

CITY OF NEW BRITAIN

OPPORTUNITY ZONES

27 West Main St. New Britain, Connecticut 06051

www.newbritainct.gov

(860) 826-3303

Prepared by the City of New Britain

Mayor Erin E. Stewart

Director of Economic Development: William Carroll

Director of Municipal Development: Kenneth Malinowski







The City of New Britain is located in Hartford County, Connecticut, USA. According to the 2014 Census, New Britain has a population of approximately 72,558 residents and occupies a total of 13.4 square miles.

The City has come to be known as the "Hardware Capital of the World" and "Hardware City" for it's major manufacturing hub which included companies such as Stanley Works, Corbin Locks, and North & Judd.

New Britain is known for it's many spacious parks, Little Poland, and a rapidly increasing Hispanic population which has brought many new businesses and attractions to the city in recent years. The New Britain Bees of the Atlantic League of Professional Baseball league debuted in the city in 2016.

New Britain is home to not only some of the largest manufacturing employers in the state, but also multiple healthcare organizations offering services to people in New Britain and surrounding communities.

The city government is made up of a Mayor (R-Erin Stewart) and a 15 member common council.









STANLEY.

Demographics

• Population: 72,570

• Median Household Income: \$41,128

Avg. House/Condo Value: \$154,900

Median Rent: \$1,006



Race:

Hispanic: 43.7%White: 41.2%Black: 10.0%



Anchor Institutions

New Britain is home to many anchor institutions:

- Central Connecticut State University
- Hospital of Central Connecticut
- Hospital for Special Care
- New Britain Museum of American Art









"Experience the New" in New Britain

- □ Consecutive bond rating upgrades
- 6% grand list growth in 2017
- ☐ Two time National Civic League All-America City Recipient (2016, 2017)
- Multi-million dollar downtown revitalization project
- Nearly 100 new businesses and 1,000 newly created jobs since 2014
- □ A new Energy & Innovation Tech Park on the site of the former Stanley Black & Decker campus to create 3,000 new jobs in 10 years and \$1billion in private investment—largest tech park in state history

- Semi professional baseball
- New Britain Museum of American Art
- Expansion of Central Connecticut State University to the downtown area
- ☐ Central proximity to Hartford and New Haven
- ☐ Middle point between Boston and New York (110 miles)
- ☐ CT Fastrak Busway connects New Britain to Downtown Hartford and beyond
- ☐ The "Hardware City" is transforming itself into a technological and manufacturing hub in the region





Testimonials



"The project is expected to generate about 3,000 direct and indirect jobs, more than \$200 million in tax revenue for the state, and another \$45 million for the city over the next decade. Construction is slated to begin in early 2019." CT Mirror on Energy & Innovation Park



"We have thrived through three industrial revolutions and are well positioned as we embark on the fourth, which is in process today, driven by the technological revolution. ... This is another step on the long road back to fiscal stability and economic competitiveness for Connecticut, and we are proud to be doing our part to help with an ideal reuse of one of our manufacturing facilities." Stanley Black and Decker CEO Jim Loree on Energy & Innovation Park





"It's very exciting to see plans for this building finally move forward after close to 23 years vacant. It has been an eyesore and a very intimidating building that needs to be taken care of. I give credit to the Mayor and the Common Council for working with this organization. It is a good day for New Britain," said Bill Carroll, Director of Economic Development

WHAT IS AN OPPORTUNITY ZONE?

- As part of the Tax Cuts and Jobs Act of 2017, opportunity zones were created to encourage private investment in low-income and distressed communities across the United States.
- Each governor was asked to nominate a certain number of census tracts that qualify as
 "low income communities". The Department of Treasury then designated Opportunity
 Zones in a percentage of the nominated zones in each state.
- Investors that wish to defer capital gains recognized upon a sale or exchange of an asset to an unrelated party on or prior to December 31 can invest the capital gain into a "Qualified Opportunity Fund" (QOF)
- Any eligible taxpayer (any taxpayer that recognizes capital gain for federal tax purposes), including individuals, C corporations, or partnerships can invest in an Opportunity Zone.
- Eligible gains must be treated as: a capital gain for federal income tax purposes, recognized no later than Dec. 31 20202, recognized as a result of a sale or exchange engaged by the tax payer with an unrelated person.

WHO AND WHAT QUALIFIES?

