



CITY OF NEW BRITAIN

OPPORTUNITY ZONES

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Prepared by the City of New Britain

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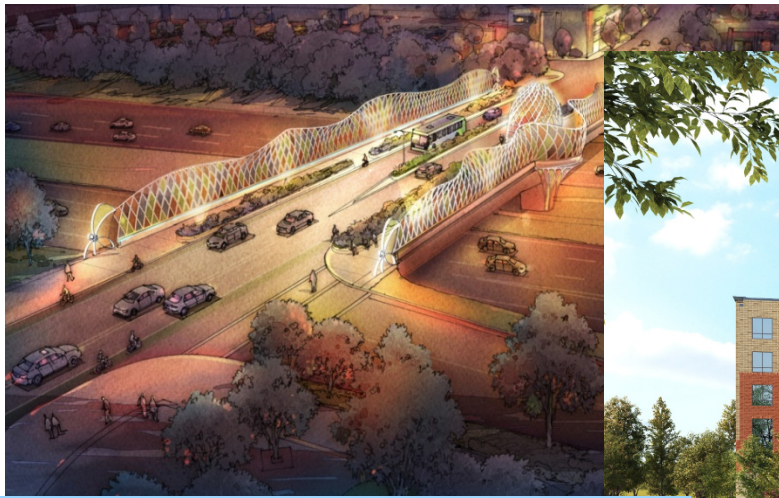


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creation







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.



“Experience the New”

- ❑ 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



Demographics

Values:

• Population:	72,570
• Median Household Income:	\$41,128
• House/Condo Value:	\$154,900
• Median Rent:	\$1,006

Race:

• Hispanic:	43.7%
• White:	41.2%
• Black:	10.0%
• Asian:	2.3%
• Two or more races:	2.1%
• Other:	0.5%

Most Common Industries:

• Manufacturing:	24%
• Waste Management:	11%
• Educational:	10%
• Construction:	10%
• Healthcare:	9%
• Retail:	7%
• Food Services:	5%



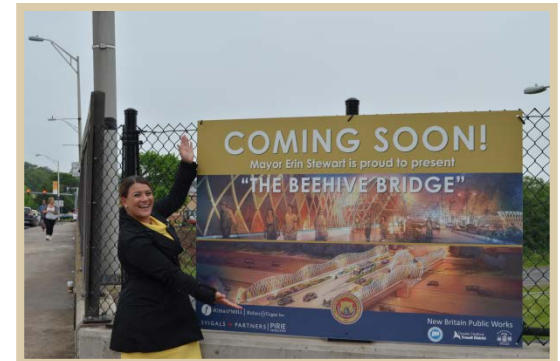
Testimony to our Progress

"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*

"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 Carol, Director of Economic Development*

"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*

"For me, New Britain has become the sweet-spot of Fastrak," Redeker said. "It represents everything that Fastrak was built to accomplish: mobility for people, new opportunity for people, economic development and then tying it in with the community and connecting communities." *CT DOT Commissioner on Beehive Bridge Project*



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 2020, 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

