

To: Board of Directors, Georgetown Redevelopment Corporation (GRC)
From: Stephen M. Soler
Date: January 29, 2009
Re: Grants, Funding and Financings

The following is a narrative on the various accounts and funding either in place or available to GRC.

In 2002 the 5+/- acre parcel, known as "the lagoon", was acquired from the bankrupt estate of the former Gilbert & Bennett Company "G&B". Title was vested in the name of ARR Georgetown, LLC, a wholly owned subsidiary of American Restoration Resources, Inc. (501(c)3 corporation founded by Stephen M. Soler and Robert Maniscalco to acquire environmentally impacted properties). In February of 2005 the property was transferred to GRC. With the initial acquisition of the property the Trustee for the G&B (David Crenshaw) informed the new owners of a an account established by G&B to fund a portion of the remedial activities needed to cap or close the former Lagoon Property¹. (It should be noted that these funds had been deposited at the former Westport Bank and Trust, acquired by Hudson Bank and further acquired by TD Bank. The account exists at the Georgetown office TD Bank under account number 45-h002-01-1. It had been invested in government bonds.)

There is a second settlement account, as a result of the closure of the bankruptcy, that is held by the State of Connecticut Attorney General. This amount was estimated to be \$250,000 but could be as much as \$400,000. This amount could be verified through either Barbara Miller (Brody, Wilkinson and Ober) or with Richard Gibbons. These funds are also available for "post closure" and "closure" activities on the Lagoon property.

The Lagoon property was also the recipient of two US EPA grants (Brownfields Funds) to investigate the property. The first was a \$100,000 site investigation grant announced in 2003 by then Congressman Christopher Shays with the second grant a supplemental \$100,000 grant provided in 2005. These were used to assist in the creation of the remedial action work plan for the site

¹ The trust fund was funded with an initial deposit of approximately \$50,000 in the mid 1990's and an additional \$50,000 was added each year until G&B filed for bankruptcy in 1999. The purpose of the trust was to create a fund for "post closure financial assurance". If G& B completed the closure of the lagoon property, which they were on schedule to do as of the mid 1990's, this was a fund to pay for the post closure maintenance of the closure cell for the following 40 years. It was estimated, at the time of the funding, that it would cost \$25,000 per year to maintain the "closure cap (conduct groundwater monitoring, fix the fence, cut the grass etc.). They calculated the \$25,000/yr times 30 years discounted to fund the account. The fund had approximately \$200,000 when the company went bankrupt but has not been properly managed. The current balance is approximately \$225,000.

A third grant for the property was proposed to be a Small Cities Community Development Block Grant, awarded to the Town of Redding with GRC being the sub recipient of the funds. In 2007 the Governor of CT decided to award these funds to the Town of Brookfield (where she lived) and GRC was denied its application. Staff at DECD felt the Georgetown project was deserving and assisted in arranging substitute funding. The staff submitted an application for a \$500,000 Brownfields Grant, to be funded through State of Connecticut Bond Funds. This grant was ultimately awarded as a \$425,000 grant with the award going to the Town of Redding and GRC being the sub recipient of the funds. These funds have been earmarked and all documents have been negotiated. GRC needs to speak with Redding First Selectman to insure that these funds remain with the lagoon property and do not get "redirected" to an other project in Georgetown.

A fourth grant is a \$200,000 US EPA revolving loan fund (Grant) administered through DECD. These funds, coupled with the \$425,000, was to make up for the \$750,000 funding that was not provided by the State through their Small Cities CDBG allocation. These funds are also awarded and available for closing and funding. The funds are dedicated to the remediation of the Lagoon property.

A fifth grant is a \$250,000 predevelopment funding for the creation of affordable housing. This grant was applied for in 2006 and ultimately awarded in 2009. In July of 2009 Helen Muniz, the point person for the grant, informed me that DECD is willing to fund the grant but wants a mortgage on property to secure repayment. She also referred to it as a "recoverable grant". It is these funds that were anticipated to pay the pre-development costs associated with the attempt to secure Low Income Housing Tax Credits and to secure site plan approval (and subdivision approval) for the affordable housing project that was approved by the Town of Redding in the fall of 2009. These funds have been previously committed and should be available for funding. I did tell the State that GRC would not take the funds if it could not secure a source of repayment. Given that there is a new buyer and a source can be identified it would be prudent for GRC to close on this funding, retire its obligations and re-apply for the Low Income Housing Tax Credits.