- Under the code, a QOF must be "organized as a corporation or a partnership" for the purpose of investing in "qualified opportunity zone property".
- In order to qualify as a QOF, an entity must hold at least 90 percent of its assets in "qualified opportunity zone property" ("QOZ property").
- To qualify as a QOF, the entity will need to complete a self-certification form and attach that form to the entity's federal income tax return for that year. No pre-approval by the IRS is required.
- QOZ property means any of the following: qualified opportunity zone business property, qualified opportunity zone stock, and qualified opportunity zone partnership interests.

Read the rules and regulations from the IRS by clicking the link below:

https://www.irs.gov/pub/irs-drop/reg-115420-18.pdf?mod=article_inline

WHAT ARE THE BENEFITS FOR INVESTORS?

1.) Deferral of Capital Gains:

Eligible taxpayer receives a temporary deferral of any eligible gains invested into a QOF as long as the gains are invested within the 180 day period and the taxpayer makes the gain-deferral election

2.) Elimination of a Portion of Deferred Gains After 5 and 7 Years:

If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%.

3.) No Gain Tax Upon Sale or Exchange of QOF after 10th Anniversary of Investment:

Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor is eligible for an increase in basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged





WHAT ARE THE BENEFITS FOR COMMUNITIES?

- Opportunity Zones are meant to drive economic development in low-income and impoverished communities that have experienced little to no growth since the conclusion of the recession.
- In order to attract further developments to these areas, it is necessary to give incentive to those who have the means of spurring development in the area.
- The Opportunity Zones legislation will not only spur developments across the housing, retail, commercial, and infrastructure industries for years to come, but it will also open up jobs in each of those categories.
- Through economic development in struggling areas, significant job creation, and increased property values, Opportunity Zones can transform an entire city for generations to come.





How it Works





Unrealized Capital Gains



Unrealized Capital Gains



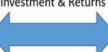
Investors



Qualified Opportunity Fund



Investment & Returns



Investment & Returns



Housing Projects in Opportunity Zones



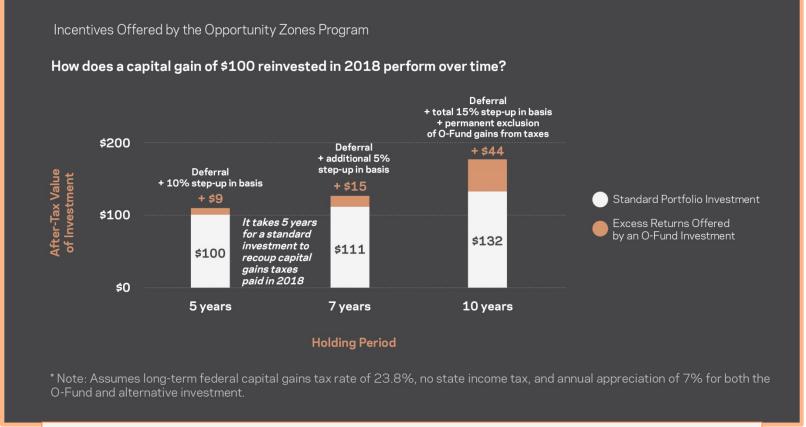
Commercial Projects in Opportunity Zones



Other Projects in Opportunity Zones? (Lots of flexibility here)

Opportunity Fund returns and reduced capital gains liability

Breaking Down the Numbers



Holding Period	Appreciation Rate	Investment in a Stock Portfolio		Investment in an Opportunity Fund		Difference in After-Tax Annual Rate of Return
		Total Tax Liability	After-Tax Funds Available	Total Tax Liability	After-Tax Funds Available	
5 Years	7%	\$31	\$100	\$31	\$109	1.9%
7 Years	7%	\$35	\$111	\$35	\$126	1.8%
10 years	7%	\$41	\$132	\$20	\$176	3.0%

THE BENEFITS FOR NEW BRITAIN

1.) Economic growth in distressed/ low-income areas:

-Low income areas still recovering from the recession have seen stagnant growth since the start of the recovery of the U.S. economy. To attract interest from investors to help facilitate projects within these distressed communities, there must be incentives for the drivers behind the projects. With opportunity zones designated and opportunity funds soon to be established, investors will be looking to get behind projects in these areas more so than ever.

