NAUGATUCK INDUSTRIAL PARK III (PHASE II) PROJECT & COMMUNITY INVESTMENT FUND APPLICATION

COMMUNITY INFORMATION SESSION BOROUGH OF NAUGATUCK

Today's Objectives

Share Project Progress of Naugatuck Industrial Park III

Introduce the State of Connecticut's Community Investment Fund ("CIF")

Share information about the Borough of Naugatuck's CIF Grant Application – Round 6

State of Connecticut Community Investment Fund ("CIF") 2030



Created to "unlock economic potential for underserved communities," including those designated as:

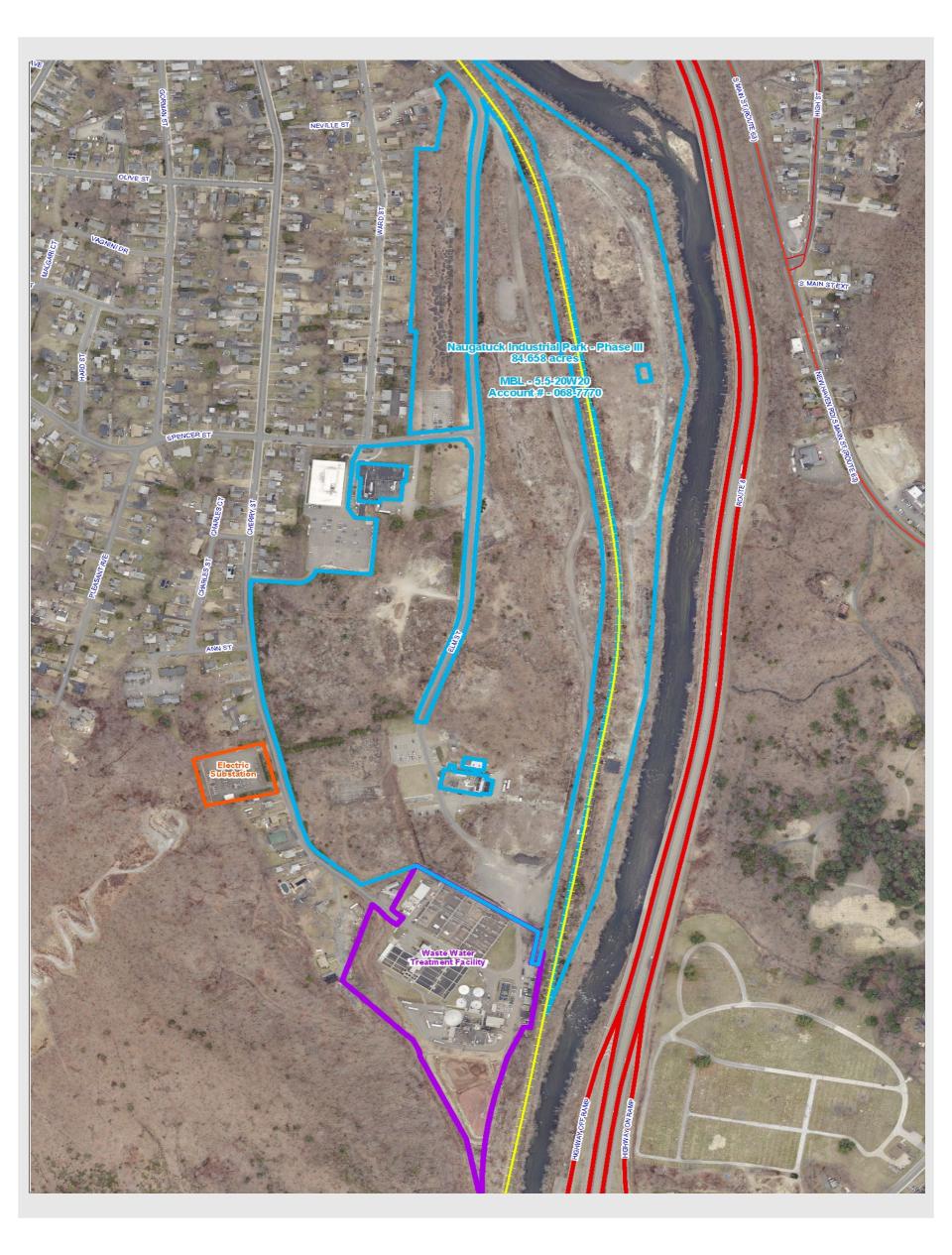
Public Investment Communities or Alliance Districts