GRC was awarded a \$200,000 Site Remediation and Clean Up Grant from US EPA in 2005. These funds were predicated on the State of Connecticut approving the overall remedial action work plan and the project starting in 2006. The State did not approve the plan as projected. The State approved the plan in 2007, in time for the real estate market to collapse and put the overall project in jeopardy. With the rumors spreading this summer and the funds not having been spent, US EPA withdrew the grant and used the funds on another project. Mr. Byrne, the point person at US EPA has indicated that if GRC reapplies for the funds, US EPA would look favorably on the application and would probably fund it. This application should be submitted in the spring of 2010 for an award by October 2010 and funding in 2011.

One final grant GRC is eligible to receive is \$750,000 from the HUD Small Cities Community Development Block Grant funding, administered by DECD. This application is in draft form (previously submitted) and can be formatted relatively quickly with assistance from Bill Penn and Larry Wagner. Wagner will not charge for the submission of the application but will charge as the "administrator of the CDBG grant". Penn will charge for his time and materials. The cost for the grant may be as much as \$5,000. GRC is very likely to be the recipient of this grant, to be used towards the construction of the parking garage, bridge designed to go over the river and or remediation of the site.

The following matrix shows each grant/funding, its amount and contact person

Grant Name	\$	Agency	Contact	Consultant	Phone
Trust Fund	215,000	TD Bank	Dick Gibbons		203 227 9545
Trust Fund	250,000	CT AG	Barbara Miller		203 329 7133
Brownfields Investigation	100,000	US EPA	Jim Byrne	Penn	617 918 1389
Brownfields Investigation	100,000	US EPA	Jim Byrne	Penn	617 918 1389
Brownfields	425,000	DECD	Brian Dillon		860 270 8156
EPA Revolving Loan	200,000	DECD	Brian Dillon		860 270 8156
Affordable Housing	250,000	DECD	Helen Muniz		860 270 8023
Small Cities CDBG	750,000	DECD	Brian Dillon	Larry Wagner	860 270 8156
EPA Clean Up Grant	200,000	US EPA	Jim Byrne	Bill Penn	617 918 1389
Consultants					
Bill Penn	401 466 2065				
Larry Wagner	203 573 1188				

To: Board of Directors, Georgetown Redevelopment Corporation (GRC)
From: Stephen M. Soler
Date: January 29, 2009
Re: Grants, Funding and Financings

The following is a narrative on the various accounts and funding either in place or available to GRC.

In 2002 the 5+/- acre parcel, known as "the lagoon", was acquired from the bankrupt estate of the former Gilbert & Bennett Company "G&B". Title was vested in the name of ARR Georgetown, LLC, a wholly owned subsidiary of American Restoration Resources, Inc. (501(c)3 corporation founded by Stephen M. Soler and Robert Maniscalco to acquire environmentally impacted properties). In February of 2005 the property was transferred to GRC. With the initial acquisition of the property the Trustee for the G&B (David Crenshaw) informed the new owners of an account established by G&B to fund a portion of the remedial activities needed to cap or close the former Lagoon Property¹. (It should be noted that these funds had been deposited at the former Westport Bank and Trust, acquired by Hudson Bank and further acquired by TD Bank. The account exists at the Georgetown office TD Bank under account number 45-h002-01-1. It had been invested in government bonds.)

There is a second settlement account, as a result of the closure of the bankruptcy, that is held by the State of Connecticut Attorney General. This amount was estimated to be \$250,000 but could be as much as \$400,000. This amount could be verified through either Barbara Miller (Brody, Wilkinson and Ober) or with Richard Gibbons. These funds are also available for "post closure" and "closure" activities on the Lagoon property.

The Lagoon property was also the recipient of two US EPA grants (Brownfields Funds) to investigate the property. The first was a \$100,000 site investigation grant announced in 2003 by then Congressman Christopher Shays with the second grant a supplemental \$100,000 grant provided in 2005. These were used to assist in the creation of the remedial action work plan for the site

¹ The trust fund was funded with an initial deposit of approximately \$50,000 in the mid 1990's and an additional \$50,000 was added each year until G&B filed for bankruptcy in 1999. The purpose of the trust was to create a fund for "post closure financial assurance". If G& B completed the closure of the lagoon property, which they were on schedule to do as of the mid 1990's, this was a fund to pay for the post closure maintenance of the closure cell for the following 40 years. It was estimated, at the time of the funding, that it would cost \$25,000 per year to maintain the "closure cap (conduct groundwater monitoring, fix the fence, cut the grass etc.). They calculated the \$25,000/yr times 30 years discounted to fund the account. The fund had approximately \$200,000 when the company went bankrupt but has not been properly managed. The current balance is approximately \$225,000.