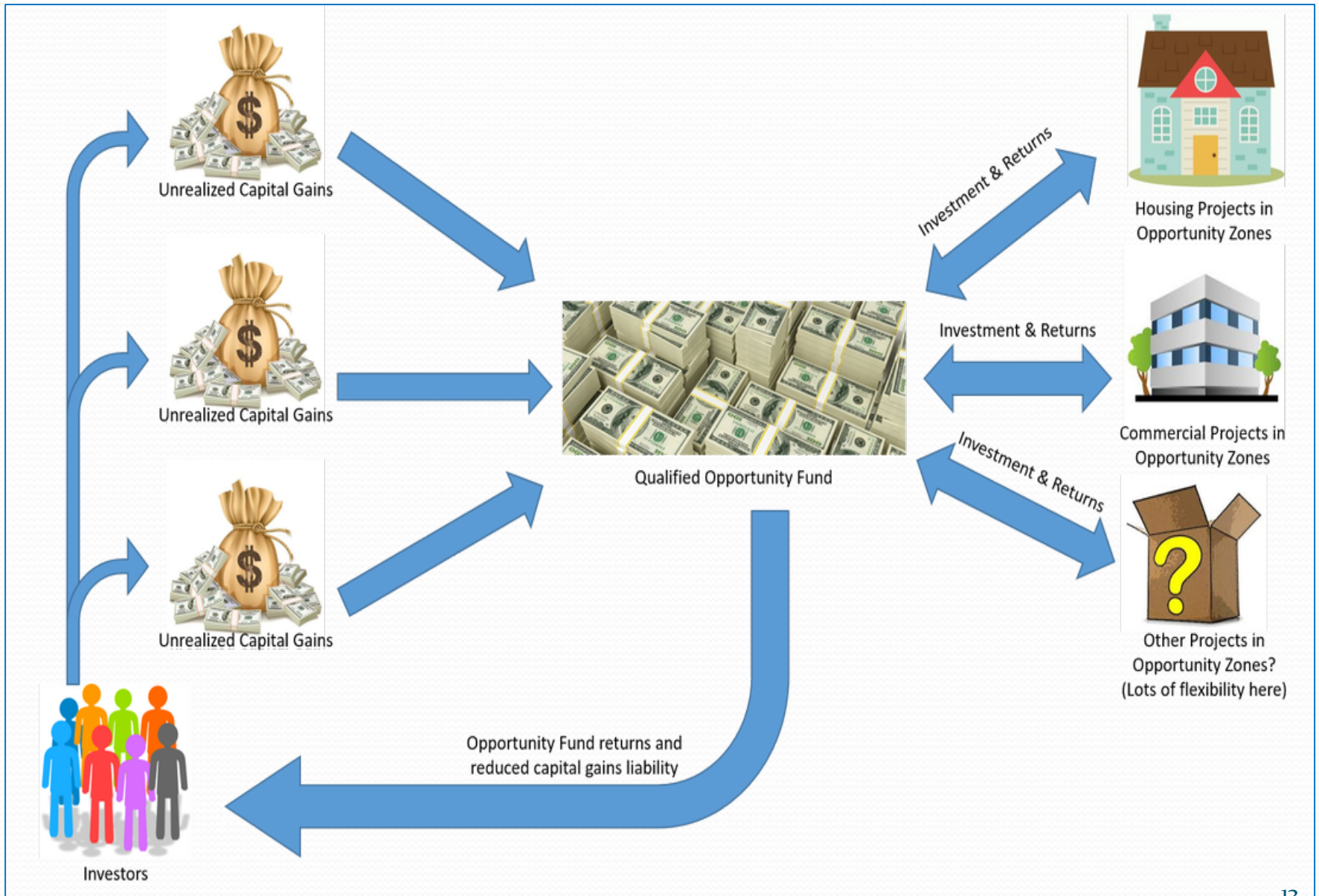


WHAT ARE THE BENEFITS FOR COMMUNITIES?

- 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.



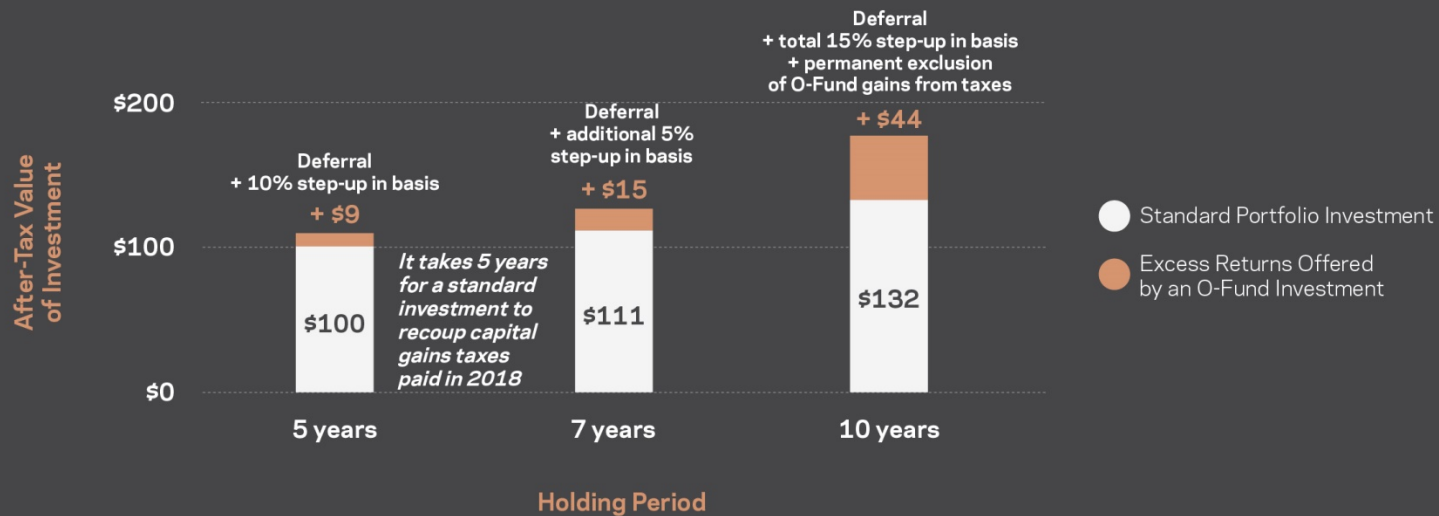
How it Works



Breaking Down the Numbers

Incentives Offered by the Opportunity Zones Program

How does a capital gain of \$100 reinvested in 2018 perform over time?