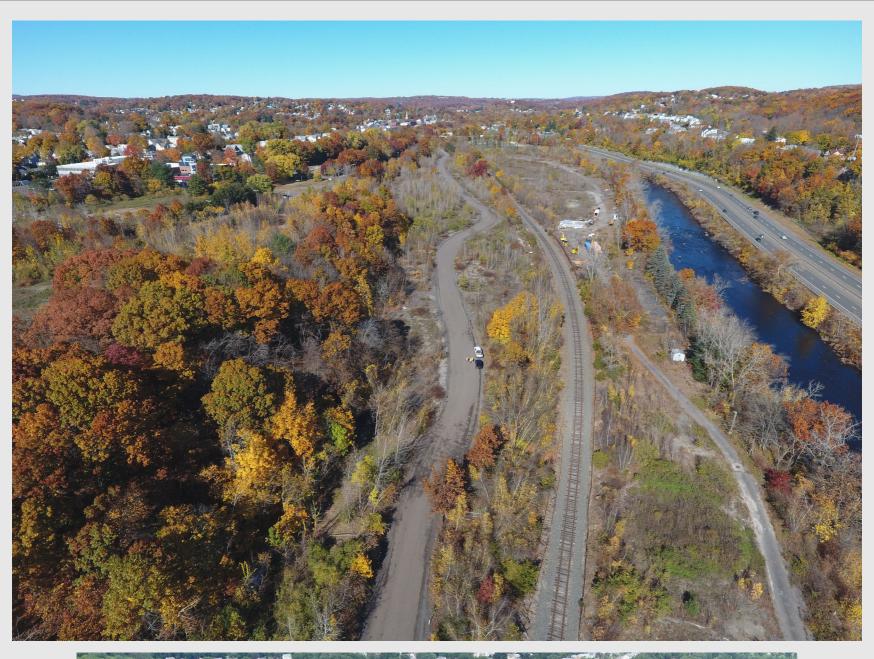


Projects should advance fair, just, and impartial treatment of all individuals, including historically underserved individuals



CIF will award up to \$175M each year until the year 2030.