2.) Revival of once active factories and business hubs:

-Like many other cities, New Britain once had a world-renown manufacturing hub, attracting immigrants from all over Europe and keeping much of the workforce close to home due to the abundant supply of good paying jobs. Today, many of those factories are abandoned buildings, empty lots, or struggle to get by. Fortunately, many of these properties lie directly in the designated opportunity zones granted to the city. With some private investment and close attention to what made the business hubs successful in the past, New Britain can bring similar employers and activity to these vacant parcels.

3.) Attracting new businesses and creating more jobs:

-The more investment in these low-income distressed communities the better. If a retail plaza or small shopping center is funded through an opportunity fund, then it is safe to say there will be a need for a place to dine or grab a coffee nearby, spurring even more development in that area. The same goes for the development of an office building aiming to attract start-ups and entrepreneurs. It is safe to say that if an opportunity fund is set up to help facilitate a project of that sort, there will be a demand for housing in the area.

The Hospita















TSII

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New Britain's Opportunity Zones

New Britain has three designated opportunity zone census tracts throughout the city: 4159, 4171, 4153

Tract 4159: (Myrtle Street Area)

- -Population→ 1,743
- -Median Household Income → \$28,234
- -Households in Poverty→ 31%
- -Total Jobs → 3,311
- -Total Businesses → 127

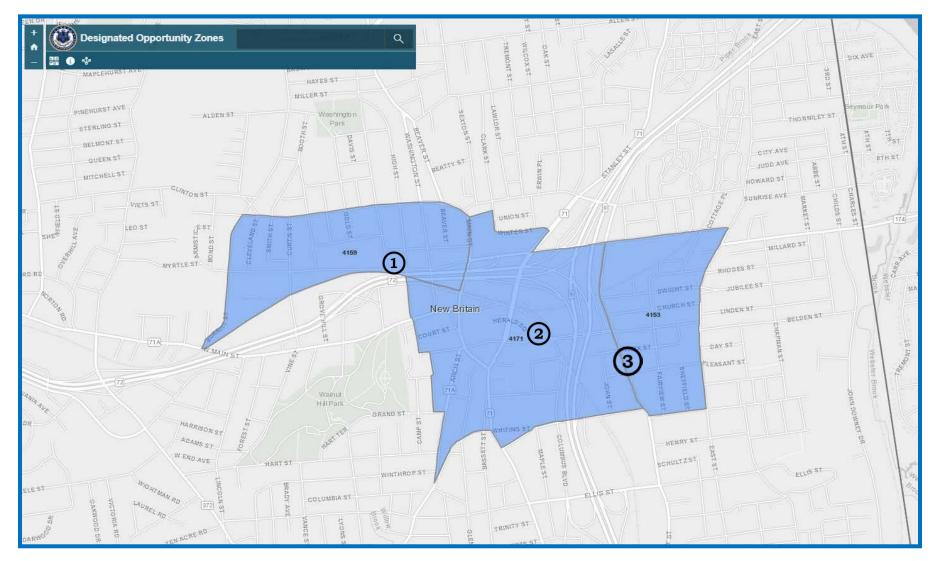
Tract 4171: (Downtown Area)

- -Population → 1,989
- -Median Household Income → \$14.470
- -Households in Poverty→ 49%
- -Total Jobs → 4,723
- -Total Businesses → 410

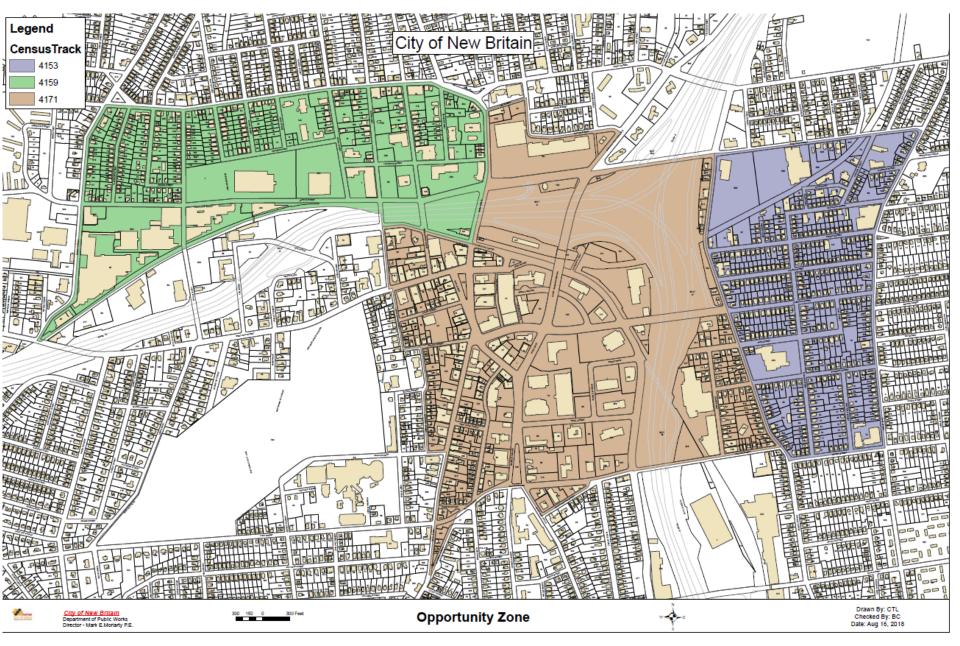
Tract 4153: (East Main Street Area)

