

Funding Approval/Agreement
 Title I of the Housing and Community
 Development Act (Public Law 930383)

U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Community Development Block Grant Program

HI-00515R of 20515R

1. Name of Grantee (as shown in item 5 of Standard Form 424) City of Middletown, Connecticut	3. Grantee's 9-digit Tax ID Number 06-6001872	4. Date use of funds may begin (mm/dd/yyyy)
2. Grantee's Complete Address (as shown in item 5 of Standard Form 424) 245 DeKoven Drive Middletown, CT 06457	5a. Project/Grant No. 1 B-01-MC-09-0022	6a. Amount Approved 300,000
	5b. Project/Grant No. 2	6b. Amount Approved
	5c. Project/Grant No. 3	6c. Amount Approved

Grant Agreement: This Grant Agreement between the Department of Housing and Urban Development (HUD) and the above named Grantee is made pursuant to the authority of Title I of the Housing and Community Development Act of 1974, as amended, (42 USC 5301 et seq.). The Grantee's submissions for Title I assistance, the HUD regulations at 24 CFR Part 570 (as now in effect and as may be amended from time to time), and this Funding Approval, including any special conditions, constitute part of the Agreement. Subject to the provisions of this Grant Agreement, HUD will make the funding assistance specified here available to the Grantee upon execution of the Agreement by the parties. The funding assistance specified in the Funding Approval may be used to pay costs incurred after the date specified in item 4 above provided the activities to which such costs are related are carried out in compliance with all applicable requirements. Pre-agreement costs may not be paid with funding assistance specified here unless they are authorized in HUD regulations or approved by waiver and listed in the special conditions to the Funding Approval. The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and actions, as specified and required in regulations issued by the Secretary pursuant to Section 104(g) of Title I and published in 24 CFR Part 58. The Grantee further acknowledges its responsibility for adherence to the Agreement by sub-recipient entities to which it makes funding assistance hereunder available.

U.S. Department of Housing and Urban Development (By Name) Nelson R. Bregon	Grantee Name City of Middletown, CT
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Title Deputy Assistant Secretary for Grant Programs	Title MAYOR DOMENIQUE THORNTON
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Signature <i>Nelson R. Bregon</i>	Date (mm/dd/yyyy) 8/22/02	Signature <i>Mayor Dominique Thornton</i>	Date (mm/dd/yyyy) 10/17/02
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7. Category of Title I Assistance for this Funding Action (check only one) <input type="checkbox"/> a. Entitlement, Sec 106(b) <input type="checkbox"/> b. State-Administered, Sec 106(d)(1) <input type="checkbox"/> c. HUD-Administered Small Cities, Sec 106(d)(2)(B) <input type="checkbox"/> d. Indian CDBG Programs, Sec 106(a)(1) <input type="checkbox"/> e. Surplus Urban Renewal Funds, Sec 112(b) <input type="checkbox"/> f. Special Purpose Grants, Sec 107 <input checked="" type="checkbox"/> g. Loan Guarantee, Sec 108	8. Special Conditions (check one) <input type="checkbox"/> None <input checked="" type="checkbox"/> Attached	9a. Date HUD Received Submission (mm/dd/yyyy)	10. check one <input type="checkbox"/> a. Orig. Funding Approval <input checked="" type="checkbox"/> b. Amendment Amendment Number
		9b. Date Grantee Notified (mm/dd/yyyy)	
		9c. Date of Start of Program Year (mm/dd/yyyy)	

11. Amount of Community Development Block Grant			
a. Funds Reserved for this Grantee	FY ()	FY ()	FY ()
b. Funds now being Approved			
c. Reservation to be Cancelled (11a minus 11b)			

12a. Amount of Loan Guarantee Commitment now being Approved
\$300,000

12b. Name and complete Address of Public Agency

Loan Guarantee Acceptance Provisions for Designated Agencies:
 The public agency hereby accepts the Grant Agreement executed by the Department of Housing and Urban Development on the above date with respect to the above grant number(s) as Grantee designated to receive loan guarantee assistance, and agrees to comply with the terms and conditions of the Agreement, applicable regulations, and other requirements of HUD now or hereafter in effect, pertaining to the assistance provided it.

12c. Name of Authorized Official for Designated Public Agency

Title

Signature

HUD Accounting use Only

Batch	TAC	Program	Y	A	Reg	Area	Document No.	Project Number	Category	Amount	Effective Date (mm/dd/yyyy)	F
	153											
	176											
			Y					Project Number		Amount		
			Y					Project Number		Amount		

Date Entered PAS (mm/dd/yyyy)	Date Entered LOCCS (mm/dd/yyyy)	Batch Number	Transaction Code	Entered By	Verified By
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Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 1/31/99)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): <i>City of Middletown 245 deKoven Dr. Middletown, CT 06457 (860) 344-3425</i>	2. Social Security Number or Employer ID Number: <i>06-6001872</i>
3. HUD Program Name: <i>Section 108</i>	4. Amount of HUD Assistance Requested/Received <i>\$ 300,000</i>
5. State the name and location (street address, City and State) of the project or activity: <i>Miller & Bridge Streets; MIDDLETOWN</i>	

