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In Bridgeport, a Key to Revival

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BRIDGEPORT

THE unfinished framework for a five-story condominium building on a downtown block of Fairfield Avenue vexed city officials for more than a year. Billed as the first residential construction downtown in at least two decades, a sign of investors' faith in the city's potential, the project lost its financing in 2008, and instead became an obtrusive embarrassment.



The building that anchors Bijou Square found new financing after converting to rentals.

“It really represented a symbol of economic intransigence, real estate meltdown and the lack of capital and credit available to business,” said Donald Eversley, the director of the city’s Office of Planning and Economic Development. “It was beset by all sorts of problems, including loss of lenders and an investment partner who unfortunately passed away. Everything that could go wrong, did.”

Nevertheless, this month the first residents will move into apartments in the building, now a rental property. Despite the dismal lending climate the developer, Philip Kuchma, with the help of local officials, pieced together the financing to finish a building he views as vital to downtown redevelopment efforts.

“It’s not blind loyalty, blind belief,” he said. “Our downtown is so well situated and has such great opportunity.”

The owner of a construction and property management company, Mr. Kuchma has stuck to that script for years as the city has focused on converting vacant commercial spaces into artists' lofts and apartments. As the residential population grows downtown, the hope is that retailers and other employers will follow.

The new apartment building anchors Mr. Kuchma's larger development, Bijou Square, at Fairfield Avenue and Lafayette Circle. A cluster of eight commercial and residential properties named for the former movie house at its center, Bijou started as Mr. Kuchma's attempt to bring a contemporary tone to a tired downtown.



The building was named for The Bijou theater.

The theater's upstairs ballroom was revamped to accommodate Antinozzi Associates, an architecture firm.

He recruited a Two Boots pizzeria and bar from Manhattan, along with several local restaurateurs, and housed them in urban-cool spaces with exposed brick and ceiling ductwork. The theater's upstairs ballroom was revamped to accommodate an architectural firm.

The development has survived, but it has yet to thrive. Peter Wroe, who has operated Epernay Bistro there for two years, sees the opening of the apartment building as a hopeful sign. Right now, he said, there isn't enough sidewalk traffic to keep a lunch business going; he's serving only dinner for the time being. And the coffee shop next door recently shut its doors.

"I think the building will bring good energy to the neighborhood and, hopefully, good commerce as well," Mr. Wroe said. Mr. Kuchma is hoping that renters who commute to Stamford or New York will be enticed by the building's proximity to the train station.

The 84 units have 9-foot ceilings, wood floors, stone counters, walk-in closets and washer/dryers. Yet rents are lower than those of new buildings in Stamford and Norwalk. Prices range from \$912, for an 800-square-foot one-bedroom, to \$1,656 for a 1,250-square-foot two-bedroom unit. (Utilities and a parking space are extra.) Eleven units are being offered at reduced rents as "work force" housing.

Most of the financing that saved the project came from a fund established by GE Money Bank to stimulate investment in Bridgeport. GE bought \$25 million of taxable bonds from the Connecticut Housing Finance Authority, making it possible for the agency to offer low-interest loans to developers.

Mr. Kuchma secured about \$13 million through the GE fund. The Housing Development Fund, a nonprofit financier of affordable housing and the project's lead lender, supplied an additional \$1.9 million. Mr. Kuchma said his company had put more than \$6 million into the project.

Completing that project was "enormously important for the overall real estate perception of downtown Bridgeport," said Kevin Gremse, a field director for the National Development Council, a nonprofit community development organization that works with the city.

He added that the same went for 333 State Street, a seven-story office building undergoing conversion to 65 apartments. That project, too, had stalled, but \$10 million in GE fund financing has revived it as well. Adjacent to Housatonic Community College, the building stands at an important gateway to downtown, but in its blighted state "has been a stain on that campus," Mr. Gremse said.

With the two projects, the number of apartments downtown will approach 900, Mr. Kuchma said. More units will be needed to attract major retailers, but he has tried to prime the pump with aggressive leasing deals for his commercial tenants.

His new apartment building has several storefronts. So far, he has leased space to a wine shop, a hair salon, and Spaces, which sells furnishings, jewelry and other goods made by local artists.

Robert Rackear, the owner of Spaces, said he would keep the store open until 10 most nights to help enliven the block. The shop is a gamble, he said, but then again, "I feel like I could be on the cusp of something."