- -Population→ 2,294
- -Median Household Income → \$33,491
- -Households in Poverty→ 29%
- -Total Jobs → 1,120
- -Total Businesses → 61

City of New Britain Opportunity Zone Map



New Britain has three (3) different tracts that have been designated as opportunity zones.



Invest in New Britain

The City of New Britain has three categories of Opportunity Zone projects that are either shovel ready, future development opportunities, or currently under construction:

1.) Shovel Ready Projects:

Projects that are readily available for investors to establish an Opportunity Fund

2.) Under Construction

Projects that are currently underway

3.) Future Opportunities:

Projects the city envisions for the future

Shovel Ready Projects:

- Energy & Innovation Park (Phases 3 and 4)
- 74 Kelsey Street (former St. Thomas Aquinas)
 - 267 Main Street (former Burritt Bank)
- 608-686 Main Street (former Berkowitz Building)
 - 24 Dwight Court
 - 227 Main Street
 - 266 Arch Street
 - Parcel 9
 - Redevelopment of Badolato Drive





Energy & Innovation Park

Phases 3&4

Being hailed as one of the most significant private sector investments in state history, the Energy Innovation Park, LLC will construct a 19.98 megawatt fuel cell grid on the Stanley Black and Decker campus. This will be the first phase of several in the \$1 billion privately funded project. The project will provide 3,000 jobs and generate tax revenues upwards of \$45 million for the City of New Britain throughout the 20 year span.

Phases 3 and 4 will compliment the first phases, which are currently under construction, by adding additional data storage and office space for tenants. Once the expansion of phases 3 and 4 is completed, it will be the largest fuel cell installation in the world. The third and fourth phases will create computing capacity demanded by modern commerce that serves key CT industry sectors, as well as innovative energy storage, carbon capture, and entrepreneurship initiatives. Key beneficiaries of data storage innovation such as CCSU, the Hospital of Special Care, and Stanley Black & Decker will benefit immensely upon the completion of all four phases.





74 Kelsey Street

St. Thomas Aquinas High School

The City of New Britain took ownership of the former St. Thomas Aquinas High School back in 2010 before entering into a contract to sell the building to Chrysalis Housing Services, which has plans to transform the building into 37 senior/disabled residential units. Chrysalis is currently awaiting the next round of funding from the state. In the meantime we are seeking private investment for this development, the city has not completed the sale until the capital has been secured.







267 Main St.

Located in the heart of downtown New Britain and just a 30 second walk to CT Fastrak, the site of the former Burritt Bank was purchased in the winter of 2018 after more than two decades of vacancy. The owner plans to transform the building into a multi-tenant space, including a restaurant & bar and entertainment venue.

In addition to its proximity to downtown, the building sits directly across from the Plaza building, which was recently fully leased and will be occupied by over 270 business professionals and 130 clients each day. This prime real estate location in a growing downtown has the potential to offer a variety of services for newcomers and current residents and employees in the area.