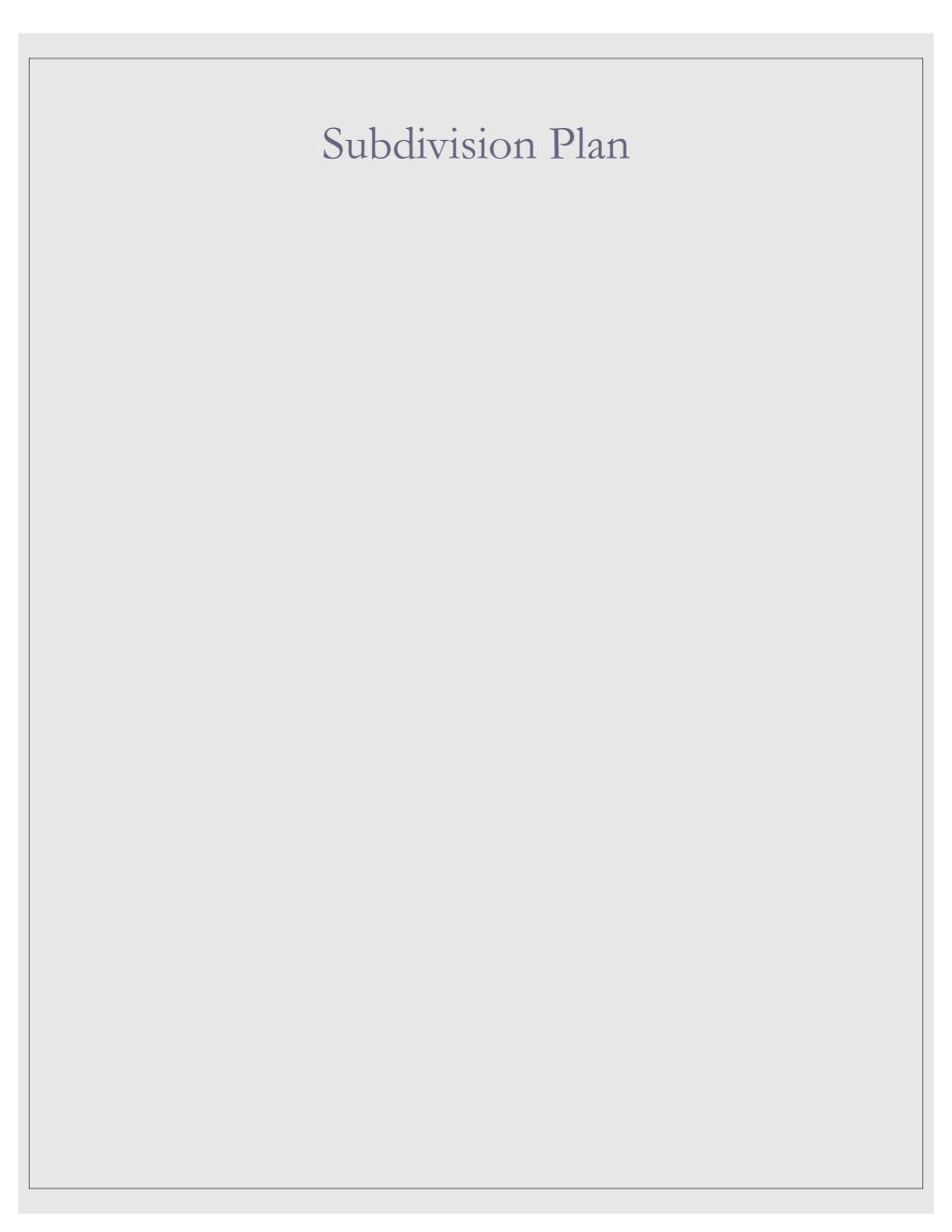
Naugatuck Industrial Park III - History

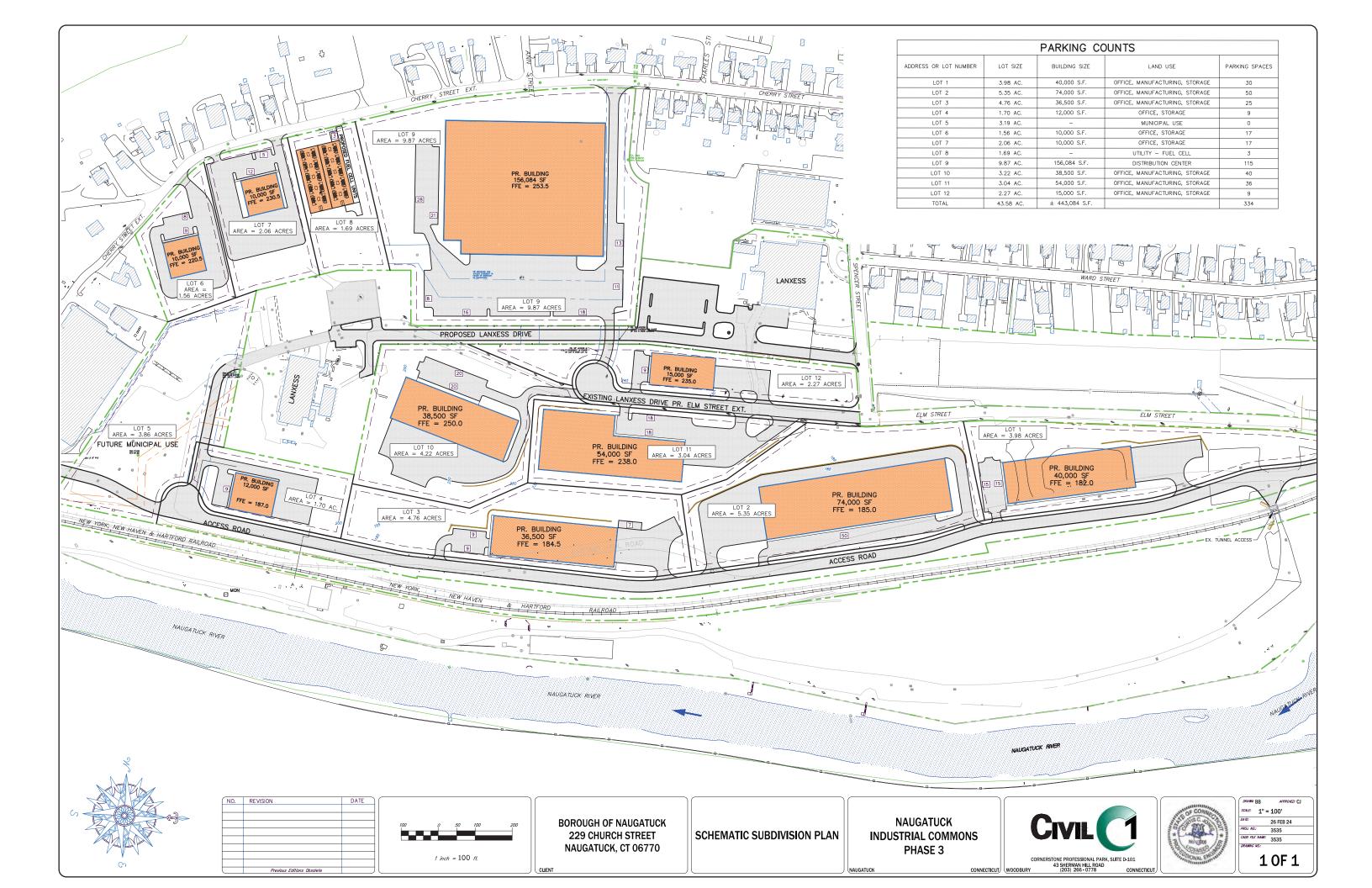
- Naugatuck Industrial Park III, formerly known as the Uniroyal Chemical/LANXESS site, is an 86 acre-site ~0.5 miles south of the Borough's downtown.
- Throughout history, the former manufacturing of rubber on the site, including the manufacturing of rubber for boots and tires of American, British, and French Soldiers throughout the World Wars, led to pronounced contamination on the site.
- Site has moved from the remediation phase to the redevelopment phase thanks to significant investment by LANXESS, USEPA, and the State of Connecticut.
- End uses of the site include lumber companies, light industrial, warehousing, logistic, and other commercial uses. A portion of the site is being reserved for intermodal use.
- This project remains the highest & next priority to tie together an ongoing Borough-wide economic revitalization plan.

Naugatuck Industrial Park III – Phase I

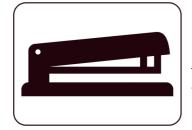
• In 2023, the Community Investment Board allocated \$3,000,000 to Phase I of the Naugatuck Industrial Park Project for infrastructure improvements, including the construction of access roads.

• Phase I is now underway.





Naugatuck Industrial Park III – Progress Since Round 2 Award



Completed and approved a subdivision plan for Naugatuck Industrial Park III



Finalized the Phase I Assistance Agreement with the State of Connecticut DECD



Completed the Bidding for the Phase I Capital Improvement Project



