

December 12, 2022

Robert McGarry
First Selectman
Town of Haddam
30 Field Park Drive
Haddam, CT 06441

Sub: Round 16 Brownfield Municipal Grant Application – Higganum Center Remediation Project (300 Saybrook Road)

Hon. First Selectman McGarry:

Congratulations! The Department of Economic and Community Development's Office of Brownfield Remediation and Development (OBRD) is pleased to award the Town of Haddam a grant in the amount of \$1,500,000 in response to your application for funding under the Brownfield Municipal Grant Program Round 16 – Higganum Center Remediation Project.

The grant will be used by the Town of Haddam to complete remediation of the 4.35-acre former Cutaway Harrow Company manufacturing complex property located at 300 Saybrook Road. Following the remediation, Nutmeg Pharmacy Moodus, LLC intends to construct a 12,500 square-foot pharmacy and a medical office building along the street frontage. The rear portion of the property will be maintained by the Town for use by the public works department, and to retain the current industrial and warehouse tenants.

This award represents Governor Lamont's continuing commitment to support Connecticut's municipalities in their efforts to remediate and redevelop vacant and blighted properties across 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 Town of Haddam will need to meet in order to access this funding. We expect to deliver a draft document in February. Once the signed Proposal is delivered, you will then have thirty (30) 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 If you do not return the signed acceptance within the allotted time, this offer of assistance may be withdrawn.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 available (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	
DECD Brownfield Grant (<i>this project</i>)	\$1,500,000	Grant
Local Capital Budget	\$2,500,000	
Developer Contribution	\$750,000	Equity
Developer Financing	\$2,250,000	Debt
TOTAL REDEVELOPMENT PROJECT	\$7,000,000	

DECD understands that there are many factors to project costing, financing, and budgeting and will allow a variance within 10% of these numbers. Any exceptions or flexibilities to this requirement will be at the discretion of the Commissioner.

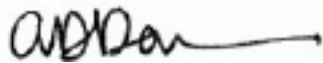
DECD will be requiring the Town of Haddam or its private partner to provide a mortgage lien and/or unlimited corporate guaranty so that the DECD/State can recoup the grant funds expended in case the redevelopment project cannot be completed. DECD will also be willing to structure the Assistance Agreement (DECD Contract) to enable a pass-through of the grant to the private partner entities, as long as all participating partners are willing to accept DECD's collateral terms:

- Mortgage lien on the project property. The mortgage will remain in place until satisfactory completion of the redevelopment project as described in the Project Application.
- Unlimited personal/corporate guaranty
- Negative pledge and use restriction.

If the property transfer to a private entity will take place post-remediation, the mortgage lien and the terms and conditions of the Assistance Agreement will need to be assumed by the private entity.

Our staff will be available to you and your staff throughout the duration of the project. Please expect an email with an invitation to a kick-off meeting with the assigned staff (Jennifer.Schneider@ct.gov and Gregory.Ambros@ct.gov). If you have any questions regarding this award, please contact Binu Chandy at 860-500-2454 or binu.chandy@ct.gov.

Sincerely,



Alexandra Daum
Deputy Commissioner

Cc: Binu Chandy, Deputy Director, OBRD
Jennifer Schneider, Project Manager (Technical), OBRD
Gregory Ambros, Project Manager (Contracts), OBRD