* Note: Assumes long-term federal capital gains tax rate of 23.8%, no state income tax, and annual appreciation of 7% for both the O-Fund and alternative investment.

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.

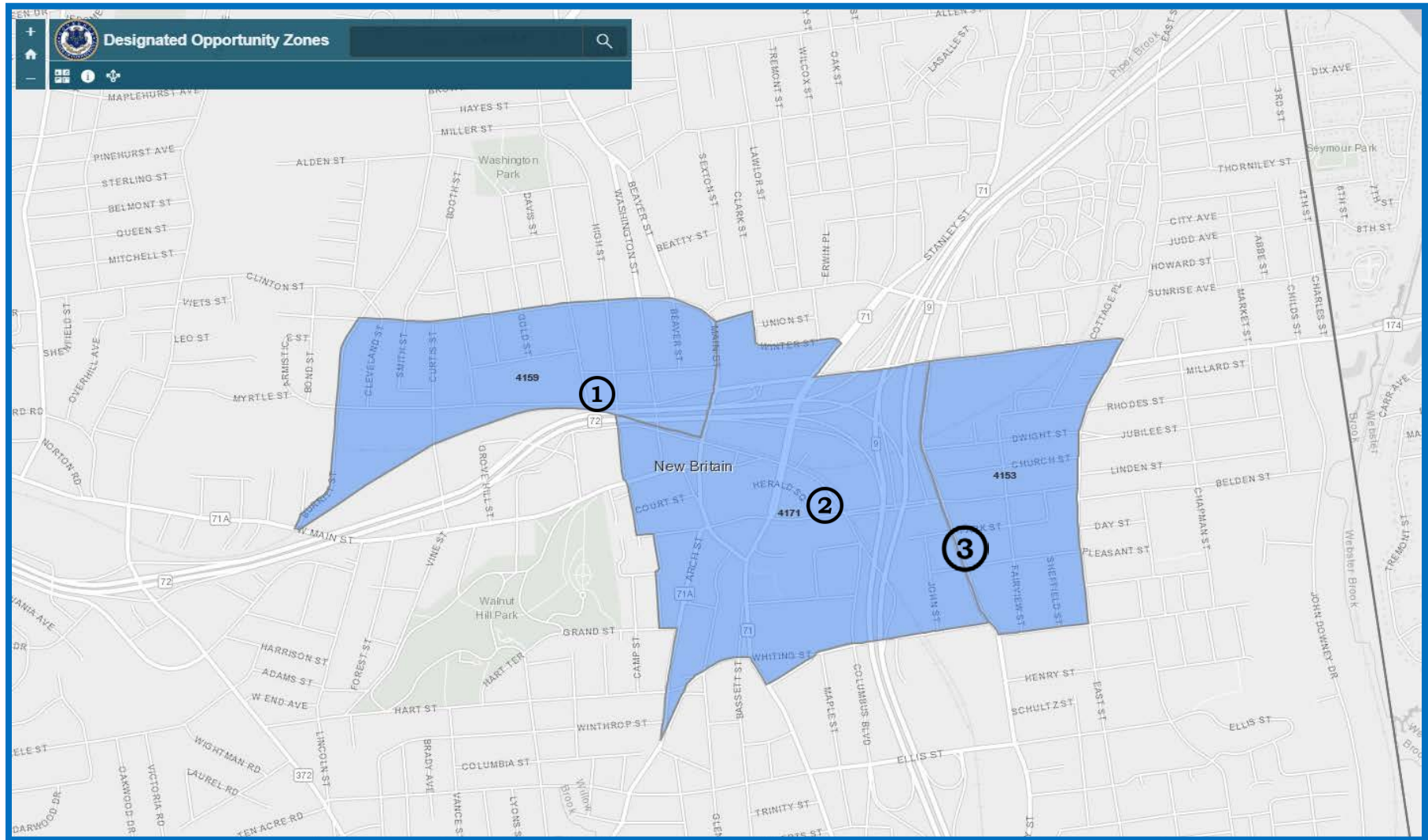


New Britain's Opportunity Zones

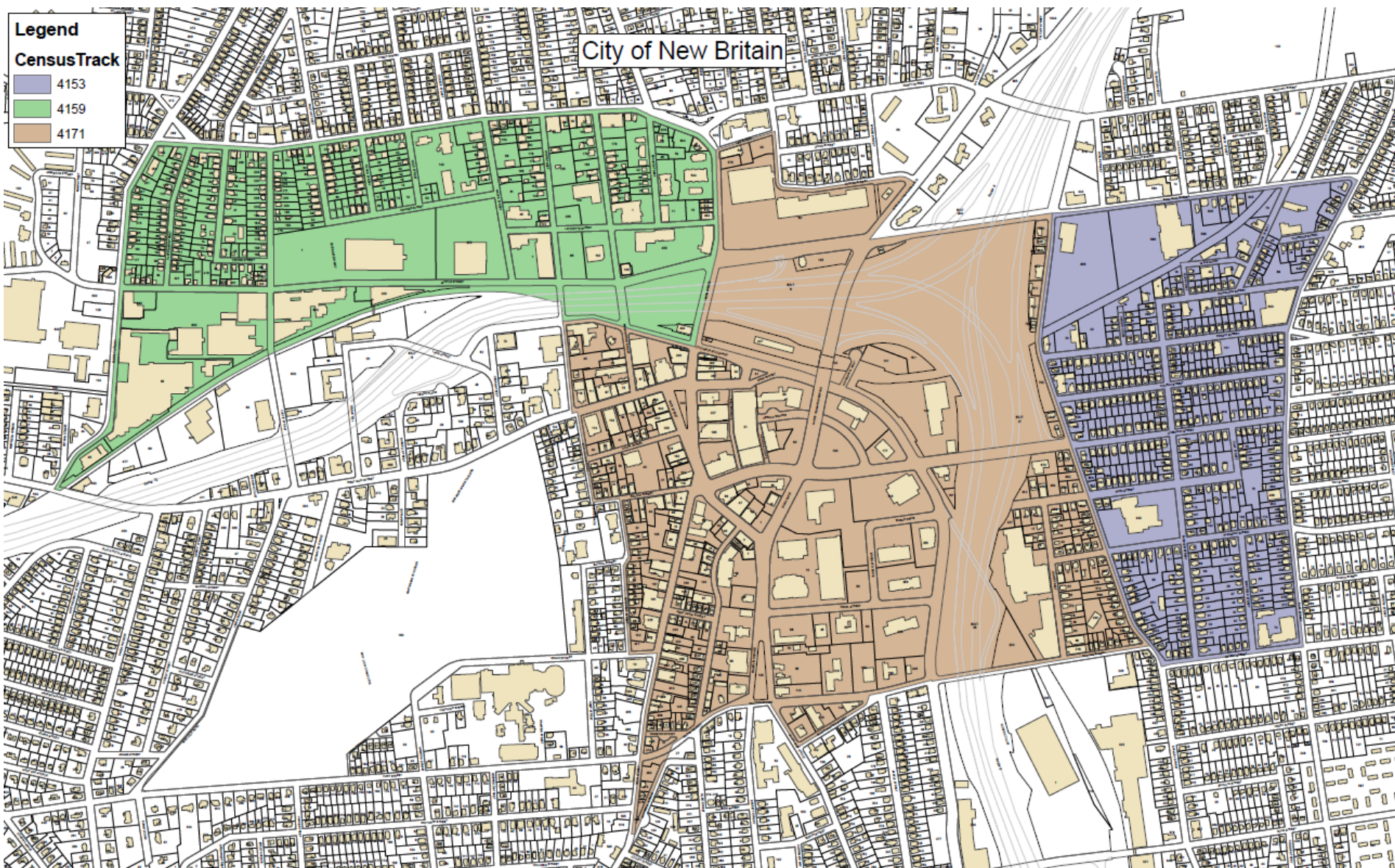
New Britain has three designated opportunity zone census tracts throughout the city: 4159, 4171, 4153

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

City of New Britain Opportunity Zone Map



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



City of New Britain
Department of Public Works
Director - Mark E. Moriarty P.E.

300 150 0 300 Feet

Opportunity Zone



Drawn By: CTL
Checked By: BC
Date: Aug 16, 2018

Our Vision:

The City of New Britain is currently undergoing a multitude of projects, ranging from infrastructure improvements to retail and residential developments.

The following projects are underway, planned, or have been completed. Please be advised that these projects all fall into the opportunity zone tracts the city was approved for.

- Beehive Bridge
- Columbus Commons
- 222 Main Street
- 267 Main Street
- Energy and Innovation Park
- 235 Main Street
- 57 Court Street
- New Brite Plaza



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***

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.

222 MAIN ST.



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

267 Main St.

23

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.



Energy & Innovation Park

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.

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.



235 MAIN



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.

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.

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.