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No.
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If you answered "No" to either question 1 or 2, Stop! You do not need to complete the remainder of this form. However, you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds. Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds
<i>City of Middletown</i>	<i>CDBG</i>	<i>53,758.50</i>	<i>Acq./Demol</i>

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
<i>N/A</i>			

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: <i>x Dominique A. Marston</i>	Date: (mm/dd/yyyy) <i>10/18/02</i>
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U.S. Department of Housing and Urban Development
Washington, D.C. 20410-7000

OFFICE OF ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

AUG 22 2002

The Honorable Domenique S. Thornton
Mayor of Middletown
245 DeKoven Dr.
Middletown, CT 06457

Dear Mayor Thornton:

Please be informed that the City of Middletown, Connecticut's (hereafter the "City") request for loan guarantee assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, has been approved. Such assistance is to consist of the guarantee of notes or other obligations in the principal amount of \$300,000, plus interest thereon, which shall be issued to finance activities described in application B-01-MC-09-0022 for the Miller and Bridge Street Redevelopment Project.

This offer of commitment ("Commitment") is subject, however, to the conditions specified in Item 8 of the Funding Approval (Form HUD-7082).

The first condition provides that in the event the City fails to submit notes or other obligations for inspection and guarantee by the Secretary of the Department of Housing and Urban Development (HUD) before September 30, 2003, the Commitment will expire as of such date.

The second condition provides that the repayment schedule for the guaranteed loan must be acceptable to HUD.

The third condition provides that the City shall provide additional security for the guaranteed loan and such additional security must be acceptable to HUD. The additional security shall be identified in the Contract for Loan Guarantee Assistance ("Contract"), specified by 24 CFR §570.705(b)(1), which will be executed at the time the guaranteed obligations are issued. The City has offered to permit HUD to use existing pledged grants to prepay (or defease) the guaranteed obligation if HUD determines that the pledge of future CDBG entitlements is insufficient collateral.

HUD reserves the right to require further security pending evaluation of the offered security items and the City may substitute other security for the above mentioned items pending HUD's approval of such substitution.

The fourth condition provides that prior to submitting notes or other obligations for inspection and guarantee by HUD, the City shall submit information required under Section 102(b) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531). This information shall be submitted on form HUD-2880 to HUD's Connecticut State Office. A copy of Form HUD-2880 is enclosed for this purpose.

Please furnish us, at the address specified below in this letter, your timetable for execution of the activities described in your application. These activities will be financed through a public offering of Section 108 obligations. If you need funds prior to the next public offering, please notify HUD at the address below and instructions for obtaining interim financing will be provided.

In addition to the special conditions cited above, the release of funds for the project to be carried out with loan guarantee assistance is conditioned upon compliance by the City with all applicable provisions of the HUD Environmental Review Procedures (24 CFR Part 58). In this regard, a request for release of funds must be approved by HUD prior to the obligation or utilization of funds for the project.

Please execute the three enclosed copies of the Funding Approval (Form HUD-7082) and return two copies to the Department of Housing and Urban Development, Financial Management Division, Room 7180, 451 Seventh Street, S.W., Washington, D.C. 20410. One copy should be retained for your files. The Funding Approval amends the Grant Agreement authorized by HUD on August 29, 2001, under the Funding Approval for grant number B-01-MC-09-0022 to include loan guarantee assistance. The Grant Agreement thereby incorporates this Funding Approval, the loan guarantee application, and Subpart M of the block grant regulations governing loan guarantees, as well as such agreements, schedules, and other documentation required to be submitted or executed in connection therewith.

If you have any questions with respect to this letter, please contact Paul D. Webster, Director, Financial Management Division at (202) 708-1871 ext. 4563.

Sincerely,



Nelson R. Bregón
Deputy Assistant Secretary
for Grant Programs

Enclosures

CITY OF MIDDLETOWN

SECTION "108" LOAN GUARANTEE PROGRAM

MILLER AND BRIDGE STREET
REDEVELOPMENT PROJECT

DOMENIQUE S. THORNTON
MAYOR

JANUARY 2, 2002

DEPARTMENT OF PLANNING
CONSERVATION AND DEVELOPMENT

WILLIAM E. WARNER
DIRECTOR

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- IV. Related Portions of Consolidated Plan
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Application for Federal Assistance