608-686 Main Street

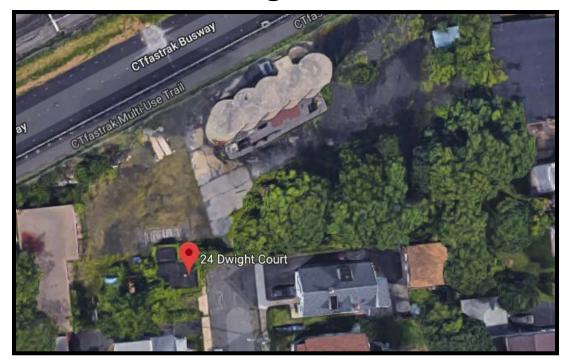
Berkowitz Building

Purchased by Capital Restoration, Inc. in 2015, the Berkowitz Building will be transformed into a mixed use retail/residential development. The developer has spent significant funds remediating the building and is awaiting the next round of state financing. The building is less than a quarter mile away from the CTfastrak station, connecting New Britain's downtown to Hartford. The surrounding area recently underwent a streetscape project and now has a pedestrian friendly landscape with widened brick paver sidewalks, upgraded lighting, and beautification.

Sitting directly in between Little Poland and Downtown New Britain, the retail/residential development will be a great place for young professionals to live within close proximity to work, restaurants, and entertainment. Less than a mile away, the City just announced the construction of the state's largest tech and innovation park, which will hold a 20-megawatt fuel cell, generating more than 2,500 jobs and \$2 billion in private investment.



24 Dwight Court



24 Dwight Court received a \$1.5 million grant in 2017, allowing the city to remediate the 1 acre former coal and oil facility. 24 Dwight Court sits directly behind CTfastrak, making it a prime location for a business oriented development or residential living.

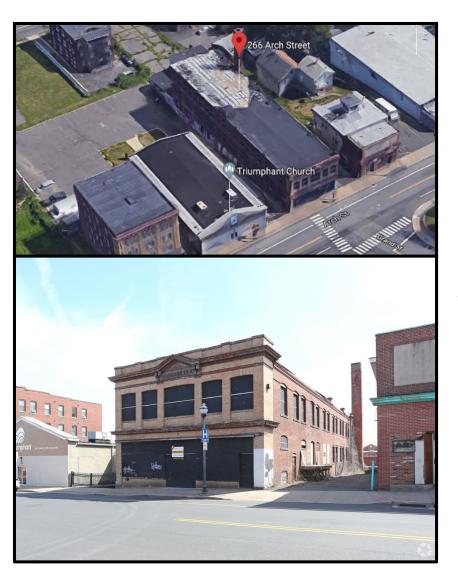
227 Main Street

227 Main Street lies in the heart of Downtown New Britain and directly next door to the ITBD Center, which is occupied by CCSU and the New Britain Chamber of Commerce. The building lies directly across the street from Central Park, where Spring and Summer concert series, a weekly farmers market, and community wide events take place. The location is just a 30 second walk from CTfastrak and is within walking distance of restaurants, breweries, and entertainment venues such as Hole in the Wall Theater and Trinity On Main Theater. A total of 42,725 square feet and the largest downtown storefront, the building can be transformed into a variety of different venues.





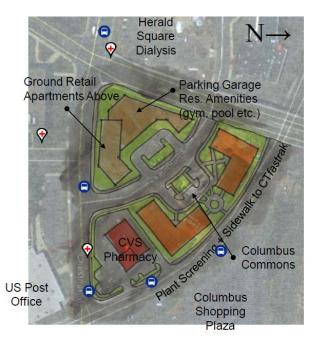
266 Arch Street



266 Arch street sits along one of the city's busier streets, leading directly to the downtown area and in close proximity to CTfastrak. Arch street or "Barrio Latino" offers a wide variety of Hispanic food options and cultural venues. Just across the street from 266 is the city's newest brewery "Five Churches", which has become a vibrant location for young professionals looking to grab a drink and enjoy the coal fired pizza options from the 2nd floor venue. 266 offers numerous development capabilities in an up and coming pedestrian-friendly area located just on the outskirts of Downtown New Britain.

Development of "Parcel 9"

Plans for redevelopment in this area includes Chestnut St., Elm St., Pearl St., and Badolato Dr. The redevelopment plan is rooted in a longtime vision for the area to develop into a modest scale commercial project that is anchored by food and beverage and arts and entertainment venues, as well as a combined work space area. Plans have also taken into account potential medical/healthcare facilities and residential developments to help support the workforce within the redevelopment parcel. The parcel lies within walking distance of CTfastrak and Downtown New Britain, making it a potential destination for young professionals looking for state of the art transportation in an up and coming pedestrian friendly downtown area.