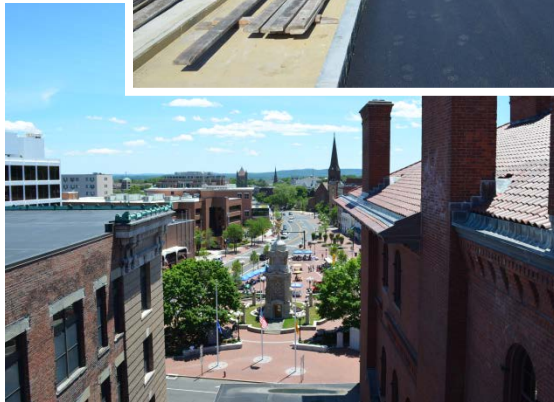
In a recent discussion, city officials and New Brite Plaza owners laid out preliminary plans for a mixed-use residential development that can help restore the urban streetscape by connecting two of the city's most popular destinations: Downtown and Little Poland.

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.



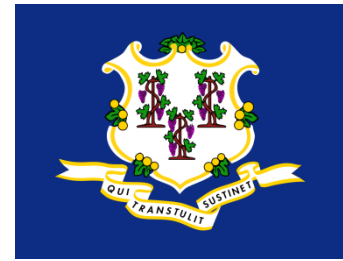
INFRASTRUCTURE IMPROVEMENTS

INVEST IN A CITY THAT INVESTS IN ITSELF





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>



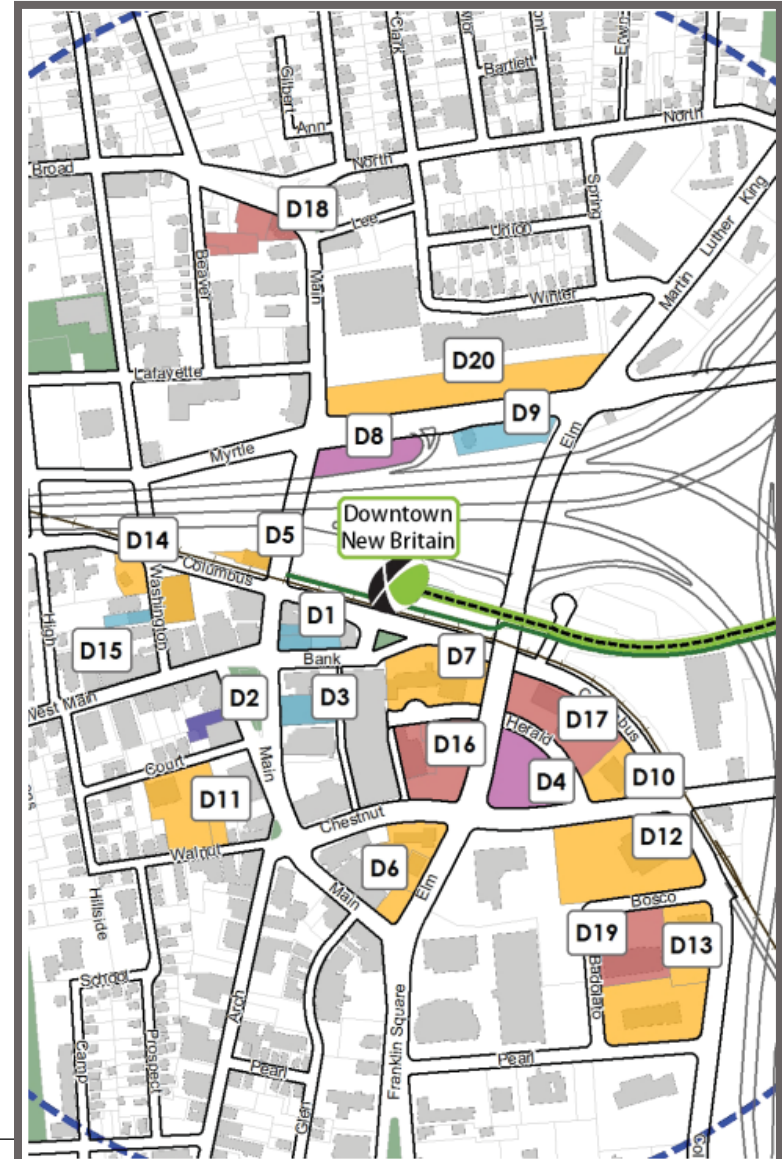
What is TOD?

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.

