

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: 100 RIVER STREET, Renewal of Lease for River Street Municipal Development Project (MDP) Area Reuse Parcels "E", "F" and "G" for Use for Colony Hardware, Inc.'s Sales and Distribution Operation (Sophie Group, LLC).

REPORT: 1442-16

ADVICE: Approval

BACKGROUND

Kelly Murphy, Economic Development Administrator, requests that the Board of Aldermen renew a Lease Agreement with an option to purchase the property at 100 River Street (a.k.a. River Street Municipal Development Plan Reuse Parcels E, F, and G) for development by the Sophie Group LLC (aka Colony Hardware). The Board of Aldermen approved such lease agreement in May 2008 upon the advice of the City Plan Commission (CPC 1414-12, 03/19/08) and allowed for a one year extension in May 2009. Delays in the project due to the need to obtain environmental approvals have exceeded the term of the Board's approval of the Lease.

Colony Hardware expects to move its headquarters including its sales and distribution operation to 100 River Street from its facility at 821 East Shore Parkway and 50 Fulton Terrace in the Port District. The City entered into a sales agreement in 2005 with Amerada Hess Oil for the purchase of the property conditioned upon Hess's removal of the above-ground structures (mostly fuel tanks) which has been completed, and environmental remediation of the site to the State of Connecticut Remediation Standard Regulations. Since the Developer's improvements constitute a significant part of the Remedial Action Plan for the site, it is necessary that the construction of those improvements occur during Hess's soil cleanup. As the property cannot be acquired until the completion of the cleanup, the Sophie Group will enter into a 98 year Ground Lease with the City, with an option to buy until such time as the licensed party at Hess verifies that all environmental cleanup has been completed. The developer will then be required to purchase the property for the agreed upon amount of \$580,000, equal to its 2007 appraised value.

PLANNING CONSIDERATIONS

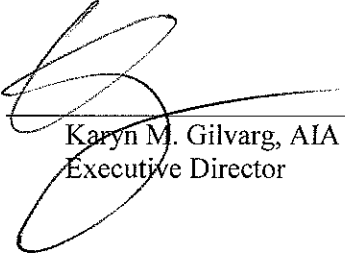
The Commission has already approved Site Plans for Colony Hardware to locate at 100 River Street (CPC 1417-10, 06/18/2008). The River Street Municipal Development Plan, adopted January 7, 2002, set particular design standards for the construction of new buildings on the development parcels within the area, including standard for building placement, building design and materials, parking areas, landscaping, fencing, stormwater treatment, lighting, and signage. Also part of the Plan is a waterfront park and linear trail along the Quinnipiac River with access points at James Street, Lloyd Street, Blatchley Avenue, and Poplar Street. A timber pier for fishing and to enhance views will be located in the area, and Colony may contribute to this. DEP has granted permits for the bulkhead repair and walkway which now await funding.

As part of the agreement, Sophie Group commits to giving the right of first refusal to the Port Authority to acquire its East Shore Parkway property as sorely needed land for lay down area for the Port.

ADVICE

Approve Renewal of Lease Agreement.

ADOPTED: July 21, 2010
Edward Mattison
Chair

ATTEST: 
Karyn M. Gilvarg, AIA
Executive Director