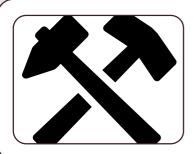
Selected the Contractor for the Phase I Capital Improvement Project

• Awarding the contract to the lowest bidder immediately following this Information Meeting 12/3/2024

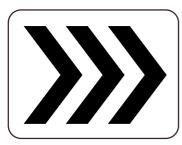


Finalized several Phase I Development Agreements, one of which has led to the construction of two new buildings

Naugatuck Industrial Park III – Progress Since Round 2 Award (Cont.)

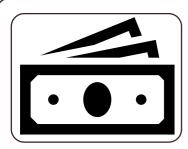


Finalized Phase II Development Agreements, with more to come in the short-term future

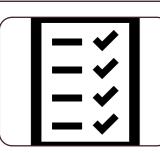


Advanced Phase II Design and Engineering Documents to 80%

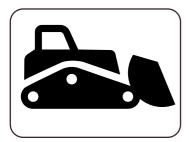
• Final Designs expected in 90 days



Increased Local Match Dollars at the Project Site from \$4,000,000 to \$7,000,000 (TIF)



Advanced Permitting, including OSTA. Submitted & revised per Agency instructions



Completed stormwater drainage repairs on Cherry Street, directly at the entrance to the Site (\$1,800,000)

CIF Application – The Request

- oThis Round 6 application requests \$3,000,000 in funding from the Community Investment Fund, all of which will be allocated to hard construction costs
- °Construction costs include:
 - °Construction of Temporary and Permanent Access Roads, including the associated streetscaping and utilities in the public right-of-way.
 - °Such activities will prepare the site for redevelopment, enabling end users to connect their sites to the roadways and utilities.