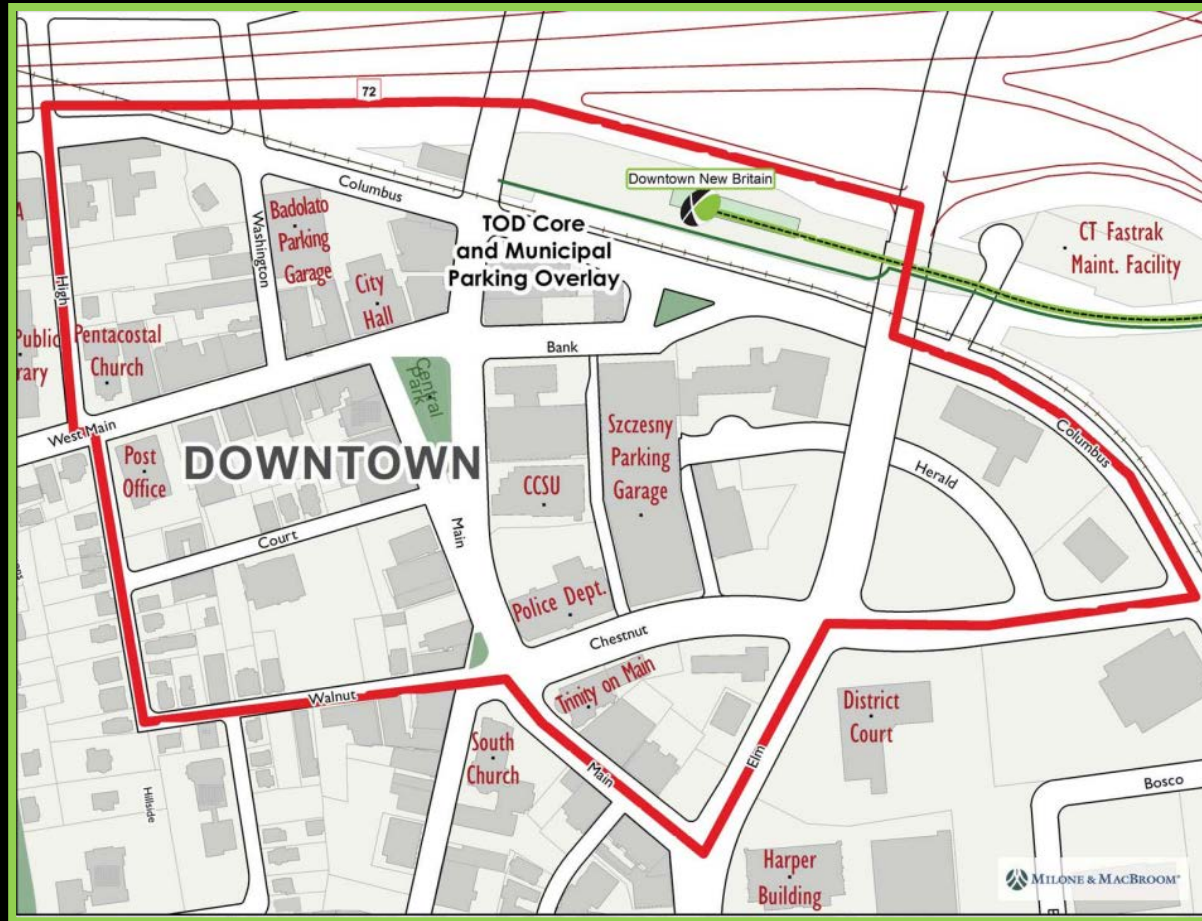
Because of historical development patterns, each of New Britain's station areas presents unique opportunities to strike a balance between these three aspects of a successful TOD. Downtown is well poised to balance the live-work-play equation due to its significant employers; arts, culture, entertainment, 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 University (CCSU) impart a "college town" flavor to the live-work-play equation.

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.

