

MERIDEN 2020

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City of Meriden Office of Economic Development

Development Agreement
1 King Place-former hospital site

June 20, 2017

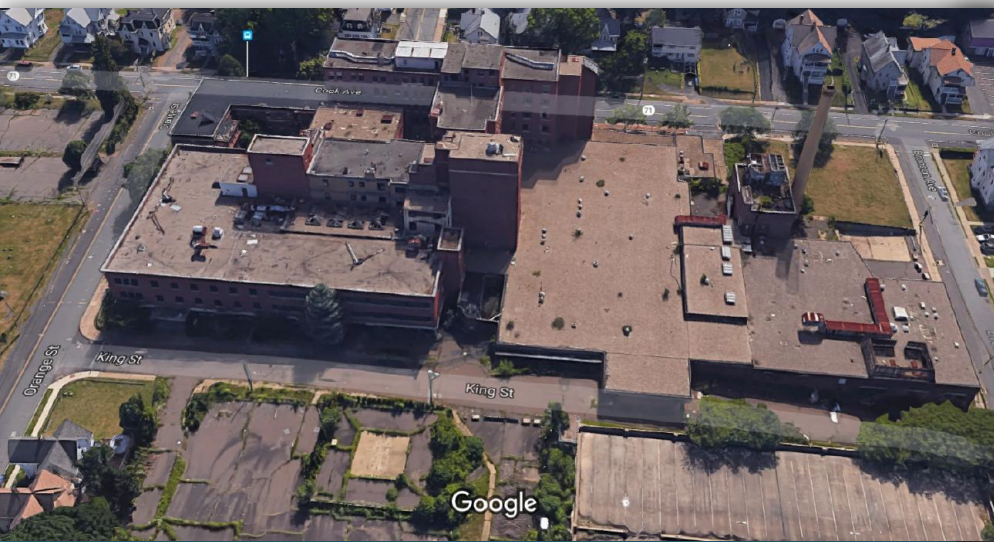


1 King Place Redevelopment Goals



Clean up building hazardous materials and soils
Secure site, stop vandalism and deterioration of structures
Reincorporate site back into the neighborhood
Reuse existing building and parking structure
Provide long employment opportunities in the neighborhood
Attract mixed use, market rate development
Transfer site to private developer

1 King Place Status



Acquired property in January 2014 through tax foreclosure
Hired Fuss & O'Neill – Licensed Environmental Professional (LEP)
Completed asbestos cleanup-floors 1 & 2
Removed 7 drums of chemicals
Completed Phase II/III Environmental Site Assessments
Complete Haz Mat building survey and structural evaluation
Issued developer RFQ August 2016
Selected One King LLC as preferred developer May 2017

1 King Place Development Plan

Overview of development	Multi-phase development comprised of medical office, residential, and optional space for city services. Adaptive Reuse of existing structure and parking garage.
Development team	One King LLC East Norwalk CT
Total square footage	327,000 sf
Square footage of residential	74,000 sf (1 and 2 BR market rate apartments)
Square footage of office	116,000 sf Medical walk in clinic, 120 bed care facility, medical office
Square footage of retail	60,000 sf storage 22,000 sf cafeteria, newsstand, hairdresser
Parking	Existing parking garage to be refurbished
Other non-residential square footage	Potential for 15,000 sf fire house And 40,000 sf senior center
Proposed development schedule & milestones.	Three-year phased build out. Proposal requires City to remediate property before build out.

1 King Place Development Plan

<p>Project budget and cash flow analysis</p>	<p>\$34 million build out cost (post-remediation) \$10 million private equity (from EB5 program) \$24 permanent debt Stabilized income \$3.6 million/year Assumes build out costs \$104/sf Assumes City completes cleanup prior to transfer to the developer. Estimated cleanup cost \$4-\$5 million</p>
<p>Discussion of proposed terms to acquire and/or lease property from the City for the purposes of development</p>	<p>Assumes fee simple transfer from City to developer for \$1</p>
<p>Identification of any financial assessment request of the City, such as tax abatements, infrastructure improvements, etc.</p>	<p>Assumes Enterprise Zone tax abatement for up to five sub-developments. Private development would be subject to future tax payments.</p>

