

## **NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT**

**RE:** **ORDER OF THE BOARD OF ALDERS** Approving and providing for the execution of a revised proposed land disposition agreement between the City of New Haven and MJG River, LLC and ASG River, LLC for the conveyance of 56 River Street, consisting of a portion of reuse parcel "C" in the River Street Development Project Area. (Economic Development Administrator)

**REPORT:** 1503-06

**ADVICE:** Approval

### **BACKGROUND**

The Board passed an Order approving the sale to two parties of portions of the property known as 56 River Street (the "Property"), which is a portion of Redevelopment Parcel C in the River Street Municipal Development Project Plan (the "River Street MDP"), on August 6, 2014.

Of the two prospective buyers, Yuriy Farina has withdrawn his offer to buy a part of the Property, and MJG River, LLC (MJG), is requesting permission from the Board to acquire the entire Property for development of a cleaning products distribution operation as described in the original submission. MJG had planned to acquire from the City a portion of 46 River Street for the project (the "Project") in order to provide the additional space needed to accommodate its 10,000 square foot facility and parking and loading area, but this would not be necessary if it was able to acquire all of the Property (minus the 7,500 square feet which the City will retain for its landscaped, pedestrian walkway) for the previously approved price of \$47,500.

MJG is willing to include an option for the City to re-purchase the Property in the event that the Property is required for a comprehensive development of a larger portion the River Street MDP area, upon the terms and conditions described in the draft order. This option will expire, if not exercised, within fifteen years.

### **PLANNING CONSIDERATIONS**

MJG proposes to acquire and develop the Property in order to accommodate the operation of M.D. Stetson Company, Inc., which distributes janitorial and paper products. The company, with locations in Massachusetts, Rhode Island, and Connecticut recently acquired Verton in East Haven, which would be relocated, (together with at least 17 jobs), to the Property. Stetson expects to grow steadily and add one to two sales representatives and additional support staff annually.

The River Street MDP was approved by the New Haven Board of Aldermen and the Connecticut Department of Economic and Community Development (DECD) in 2002. It seeks the redevelopment of vacant and underutilized properties for industrial and commercial uses that will retain and create jobs, generate investment and new tax income, and enhance the appearance and safety of the River Street area through environmental cleanup of individual properties, building renovations, infrastructure improvements, and creation of a landscaped pedestrian walkway along the Quinnipiac River.

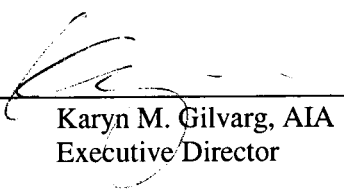
The goals of the River Street MDP have been advanced over the years as funding has become available from the City, the Department of Economic and Community Development, the U.S. Economic Development Administration, the U.S. Environmental Protection Agency, and private sources. Several new businesses have acquired and renovated buildings in the MDP in that time, but this project would represent the first new construction in the MDP area.

The sites were previously home to several different industrial buildings, portions of their foundations may remain below grade. The soil is poor and the water table is very high in this area adjacent to the harbor; and the Flood Plain Management Ordinance will dictate minimum elevations. These are some of the reasons that extraordinary site and foundation costs are anticipated.

**ADVICE**

The Commission finds the land disposition agreement in the best interest of the City and recommends approval.

**ADOPTED:** March 18, 2015  
Edward Mattison  
Chair

**ATTEST:**   
Karyn M. Gilvarg, AIA  
Executive Director