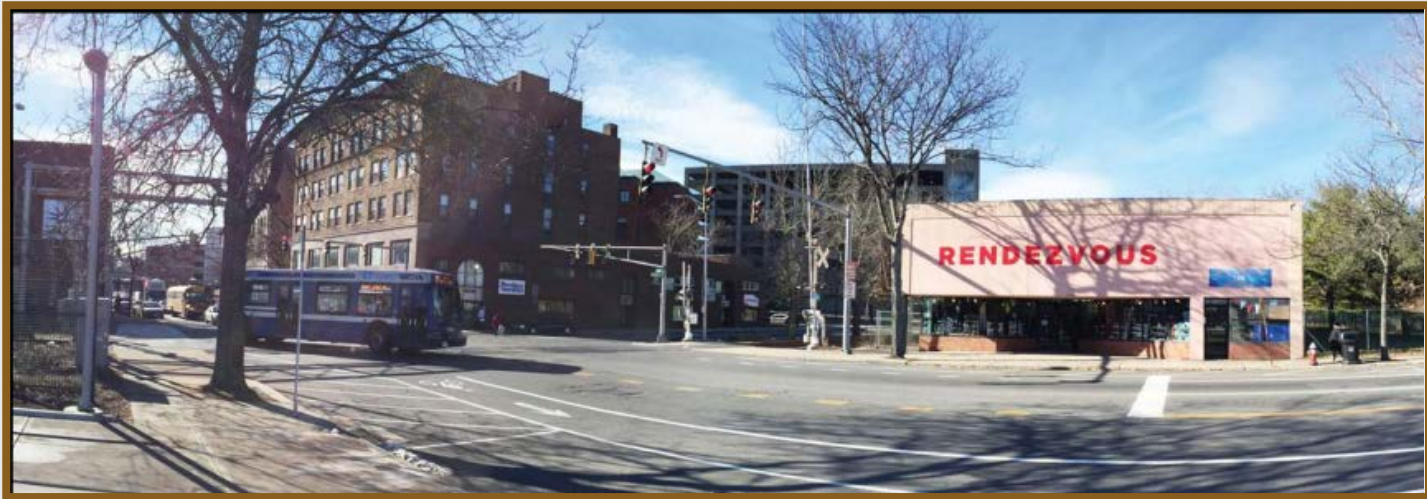


DOWNTOWN TOD OPPORTUNITIES



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

Main Street/CT Fastrak Entrance



Current



Potential

MAIN STREET/CTFASTRAK ENTRANCE

The plan calls for a 6,000-square-foot coffee shop, bakery, deli, or other food service establishment with indoor seating. The vision is for the 1-acre block, currently comprised of five parcels, to be redeveloped as one unified site with approximately 22,000 square feet 1 of retail on the first floor and three to four stories of studio to two bedroom apartment units above, for a total of 100 to 135 residential units. The intention is for Amato's Toy Store to occupy a portion of the retail space.

Columbus Boulevard and Main Street



Current



Potential

COLUMBUS BOULEVARD AND MAIN STREET

Rehabbed mixed use building:

The new uses include approximately 25,000 square feet of retail or commercial on the first floor and approximately 30 one to two bedroom apartment units on the second story.

Main Street-Downtown New Britain *Restaurant Row*



Current



Potential

MAIN STREET-DOWNTOWN NEW BRITAIN

- Engage a property broker who specializes in restaurant properties to evaluate buildings in the restaurant row area for the best candidates for renovation. The broker should also assist in identifying potential restaurateurs to pursue.

- Expand façade improvement assistance programs. The Downtown District currently offers a match of up to \$5,000 for façade improvements. Pursue grants, private donations, and/or TIF funds to establish a TOD Core façade improvement fund that is open to eligible property owners in the Main Street and West Main Street dining and entertainment hub.

Court Street



Current



Potential

COURT STREET

The existing three-story, 43,000-square-foot office building could house approximately 33 dwelling units. The plan is to provide access to parking between the existing and planned new building to create a cohesive residential development of approximately 65 residential units.

Four smaller three-story new construction buildings similar to existing multi family structures on Walnut Street, are shown. These could be developed in conjunction with the AT&T office building or separately. Depending on market demands, these 18 to 24 residential units could be offered as ownership units.