Master Developer Agreement-Key terms

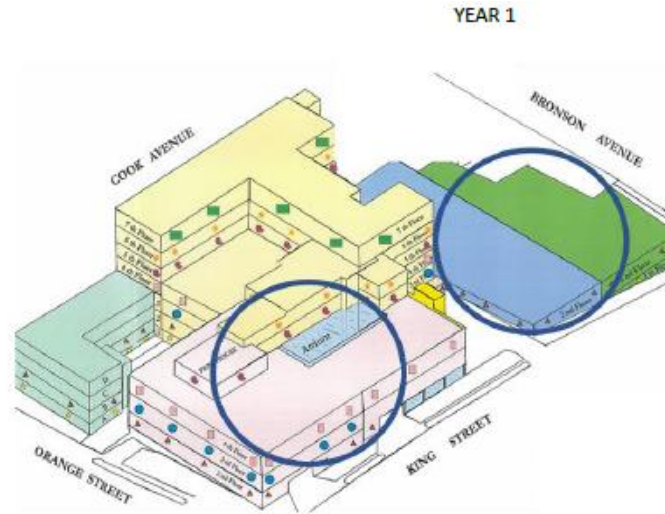
- City will work to secure up to \$4 million in state funds for cleanup prior to property transfer. City will enter site into state voluntary remediation program, exempting future sales from CT transfer act.
- Developer will agree to fund up to 50% of any loans required for cleanup. Tax payments may be applied to developer share of loan repayment. City has applied for \$2 million grant (application submitted June, 2017) and \$2 million loan (to be submitted). State loan may be all or partially forgivable.
- Developer will secure private financing for mixed use, market rate development, consisting mainly of medical and office uses. Proof of funds totaling up to \$10 million must be provided to trigger a transfer.
- Tax abatements will be limited to what is allowed by the State Enterprise Zone (7 year abatement 100/100/50/40/30/20/10)
- Any agreement for the City to lease space in the new building will be done separately.

Master Developer Agreement-Timeline

- June 5, 2017 to Council
- June 6, 2017 Grant application submitted to DECD (\$2m)
- June 14, 2017 Planning Commission review (approved)
- June 20, 2017 to EDTF & Ec Dev Housing Zoning Committee
- July, 2017 Loan application to DECD (\$2m)
- July 3, 2017 to Council
- Proposed 18 months from adoption by Council (Jan 2019)
 - \$10 million for development plan
 - \$4 million for cleanup plan
 - Property transfer can proceed

One King LLC Development Team

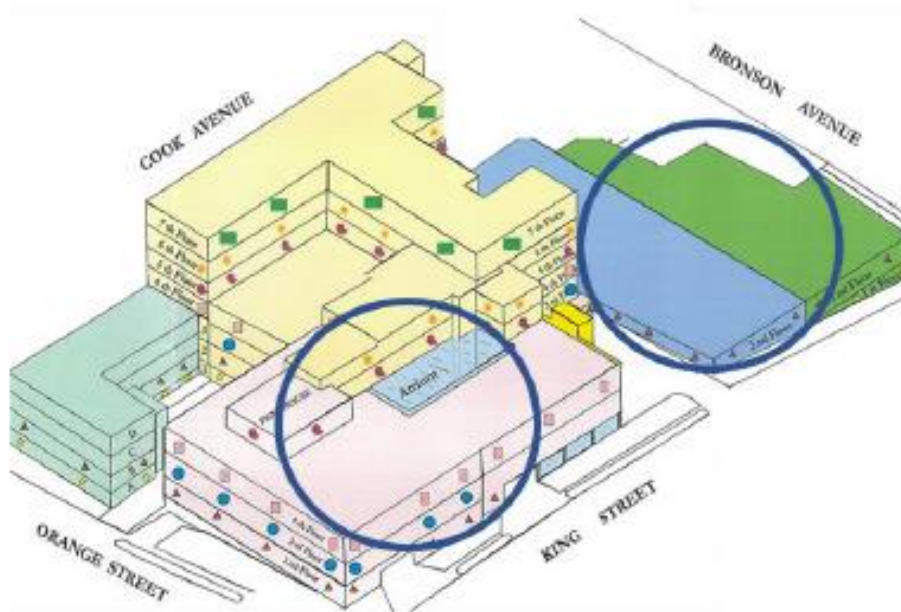
- One King LLC
 - Team Members
- Opportunity Analysis
- Financing Strategy
- Tenant Strategy
- Phasing