<Potential development> layout plans



Redevelopment of Badolato Drive

Badolato Drive sits in one of the most attractive development areas the city. Development of the area would best be suited as a pedestrian friendly gateway to the downtown area within close proximity to CTfastrak. Mixed commercial, institutional, and residential developments would be the most applicable for the area. Potential development of the area can be seen below with the construction of residential units in close proximity to office space for commercial and/or institutional entities.





Potential View of Badolato and Bosco Drive

Projects Under Construction:

- 235 Main Street
- Beehive Bridge
- Energy & Innovation Park (Phases 1&2)
- 57 Court Street
- 222 Main Street
- Columbus Commons



235 Main Street



Consisting of over 70,000 square feet of Class A office space, 235 Main St., also known as "The Plaza" will welcome its newest tenant in December of 2018. Community Mental Health Affiliates will relocate 200 employees to Downtown New Britain, utilizing over 40,000 square feet in total office space.

The Plaza is currently occupied by multiple other tenants and is expected to be at 100% occupancy by 2019. The Plaza's location in the heart of Downtown New Britain puts it in close proximity to popular restaurants, breweries, and the CTfastrak.

Beehive Bridge

As the main roadway for travel between New Britain's Downtown, Little Poland, and the New Brite Plaza business district, the Beehive Bridge is a critical component to New Britain's revitalized downtown landscape. The bridge will not only bring new design elements to the overpass, but it will also include pedestrian friendly improvements. The current walk path along the bridge will go from a width of 8 to 20 feet, while art features and two pocket parks on the north side of the bridge will welcome pedestrians.

The underlying goal of the project fits into the city's initiative to create an active business and entertainment corridor in the downtown area that allows for professionals to live, work, eat, and find quality entertainment.







Estimated Completion: Fall 2019

Energy & Innovation Park (Phases 1 and 2)

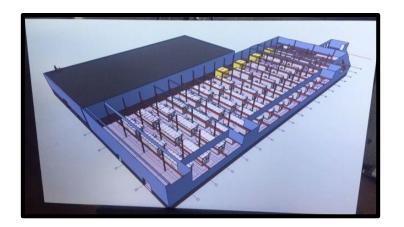
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This project will create high end construction jobs, high tech manufacturing jobs, and numerous skilled electrical jobs. The soon to be data center will offer data storage and protection to numerous different fields such as educational institutions, government entities, and private sector businesses.

"This is a game-changer in terms of high-tech jobs, high-speed data processing and clean energy, and we applaud the DEEP and its RFP (request for proposals) process and the evaluation team for having the vision to recognize not only the clean energy benefits of this project, but also its transformative power as an important first step to a significant economic development opportunity for both New Britain and the state," said Mark Wick, a partner with EIP, LLC.

The data center will bring thousands of more professionals to the city's downtown area to work, live, and be entertained.





57 Court St.



The 26,000 square foot building formerly known as Courtland Arms has been vacant since the early 1990s until plans for renovation came to fruition this past year.

Plans for the building include complete inside and outside remediation into 24 one-bedroom apartments, adding to the city's growing demand for housing in the downtown area.

The apartments are a short walk to the city's Central Park, the CTfastrak railway, and numerous downtown entertainment venues such as Hole in the Wall Theater and Trinity on Main Theatre.

222 Main Street



Pre-purchase

Located in the heart of downtown, 222
Main Street has been sitting vacant for
years, making it hard to attract developers
to the heart of the city and the properties
surrounding it. However, in early 2018,
Flip It LLC purchased the property and
devised plans to develop 40+ market rate
apartments with 7, 500 sq. ft. of
retail/restaurant space on the ground level.

The privately funded rebirth of 222 Main is underway and construction already has the eye sore façade cover removed, revealing the classic red brick design facing the city's Central Park. Just a short walk to the CTfastrak railway and minutes from multiple restaurant and entertainment venues, the downtown luxury apartments will bring in a new wave of young professionals into the downtown area.



Post-purchase

Columbus Commons



The Columbus Commons project will create two five story L-shaped mixed use buildings with approximately 160 residential units, an interior courtyard and retail and office space on the first floor.

The State of Connecticut approved a \$6 million loan to project stakeholders that will help with the construction of 140 new units of rental housing. With close proximity to CT Fastrak and New Britain's downtown, the mixed use development will add to this city's transportation oriented development.