Washington Street and Columbus Boulevard



Current



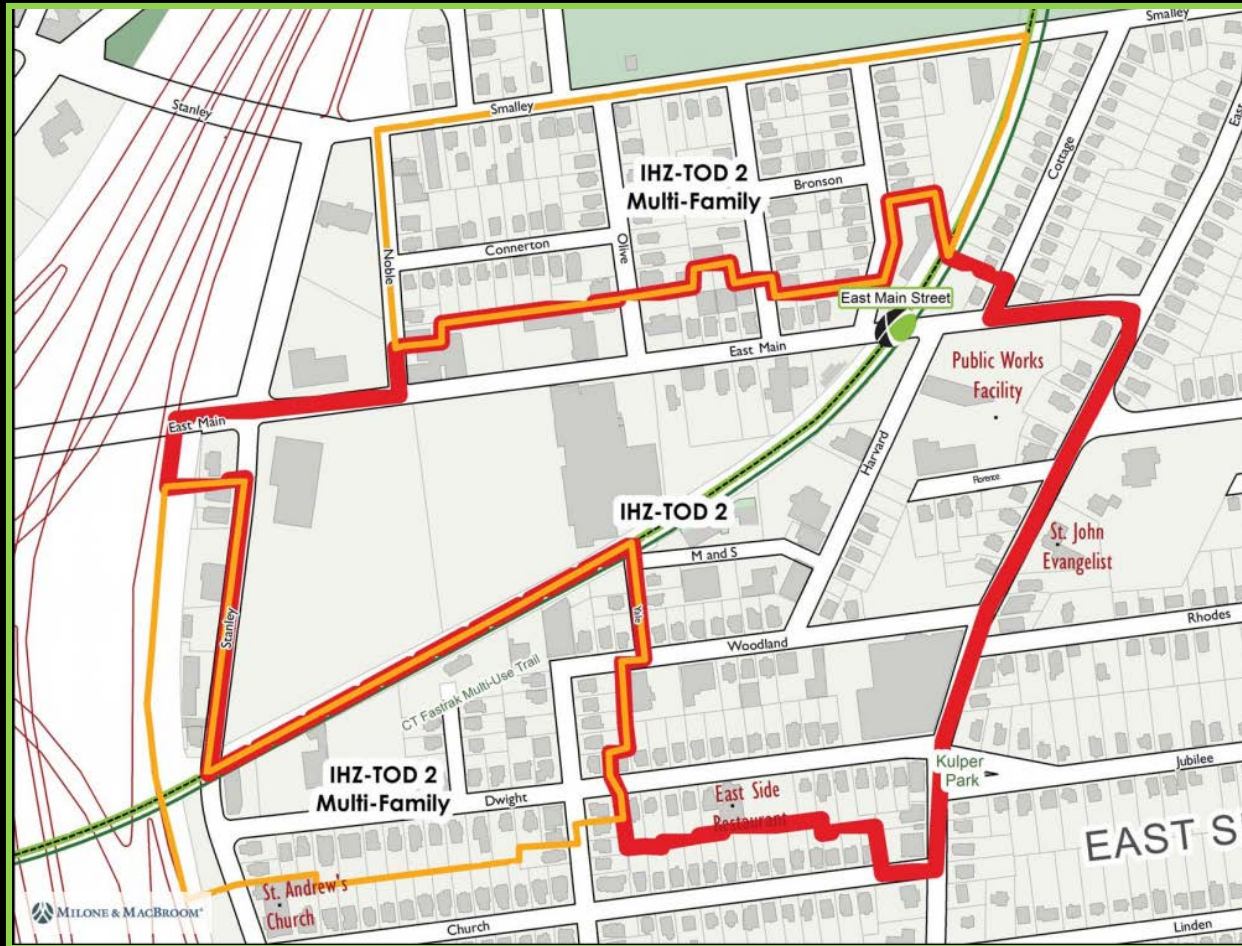
Potential

WASHINGTON STREET AND COLUMBUS BOULEVARD

Washington Street:

Engage property owner in regular discussion to clarify intentions for the future development of the parcel; assist in predevelopment efforts as feasible, including helping to identify brownfields concerns and financing sources for remediation.

EAST MAIN STREET OPPORTUNITIES



Harvard Street



Current



Potential

HARVARD STREET

Relocated northbound platform CTfastrak parking and small retail building:

The relocation of the DPW enables the relocation of the northbound platform, creating a more cohesive transit stop. Providing dedicated parking for CTfastrak serves to bolster ridership and the consumers market for the area. A small retail building is shown on the current northbound platform site.

East Main Street



Current



Potential

EAST MAIN STREET

New three-story mixed-use buildings:

-These buildings serve to anchor the neighborhood and include up to 28,000 square feet of ground-floor retail/restaurant. The upper stories contain up to 70 residential apartment units. Wide sidewalks with outdoor seating, large open windows/doors, and awnings establish a human-scaled, walkable streetscape.

-Open courtyard space with pedestrian amenities links residents to corner park let features. Residential and retail patron parking is provided behind the buildings with access off Harvard and Florence Streets.

-Realignment of East Main Street and Newington Avenue creates two public park/gateway features into New Britain. Pedestrian amenities, lighting, and sculptural elements are envisioned within the park space.

-The buildings establish a significant gateway visual when entering from Newington along the realigned intersection with East Street. The plan calls for two-story buildings with up to 30 residential units and strong architectural components surrounded by open space exponents. Parking would be provided in conjunction with the parking provided for mixed use buildings in I-03 and I-04 as well as between the buildings.

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



**New Britain
Downtown District**

Come, grow with us!



- p.5- http://www.newbritainct.gov/gov/mayors_office/default.htm
- p.6- http://www.newbritainct.gov/gov/mayors_office/default.htm
- p.7- <http://www.city-data.com/city/New-Britain-Connecticut.html>
- p.8- <https://ctmirror.org/2018/07/02/malloy-says-clean-energy-data-center-new-britain-will-create-3000-jobs/>
- p.8- <http://www.newbritainherald.com/NBH-General+News/328356/officials-kick-off-beehive-bridge-construction-project>
- p.13- <https://www.datapoints.org/data-points-blog/opportunity-zones-is-the-new-program-promising-or-problematic>
- p.14- <https://eig.org/news/opportunity-zones-map-comes-focus>
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