- Floor 1: 15,000 SF firehouse with balance as climate controlled storage;
- Floor 2: Entrance, Lobby and Atrium
- Floor 2: 20,000 SF related retail
- Floor 2: 20,000 SF kitchen and cafeteria
- Floors 2 and 3: 100,000 SF medical lease for walk-in, diagnostic and laboratory uses
- Common areas, stairwells and elevators to connect refurbished space
- Repair, clean and open parking deck
- Replace all mechanicals and utilities within the building
- Re-roof entire building
- Landscaping of exterior
- Pavements maintenance and new parking lot

Phase 2: Grocery and Senior Center

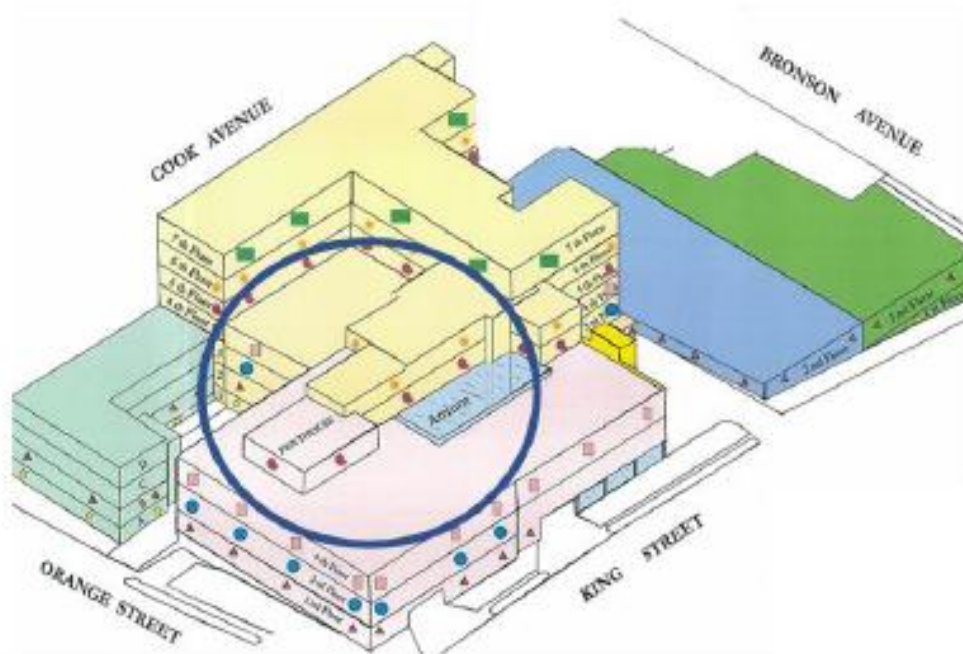
YEAR 2, or sooner depending on progress and market demand



- Floor 2: 40,000 SF Senior Center; alternatively medical office, office
- Floor 2: 20,000 SF medical office/related retail
- Floor 2: 20,000 SF grocery and restaurant
- Floor 2: 1,700 SF pharmacy, coffee kiosk, gift shop
- Floor 3: 15,000 – 45,000 SF residential/senior living
- Common areas, stairwells and elevators to connect refurbished space

