

April 6, 2022

Caroline Simmons
Mayor
City of Stamford
Stamford Government Center
888 Washington Blvd.
Stamford, CT 06901

Sub: Connecticut Communities Challenge Grant Round 1 Application – City of Stamford (The Scrap Works Initiative Project; 553, 571, 575, 583 and 670 Pacific St.)

Hon. Mayor Simmons:

Congratulations! The Department of Economic and Community Development is pleased to award the **City of Stamford** (City) a grant in the amount of **\$2,528,879** in response to your application for funding under the Connecticut Communities Challenge Grant Round 1 Application for the **Scrap Works Initiative Project**.

The grant will be used by the City in partnership with Scrap Works LLC to retrofit underutilized properties on Pacific Street to create a year-round beer garden and food truck lot, an authentic German Beer Hall, coffee shop, social coworking space, pilot brewery and tasting room, and event space. The project will also create “affordable retail” opportunities by building the baseline infrastructure required for future prospective retail tenants such as furniture, fixtures, equipment investments, rent credits, art etc.

This award represents Governor Lamont’s continuing commitment to support Connecticut’s municipalities in their efforts to improve the livability, vibrancy, convenience and appeal of communities throughout the state.

As a next step, DECD will work with your staff to develop a Financial Assistance Proposal (“Proposal”). This Proposal will outline the key terms of the grant funding as well as any conditions that the City will need to meet in order to access this funding. We expect to deliver a draft document in April/May. Once the signed Proposal is delivered, you will then have fifteen (15) days to accept the terms and conditions, and return the signed document to the project manager’s attention. If you do not return the signed acceptance within the allotted time, this offer of assistance may be withdrawn.

Upon receipt of the executed Proposal, DECD will initiate the contracting process and have counsel appointed to draft the Assistance Agreement and other closing documents. The final execution of the Assistance Agreement (DECD Contract) typically takes 6-8 weeks.

The Assistance Agreement will not be executed until the full capital stack and the private leverage value of the redevelopment portion of the proposed project, as presented in the Application, can be confirmed to be committed (e.g., bank term sheets, offer letter from funding agency etc.). The total redevelopment project budget and sources of financing, presented in the Application, are as below:

FUNDING SOURCES	AMOUNT	
CT Communities Challenge Grant	\$2,528,879	Grant
State Innovation Places Grant	\$105,880	Cash
Developer Contribution – Hogg Holdings	\$3,592,900	Cash
Developer Contribution – Twenty Lake Holdings	\$2,181,312	Cash
Developer Contribution – Half Full Brewery	\$712,154	Cash
Bank Financing	\$426,104	Debt
TOTAL REDEVELOPMENT PROJECT	\$9,547,229	

DECD understands that there are many factors to project costing, financing and budgeting and will allow a variance within 10% of these numbers as long as the eligible applicant grant match that is provided is not less than 50% of the grant award. Any exceptions or flexibilities to this requirement will be at the discretion of the Commissioner.

DECD will be requiring you and/or your development partner to provide a non-recourse mortgage lien (value of land) or limited personal/corporate guaranty (value of grant) so that the Applicant/State can recoup the expenses in case the proposed redevelopment project cannot be completed. DECD will accept a subordinated position behind other funding sources. The mortgage or the limited personal/corporate guaranty will remain in place until satisfactory completion of the Redevelopment Project as described in the Project Application.

DECD will also hold a negative pledge and a restrictive use covenant. In addition, DECD will be willing to structure the Assistance Agreement (DECD Contract) to enable a pass-through of the grant to the private partner entity(ies), as long as all participating partners are willing to accept DECD’s collateral terms.

Our staff will continue to be available to you and your staff throughout the duration of the project. A DECD Project Manager will be assigned to your project shortly and will be contacting you with directions for the next steps in the process. If you have any questions regarding this award, please contact Binu Chandy at 860-500-2454 (binu.chandy@ct.gov) or Sheila Hummel at 860-500.2405 (sheila.hummel@ct.gov).

Sincerely,



Alexandra Daum
 Deputy Commissioner

Cc: Binu Chandy, Deputy Director, Office of Brownfield Remediation and Development
 Sheila Hummel, Director, Small Business & Community Development Unit