A third grant for the property was proposed to be a Small Cities Community Development Block Grant, awarded to the Town of Redding with GRC being the sub recipient of the funds. In 2007 the Governor of CT decided to award these funds to the Town of Brookfield (where she lived) and GRC was denied its application. Staff at DECD felt the Georgetown project was deserving and assisted in arranging substitute funding. The staff submitted an application for a \$500,000 Brownfields Grant, to be funded through State of Connecticut Bond Funds. This grant was ultimately awarded as a \$425,000 grant with the award going to the Town of Redding and GRC being the sub recipient of the funds. These funds have been earmarked and all documents have been negotiated. GRC needs to speak with Redding First Selectman to insure that these funds remain with the lagoon property and do not get "redirected" to an other project in Georgetown.

A fourth grant is a \$200,000 US EPA revolving loan fund (Grant) administered through DECD. These funds, coupled with the \$425,000, was to make up for the \$750,000 funding that was not provided by the State through their Small Cities CDBG allocation. These funds are also awarded and available for closing and funding. The funds are dedicated to the remediation of the Lagoon property.

A fifth grant is a \$250,000 predevelopment funding for the creation of affordable housing. This grant was applied for in 2006 and ultimately awarded in 2009. In July of 2009 Helen Muniz, the point person for the grant, informed me that DECD is willing to fund the grant but wants a mortgage on property to secure repayment. She also referred to it as a "recoverable grant". It is these funds that were anticipated to pay the pre-development costs associated with the attempt to secure Low Income Housing Tax Credits and to secure site plan approval (and subdivision approval) for the affordable housing project that was approved by the Town of Redding in the fall of 2009. These funds have been previously committed and should be available for funding. I did tell the State that GRC would not take the funds if it could not secure a source of repayment. Given that there is a new buyer and a source can be identified it would be prudent for GRC to close on this funding, retire its obligations and re-apply for the Low Income Housing Tax Credits.

GRC was awarded a \$200,000 Site Remediation and Clean Up Grant from US EPA in 2005. These funds were predicated on the State of Connecticut approving the overall remedial action work plan and the project starting in 2006. The State did not approve the plan as projected. The State approved the plan in 2007, in time for the real estate market to collapse and put the overall project in jeopardy. With the rumors spreading this summer and the funds not having been spent, US EPA withdrew the grant and used the funds on another project. Mr. Byrne, the point person at US EPA has indicated that if GRC reappplies for the funds, US EPA would look favorably on the application and would probably fund it. This application should be submitted in the spring of 2010 for an award by October 2010 and funding in 2011.

One final grant GRC is eligible to receive is \$750,000 from the HUD Small Cities Community Development Block Grant funding, administered by DECD. This application is in draft form (previously submitted) and can be formatted relatively quickly with assistance from Bill Penn and Larry Wagner. Wagner will not charge for the submission of the application but will charge as the "administrator of the CDBG grant". Penn will charge for his time and materials. The cost for the grant may be as much as \$5,000. GRC is very likely to be the recipient of this grant, to be used towards the construction of the parking garage, bridge designed to go over the river and or remediation of the site.

The following matrix shows each grant/funding, its amount and contact person

Grant Name	\$	Agency	Contact	Consultant	Phone
Trust Fund	215,000	TD Bank	Dick Gibbons		203 227 9545
Trust Fund	250,000	CT AG	Barbara Miller		203 329 7133
Brownfields Investigation	100,000	US EPA	Jim Byrne	Penn	617 918 1389
Brownfields Investigation	100,000	US EPA	Jim Byrne	Penn	617 918 1389
Brownfields	425,000	DECD	Brian Dillon		860 270 8156
EPA Revolving Loan	200,000	DECD	Brian Dillon		860 270 8156
Affordable Housing	250,000	DECD	Helen Muniz		860 270 8023
Small Cities CDBG	750,000	DECD	Brian Dillon	Larry Wagner	860 270 8156
EPA Clean Up Grant	200,000	US EPA	Jim Byrne	Bill Penn	617 918 1389
Consultants					
Bill Penn	401 466 2065				
Larry Wagner	203 573 1188				