Future Opportunities:

- New Brite Plaza
- Noble and East Main

New Brite Plaza Paramount on Main

The 150,000 sq. ft. shopping center in Downtown New Britain at the intersection of Routes 71 and 74 directly across from the new Beehive Bridge offers much excitement for the future plans of the site.

In a recent discussion, city officials and New Brite Plaza owners laid out preliminary plans for a mixed-use residential development that can help restore the urban streetscape by connecting two of the city's most popular destinations: Downtown and Little Poland.

Plans for the redevelopment include office space, a fitness center, residential space, and restaurant space. The plaza would be constructed into four separate buildings, allowing for pedestrian traffic flow easy access from the downtown and Little Poland areas.







Noble and East Main Revitalization

The neighborhoods to the north of East Main Street between East, Smalley, and Noble Streets, as well as the primarily residential neighborhood between Chestnut and East Main Streets, are two lower-income neighborhoods. They are well situated to benefit from the accessibility to employment and services that CTfastrak offers. The stability of these two neighborhoods is important to the overall success of redevelopment in the station area. The ultimate goal of this area is to establish a mixed residential and commercial, pedestrian-friendly TOD area.



New Britain's TOD Plan

'Invest in a City that invests in itself'



What is TOD?

Transit Oriented Development (TOD) is mixed-use development that is fully integrated with transit, where development prioritizes pedestrians and connections to transit in uses and design. TODs are vibrant, dense, compact, and unique places where pedestrians are encouraged to walk or ride between transit and their various destinations through the creation of safe and inviting environments. TOD areas strive to balance live, work, and play opportunities in order to foster activity at all times of day, on all days of the week.

Because of historical development patterns, each of New Britain's station areas presents unique opportunities to strike a balance between these three aspects of a successful TOD. Downtown is well poised to balance the live-work-play equation due to its significant employers; arts, culture, entertainment, and recreation assets; and the history of and potential for housing in and around this location. The prevalence of residential development and the location of the multi-use trail in the East Main Street area provide a foundation in the live and play aspects of TOD that can be strengthened. Finally, the East Street location and its proximity to Central Connecticut State

Mniversity (CCSU) impart a "college town" flavor to the live-work-play equation.



Transit Oriented Development



In November of 2016, New Britain began a well thought out and ambitious redevelopment plan to help spur economic development in the community to help improve the quality of life for residents, visitors, and businesses. The plan relies heavily on the growing demand for transportation in our state, and with close proximity to the CTfastrak Busway, stretching from New Britain to Hartford, professionals can live, work, and be entertained in a growing city, while also having easy access to transpiration.

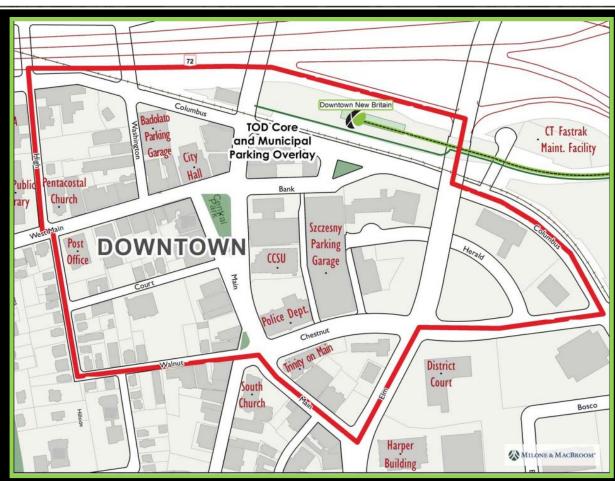
The following pages will go into more detail in regards to the "TOD" plan the city has been proactive on in the last few years. With three CTfastrak stations in the confines of New Britain, each surrounding area offers a multitude of opportunities for development. From retail, to housing, to restaurants, to office space, the City of New Britain and Milone & MacBroom came together to determine what developments would suit the city best in the quest for a better New Britain.

The full TOD plan can be read by clicking on the link below:

http://www.newbritainct.gov/tod



DOWNTOWN TOD OPPORTUNITIES

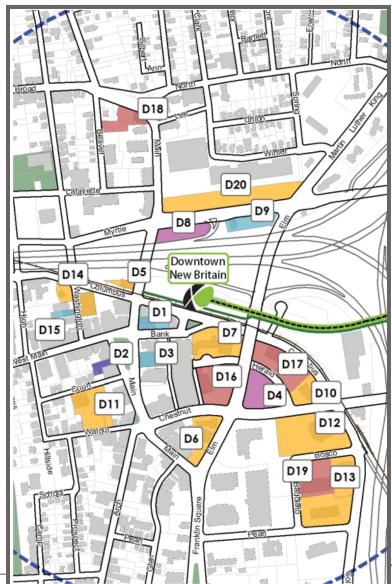


The pages to follow will give insight on potential ideas for developments within designated opportunity zones in Downtown New Britain.