CIF Application – Funding Sources

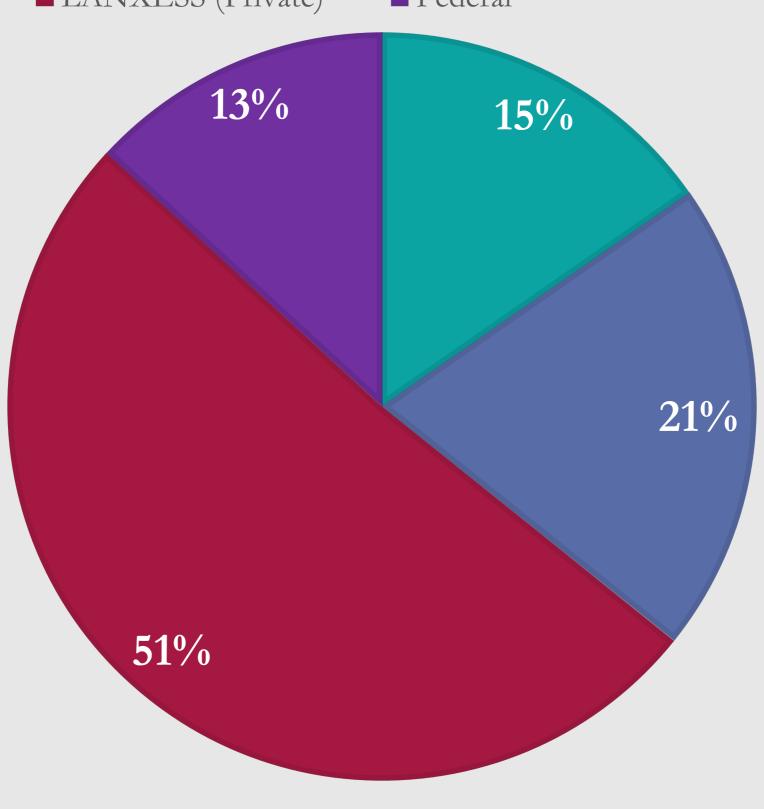
Funding Source	Amount	Use
Borough of Naugatuck (TIF)	\$7,000,000	Hard & Soft Construction Costs All Phases
Borough of Naugatuck Local	\$1,000,000	Design & Engineering
CIF Round 2	\$3,000,000	Phase I – Temp. & Perm. Access Roads
CIF Round 6 (Pending)	\$3,000,000	Phase II – Temp. & Perm. Access Roads
USEPA RLF (Federal)	\$350,000	Soil Management
HUD CDBG (Federal)	\$1,800,000	Stormwater Drainage Improvements Cherry Street
USEDA PWEAA (Pending) (Federal)	\$3,000,000	Phase II Hard Construction
LANXESS (Private)	~\$20,000,000, as of 2022.	Historic Remediation & Demolition

