

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: ORDER APPROVING THE RELEASE OF CERTAIN PILOT LIENS AND AN UNSECURED NOTE, AND THE MODIFICATION OF A UDAG LOAN CONCERNING BREWERY SQUARE, 19 RIVER STREET (From Brewery Square Limited Partnership)

REPORT: 1494-08

ADVICE: Approval

BACKGROUND The Brewery Square Limited Partnership is an instrumentality of Cambridge Development, and is the owner of Brewery Square at 19 River Street, located near the intersection of Chapel, Ferry and River Streets. This historic building was renovated and converted to a 104 unit rental housing development in the early 1980s. The site is zoned PDD (# 41) and also includes the adjacent townhouse condominium, The Cannery, and is within the Quinnipiac River Local Historic District. The complex was developed with substantial government assistance. The building was sold to the developer by the New Haven Redevelopment Agency at a discounted price, the City and the developer obtained federal assistance in the form of a UDAG loan, and the City also loaned additional federal grant funds, CHFA was the mortgagor. There was also a tax agreement to defer some portion of real estate taxes, and to pay a modest PILOT.

The owner now contends that operating expenses have outstripped the income from the rental units, which include both 51 market rate and 53 assisted units (HAP). The expiration of the PILOT agreement in 2005 has contributed significantly to this negative cash flow. In 2012 the owner began working with the State Department of Housing and the City to put the development back on a firm financial footing. The Order submitted to the Board of Alders reflects a multi-part arrangement to do so; however it is not clear if the Order as submitted covers all items that need resolution.

PLANNING CONSIDERATIONS:

The imposing Brewery Square building (1882, front facade 1896) sits prominently at the southeastern edge of the Fair Haven peninsula, just north of the newly rebuilt Ferry Street Bridge and south of the Quinnipiac River Park. The City has applied for CDBG-DR funds to repair the bulkhead in the adjacent Quinnipiac River Park. The building is a landmark in the neighborhood, rising several stories on elevated land; it is visible from all directions. Richly detailed in brick it has been appropriately restored.


It has contributed to the stability and appeal of this area of Fair Haven. The building was planned at 20% assisted units, the current HAP contract is for 53 units (roughly 50%). This balance of units should be maintained. The re-financing could be an opportunity to upgrade fixtures, finishes and site amenities as well to improve energy performance in a building that has been in service for 30 years, yet only a small amount is allocated for these purposes. It appears that the "Gatehouse" building remains vacant, giving a less than satisfactory first impression from Ferry and River Streets; it is not clear why this is so.

The Order submitted attempts to resolve a number of issues between the City and the owner, however it is not clear that the owner will reinvest sufficiently to sustain the property as a high quality residential property over the next decades; the Board of Alders needs a better understanding of how the owners propose to:

- 1) Demonstrate financial capacity to undertake needed capital improvements;
- 2) Keep the number of assisted units at its current level as a maximum;
- 3) When the City will receive the quit claim deed back to the City for unbuilt parcel; and
- 4) Submit a renovation and lease up plan for corner building "Gatehouse".

ADVICE: Approval

ADOPTED: June 18, 2014
Edward Mattison
Chair

ATTEST: 
Karyn M. Gilvarg, AIA
Executive Director