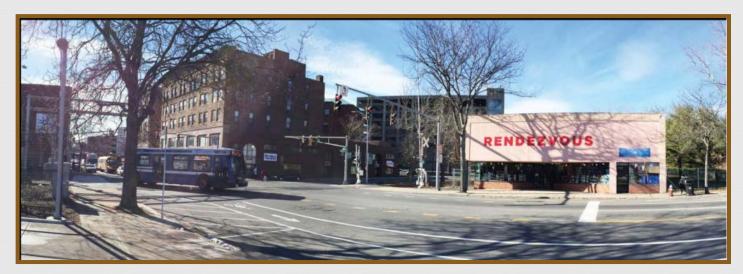
Downtown Station Area

The plan for the downtown area seeks to build on current urban, pedestrian-friendly development with cultural and historic assets to go along with infrastructural improvements. New construction and redevelopment of old underperforming properties in the downtown area will aim to accommodate a new wave of housing, a food hub, and entertainment venues along Main and West Main St.





Main Street/CT Fastrak Entrance



Current



Potential

Columbus Boulevard and Main Street



Current



Potential

Main Street-Downtown New Britain Restaurant Row



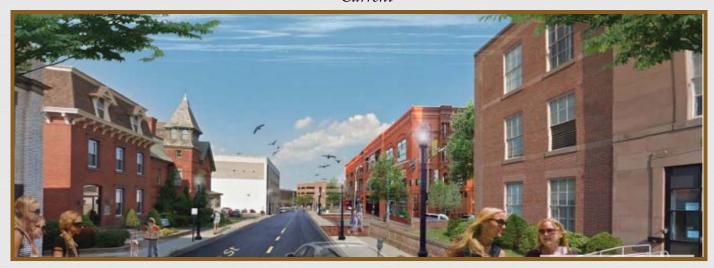
Current



Court Street



Current



Potential 48

Washington Street and Columbus Boulevard



Current



EAST MAIN STREET TOD OPPORTUNITIES



East Main Street



Current



Harvard Street



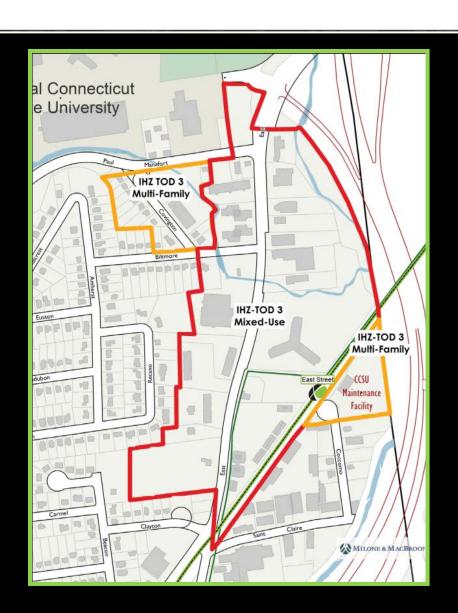
Current



52

Potential

CCSU TOD OPPORTUNITIES



East Street/Paul Manafort Sr. Drive



Current



Potential

Resources:

The City of New Britain has made significant investments in infrastructure improvements and economic development projects within the last several years. As a result, the downtown area has become a central hub for businesses, farmers markets, live music performances, and holiday gatherings. In doing so, multiple city officials and business professionals have come together to help make the process for new businesses and developers smooth, timely, and effective:

Mayor Erin E. Stewart:

(860) 826-3303

Bill Carroll-Director of Economic Development:

(860) 826-3433

Kenny Malinowski-Director of Municipal Development:

(860) 826-3333

Gerry Amodio-Director of New Britain Downtown District:

(860) 229-0878

Tim Stewart-President of New Britain Chamber of Commerce:

(860) 229-1665







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http://www.newbritainct.gov/gov/mayors office/default.htm

https://www.census.gov/quickfacts/newbritaintownhartfordcountyconnecticut

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