CIF Application – Budget Breakdown

FUNDING SOURCES

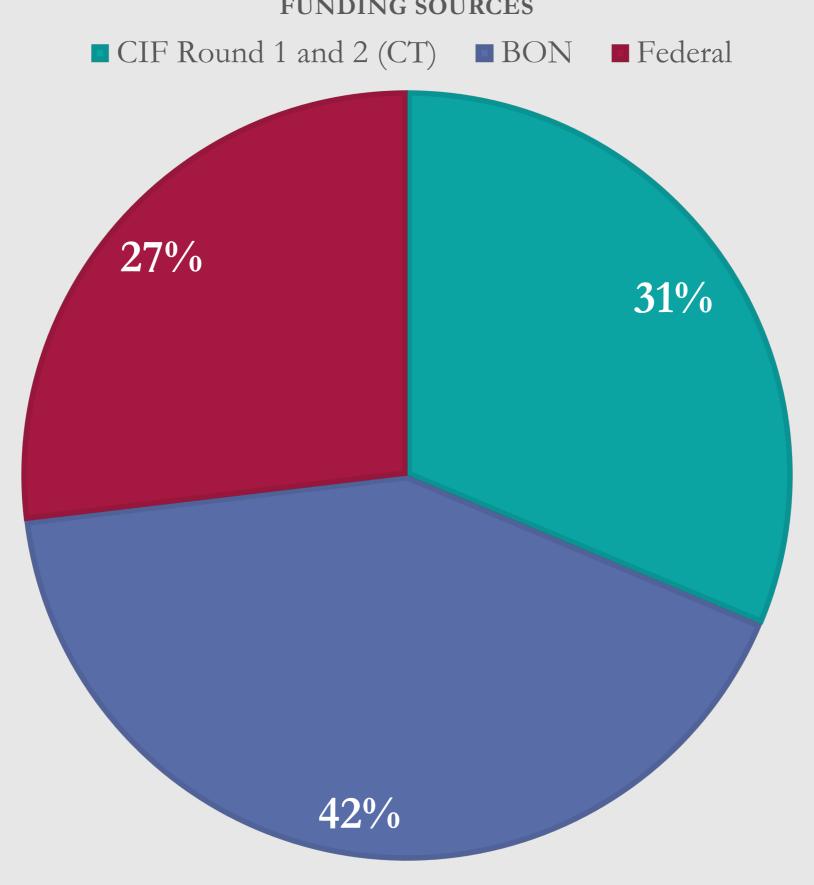






SKIN IN THE GAME (Without Lanxess Investment)





CIF Application - Impact

Phase I Impact:

- ∘ International Building Supply. ~\$3,500,000 development budget.
 - ° 2 buildings currently finalizing construction on upper lot.
 - ° 15 new jobs created.
- ° Parcel 12. International Building Supply. \$1,500,000 development budget.

Phase II Impact:

- ° International Building Supply. Lot 11. \$4,500,000 development budget.
 - ° Construction of a 60,000,000 square foot warehouse.
 - ° Creation of 30 new jobs.

All Phase Impact:

- o In total, all phases of Naugatuck Industrial Park III Project are anticipated to create ∼600 jobs (conservative estimate) for the region and provide large capital investment in the area of ∼1B (IMPLAN, BCA, & Area Development).
- \circ State Investment Total = \$6,000,000
- °\$6,000,000/600 jobs created (conservative) = \$10,000 State Investment Per Job Created (Alignment with Governor's Economic Action Plan)

Ongoing Development Progress





\$8,000,000 in Lumber, Awaiting Building Construction for Storage









Demographics

• Borough of Naugatuck demographics:

Public Investment Community

Alliance District

Cost Burdened Community Members (30%)

ALICE Families (33%, 2023)

Surplus of Blue Collar Workers

Within 2 miles of the Project Site, residents score higher than Federal and State Percentiles in the following:

Equity &
Economically
Disadvantaged
Community (EPA
EJScreen)

Unemployment Rate

Linguistic Isolation

Higher than State Average of those with less than a High School Diploma

Outcomes for Residents

Project will enable high quality job opportunities, economic growth, and grand list growth.

Unemployed or underemployed residents will have access to workforce development opportunities, educational mobility, and socioeconomic growth.

Borough and end users partner with labor unions, workforce development boards, high schools, and colleges/universities to train & place local residents in newly created jobs.

Residents who are cost burdened will have opportunity to access newly created higherpaying, higher-quality jobs, increasing quality of life outcomes.

Residents who currently commute more than 30 minutes each day will have job opportunities closer to home.

Project will help bring taxes down for a tax-burdened community.

Municipal Commitment to Project

- The Borough has significant interest in the success of this project, backed by strong Borough Board, State Delegation, and community partner support.
- The Borough would like to re-iterate the following:

PHASE I IS UNDERWAY.

- Phase II designs advanced to 80%, with anticipated 90 day turnaround to 100% final designs.
 - The Borough has funded all soft-costs to date, and will continue to do so. CIF funds will be used only for HARD CONSTRUCTION COSTS.