Phase 3: Medical Office and Residential Apartments

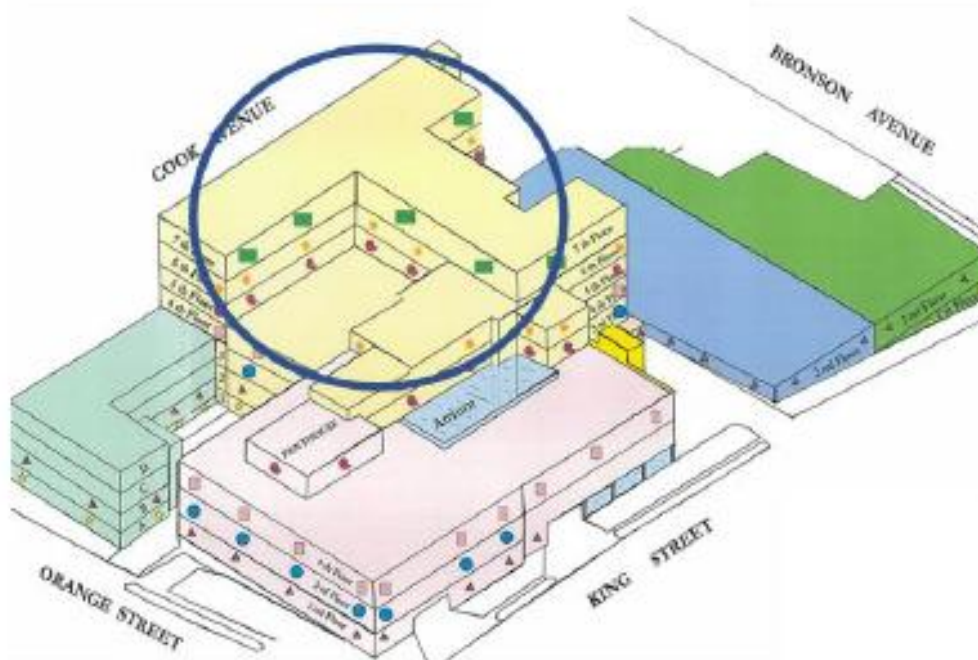
YEAR 3, or sooner depending on market demand



- Floor 3: 13,000 to 43,000 SF medical office, office and/or residential apartments
- Common areas, stairwells and elevators to connect refurbished space

Phase 4: Residential Apartments

YEAR 3

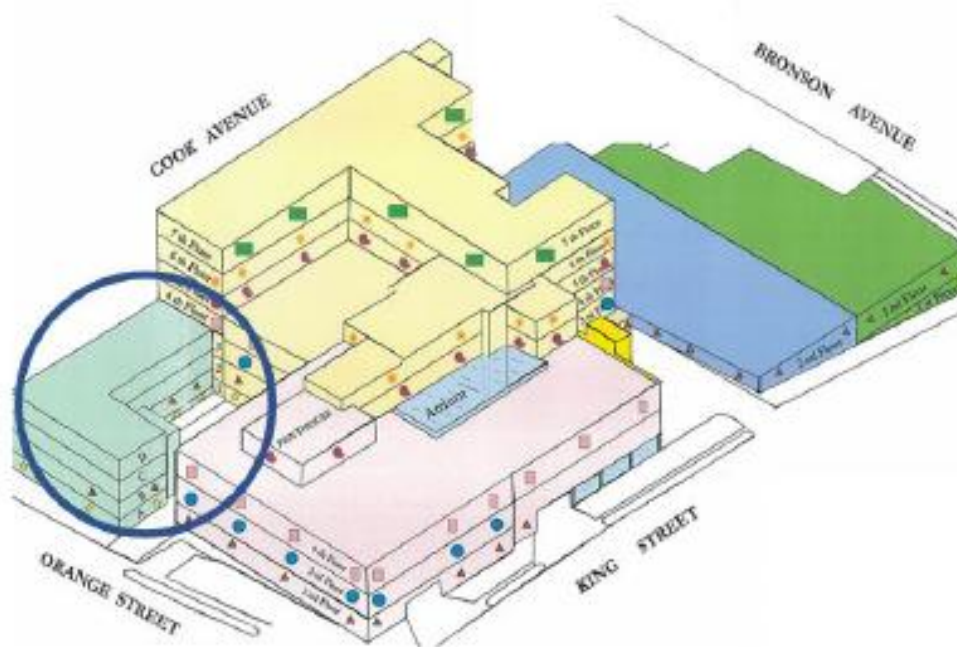


- 59,000 SF Residential Apartments (over three floors)
- Common areas, stairwells and elevators to connect refurbished space



Phase 5: The Bradley Building

AN INDEPENDENT, STAND-ALONE SECTION TO BE DEVELOPED AS RESIDENTIAL UNITS ANY TIME DURING FIRST 3 YEARS



- Independent, stand-alone parcel that can be easily subdivided
- Common areas, stairwells and elevators to connect refurbished space

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City of Meriden

Office of Economic Development

For more information
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