

Two downtown projects get \$22M in development aid

By Keila Torres STAFF WRITER 11/20/2009

BRIDGEPORT -- Two downtown projects stuck in the development pipeline are getting an infusion of \$22 million from a fund set aside by General Electric Co. for housing and mixed-use projects in the city.

Developer Phil Kuchma and 333 State Street Development, LLC, have been selected to receive the bulk of the \$25 million fund, which is being distributed by the Connecticut Housing Finance Authority.



Two downtown projects stuck in the development pipeline are getting an infusion of \$22 million from a fund set aside by General Electric Co. for housing and mixed-use projects in the city. Garfield Spencer, of First National Development was notified in September about a \$10 million allotment for his plan to renovate the dilapidated office building at 333 State St. in Bridgeport.

This month, Kuchma received confirmation on a promised \$12 million allotment to be used to complete his stalled condominium building at the corner of Fairfield Avenue and Lafayette Circle. The developer had been assured of getting a share of the funds because he first applied for the money in 2007.

Kuchma said work on the condos will resume as soon as the paperwork is in order and the money is formally allocated. "Everybody at the city and state has been extremely helpful and patient," he said. "They know we've been doing everything we can." Kuchma's \$24 million project is being funded by several other lending sources, including the Community Preservation and Development Corp. as lead financier. The developer said outside funding sources, like the GE fund, are essential for a Bridgeport developer.

"The (GE) funds are available at a lower interest rate than the conventional bank could offer," he said. "The actual costs of construction are relatively the same in Stamford, Greenwich and Bridgeport. But the rents we

get are much lower (in Bridgeport). Even though it costs the same thing to build a project, we get less revenue."

This year, in an attempt to make the money available to more developers, CHFA issued a second request for proposals. The agency received nine other proposals by the June 15 deadline.

The partnership behind 333 State Street Development, First National Development and Carlson Construction, both of Bridgeport, was notified in September about a \$10 million allotment for their plan to renovate the dilapidated office building at 333 State St., which is projected to cost an overall \$12 million. Christine Schilke, CHFA's planning and communication coordinator, said the project was chosen because it was "ready to proceed."

The money will help kick-start First National Development principal Garfield Spencer's efforts to convert the vacant eyesore, just two blocks away from Kuchma's building, into a mix of housing, retail and commercial space. Spencer could not be reached for comment.

The GE fund is unique to Bridgeport. The money is not intended to fully fund a development project, but can round off the total financing needed for a job. The money is to be repaid by a developer over time, enabling the revolving loan program to continue. Schilke said CHFA will be accepting revised applications from the remaining eight applicants through Dec. 4 before allotting the remaining \$2.9 million. The other applicants were: Urban Green Equities; Clinton Managers LLC; Bridgeport Phase II Owner, LLC; 60 Main Street, LLC c/o Westport Property Management LLC; the Bridgeport Housing Authority; Community Capital Fund, Inc.; Spinnaker Real Estate Properties, Inc.; Cherry Street Developers, LLC.



Two downtown projects stuck in the development pipeline are getting an infusion of \$22 million from a fund set aside by General Electric Co. for housing and mixed-use projects in the city. Developer Phil Kuchma will get a \$12 million allotment is to be used to complete his stalled condominium building at the corner of Fairfield Avenue and Lafayette Circle in Bridgeport, CT.

Mayor Bill Finch on Friday thanked CHFA for funding "two critical downtown projects."

"Bijou Square, the first new downtown construction in nearly 25 years, is a crucial project that now can move forward to completion," the mayor said. "The 333 State St. project has languished for many years, and now, with the help of \$10 million, the developer and the city have a clear path for completion."

Donald Eversley, director of the city's Office of Planning and Economic Development, said: "These are two major pillars of downtown development, and we're grateful that CHFA and other state officials were able to work with the city to provide the funding to enable these projects to move forward in this difficult financing climate."