hereby authorized to execute any and all manner of other documents and to take such other actions as he and the Corporation Counsel may deem appropriate and in the best interest of the City in order to effectuate the above transaction, upon approval of the Term Sheet, 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 Mayor fail to execute the aforementioned agreements or other documents, or to take any of the other aforesaid actions, and be it further

**RESOLVED**, that all approvals and authorizations provided hereby are contingent upon, and only shall be effective on and by means of, the Mayor executing such agreements and taking such actions, all of which shall be, in form and substance, acceptable to the Mayor and the Corporation Counsel.

## Arrowhead Purchase and Sale's Agreement – Key Terms/Issues

<b>Form of Property Conveyance</b>	<p>City and the Developer shall enter into a Purchase and Sale's Agreement which will outline all of the City and Developer responsibilities and requirements for the development of the Development Site.</p>
<b>Development Site</b>	<p>The Development site consists of four City owned parcels on Ann Uccello and Main Streets consisting of the former Arrowhead Building along with four privately owned sites also on Ann Uccello:</p> <p>Subject Properties (City Owned)</p> <ul style="list-style-type: none"> <li>• 1355 Main Street (Parcel# 244-288-094)</li> <li>• 1359 Main Street (Parcel# 244-288-095)</li> <li>• 532 Ann Uccello Street (Parcel# 244-288-060)</li> <li>• 522 Ann Uccello Street (Parcel# 244-288-061)</li> </ul> <p>Privately Owned to be acquired by the Developer</p> <ul style="list-style-type: none"> <li>• 525 Ann Uccello Street (Parcel 244-285-055)</li> <li>• 529 Ann Uccello Street (Parcel 244-285-056)</li> <li>• 506 Ann Uccello Street (Parcel 244-288-063)</li> <li>• 520 Ann Uccello Street (Parcel 244-288-062)</li> </ul> <p>Referenced herein collectively as, the "Parcels" or the "Properties".</p>
<b>Purchase</b>	<p>The City wishes to transfer the subject property over to the Gateway Partnership Corp. for the sum of \$1.00</p>
<b>Due Diligence and Financing Period</b>	<p>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 diligently seek and procure written financing commitments.</p> <p>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 City in writing.</p>

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<p><b>Project Profile</b></p>	<p>Proposed Mixed use development consisting of:</p> <p>City Owned Lots (1359 Main St; 1359 Main St; 522 Ann Uccello &amp; 532 Ann Uccello)</p> <ul style="list-style-type: none"> <li>• 23 Residential Units (16,851 SQFT New Construction; 6,100 SQFT Existing Residential)</li> <li>• 4,900 SQFT Commercial Space</li> </ul> <p>Flat Iron Building (Privately Owned) 525 &amp; 529 Ann Uccello</p> <ul style="list-style-type: none"> <li>• 14 (1 BR) (Remodel) (10,136 SQFT Existing Residential)</li> <li>• 2,400 SQFT Ground Floor retail</li> </ul> <p>CO-OP Building (Privately Owned) 506-520 Ann Uccello 6 Units (Remodel) (6,600 SQFT Existing Residential)</p> <p>Development Program subject to change upon agreement of the parties.</p>
<p><b>Scope and Details of Project/Project Design</b></p>	<ul style="list-style-type: none"> <li>• Subject to City review and approval</li> <li>• 25% Affordable Housing requirement</li> <li>• Development shall comply with all City Zoning Code requirements.</li> <li>• Subject to HOME Fund requirements</li> <li>• Subject to State of CT DECD Challenge Grant Regulations</li> </ul>
<p><b>City Approval Rights</b></p>	<p>City shall have the right to approve:</p> <ul style="list-style-type: none"> <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> <li>• City will act timely on all approvals</li> </ul>
<p><b>Permits and Approvals</b></p>	<ul style="list-style-type: none"> <li>• Developer responsible to seek and obtain all required permits and approvals at Developer’s cost and expense. City to cooperate and provide timely review and approvals.</li> </ul>

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<p><b>Developer Responsibilities</b></p>	<ul style="list-style-type: none"> <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 at its expense.</li> <li>• The Developer and the City 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 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>
<p><b>Tax Fixing Agreement</b></p>	<ul style="list-style-type: none"> <li>• 10 Year Tax-Fixing Agreement based on % of Gross Revenues             <ul style="list-style-type: none"> <li>○ Years 1- 3-0% Minimum- Base Current Taxes</li> <li>○ Years 4-5 -5%</li> <li>○ Years 5-7 -7%</li> <li>○ Years 8-9 -10%</li> <li>○ Years 10 – 12%</li> </ul> </li> </ul>
<p><b>City Responsibilities</b></p>	<ul style="list-style-type: none"> <li>• Provide a Purchase and Sale’s agreement detailing the provisions contained within this term sheet upon Court of Common Council approval</li> <li>• Cooperate with Developer in seeking funding for environmental remediation at no cost to City.</li> <li>• The City may issue a Temporary Certificate of Occupancy at its sole discretion.</li> </ul>
<p><b>Developer Financing</b></p>	<p>Proposed (Subject to change prior to closing)</p> <ul style="list-style-type: none"> <li>• Historic Tax Credits</li> <li>• Senior Loan</li> <li>• CRDA</li> <li>• Developer Equity</li> <li>• DECD Grant</li> <li>• City Home Funds</li> </ul>
<p><b>Closing Contingencies</b></p>	<ul style="list-style-type: none"> <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 (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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<p><b>Closing Date</b></p>	<ul style="list-style-type: none"> <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>
<p><b>Infrastructure improvements</b></p>	<ul style="list-style-type: none"> <li>• Developer Responsible for any infrastructure improvements or other mitigation required for its Project.</li> </ul>
<p><b>Events of Default</b></p>	<p>During Construction:</p> <ul style="list-style-type: none"> <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>
<p><b>City Remedies for Developer Default</b> (Only after notice and failure to cure within designated time period.)</p>	<p>Satisfactory remedies to be determined by Developer and the City within the Purchase and Sale’s Agreement.</p>
<p><b>Changes in Project</b></p>	<p>Subject to City review and approval, which approval is not to be unreasonably withheld.</p>
<p><b>Public Review and Input</b></p>	<p>Developer to attend all public meetings as required and to meet with community leaders and stakeholders as requested.</p>
<p><b>Common Council Approval</b></p>	<p>The terms proposed herein are conditioned upon, and subject to, approval by the City of Hartford’s Court of Common Council.</p>
<p><b>Use Restrictions and Covenants</b></p>	<p>To be discussed</p>



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<p><b>Community Benefits</b></p>	<p align="center"><b>GOOD FAITH EFFORTS:</b></p> <ul style="list-style-type: none"> <li>• Hartford Residents – Construction jobs (30% of project hours)</li> <li>• MWBE Participation-(15% of project hours)</li> </ul> <p align="center"><b>REQUIRED:</b></p> <ul style="list-style-type: none"> <li>• 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).</li> <li>• Living Wage Construction jobs (Article XII - City of Hartford Municipal Code)</li> <li>• 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.</li> </ul> <p>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.</p> <p>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.</p> <p>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.</p>
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