		2. Date Submitted	Applicant Identifier
1. Type of Submission Application: New Preapplication: Non-Construction	3. Date Received by State		State Application Identifier
	4. Date Received by Federal Agency		Federal Identifier
5. Applicant Information			
Legal Name City of Middletown		Organizational Unit Department of Planning, Conservation and Development	
Address 245 DeKoven Drive Middletown, CT 06457 Middlesex		Contact Munro Johnson (860) 344-3425	
6. Employer Identification Number (EIN): 06-6001872		7. Type of Applicant: Municipal	
8. Type of Application: Type: New		9. Name of Federal Agency: U. S. Department of Housing and Urban Development	
10. Catalog of Federal Domestic Assistance Number: Catalog Number: 14218 Assistance Title: Community Development Block Grant		11. Descriptive Title of Applicant's Project: Acquisition of real property, relocation and demolition	
12. Areas Affected by Project: City of Middletown			
13. Proposed Project:		14. Congressional Districts of:	
Start Date 4/1/02	Ending Date 6/30/04	a. Applicant Second	b. Project Second
15. Estimated Funding:		16. Is Application Subject to Review by State Executive Order 12372 Process?	
a. Federal Sec. 103	300,000	Program not covered	
b. Applicant	0		
c. State	0	17. Is the Applicant Delinquent on Any Federal Debt? No	
d. Local	0		
e. Other	0		
f. Program Income	0		
g. Total	\$ 300,000		
18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.			
a. Typed Name of Authorized Representative Domenique S. Thornton	b. Title Mayor	c. Telephone Number (860) 344-3401	
d. Signature of Authorized Representative <i>Domenique S. Thornton</i>		e. Date Signed 3/6/02	

Citizen Participation

The City of Middletown has undertaken a coordinated and comprehensive program of citizen participation for the development of this Application and project following the requirements of 24 CFR 570.704(a)(2) and its adopted Consolidated Plan pursuant to 24 CFR 91.

Because of timing requirements for the proposed activity, the City combined its citizen participation process for this Application with its Annual Action Plan process as well as outreaching on a community-wide basis so as to afford affected citizens the greatest opportunity to examine the application proposal and provide comments on the proposed activity.

This citizen participation process included a public hearing with public notice in accordance with its adopted citizen participation plan, direct contact with groups and organizations who represent area residents, and solicitation of input from low/moderate income persons who reside in the area of the proposed project.

Attached are copies of some of the relevant documents and supporting material concerning the City's publication and dissemination of the Program for citizen input and comment.

In addition to its Governing Body, the Common Council of the City of Middletown, the project and its request for Section "108" funding was approved and adopted by the CDBG Citizens Advisory Committee.

Citizens' Participation

The 2000 Annual Action Plan was available for a 30-day period of public review and comment from 19 June 2001, to 19 July 2001. Public notice inviting public review and comment was given in the Middletown Press and the Hartford Courant. Nobody responded to these notices.

On 18 July 2001, the plan went before the Citizens' Advisory Committee's regular meeting for members' review and comment and a public hearing. No criticisms or suggestions for revision were made by either members of the Committee or members of the public and the plan was approved for submission to the US Department of Housing and Urban Development (HUD).

The following pages document the City's steps in this Citizens' Participation process.

Legal Notice

In conformance with the Citizens' Participation Plan, the Community Development Block Grant program, and US Department of Housing and Urban Development (HUD) guidelines, the City of Middletown's Department of Planning, Conservation, and Development has drafted its *Annual Action Plan* for this year's spending of its annual block grant allocation. The Annual Action Plan shall be available for thirty (30) days for public review and commentary from interested citizens, groups, and agencies. The City will consider any comments or views received in writing and/or orally at the public

- hearing, in preparation of the final *Annual Action Plan*. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall be attached to the final Annual Plan.

Munro Johnson
Community Development Specialist
Department of Planning, Conservation, and Development

P.O. No. #2000-02770, Account No. 067419

The above legal notice to appear in the Hartford Courant ONCE
Thursday, June 21, 2001

Legal Notice

In conformance with the Citizens' Participation Plan, the Community Development Block Grant program, and US Department of Housing and Urban Development (HUD) guidelines, the City of Middletown's Department of Planning, Conservation, and Development has drafted its *Annual Action Plan* for this year's spending of its annual block grant allocation. The Annual Action Plan shall be available for thirty (30) days for public review and commentary from interested citizens, groups, and agencies. The City will consider any comments or views received in writing and/or orally at the public hearing, in preparation of the final *Annual Action Plan*. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall be attached to the final Annual Plan.

Munro Johnson
Community Development Specialist
Department of Planning, Conservation,
and Development

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Munro Johnson
Community Development Specialist
Department of Planning, Conservation, and Development

Acct. No. #8706925

The above legal notice to appear in the Middletown Press once.
Thursday, June 21, 2001

LEGAL NOTICE

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Block Grant program, and US Department of Housing and Urban Development (HUD) guidelines, the City of Middletown's Department of Planning, Conservation, and Development has drafted its Annual Action Plan for this year's spending of its annual block grant allocation. The Annual Action Plan shall be available for thirty (30) days for public review and commentary from interested citizens, groups, and agencies. The City will consider any comments or views received in writing and/or orally at the public hearing, in preparation of final Annual Action Plan. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall be attached to the final Annual Plan.

Munro Johnson
Community Development Specialist
Department of Planning, Conservation, and Development

Amendments to Strategic Plan

*City of Middletown Consolidated Plan for Housing and Community Development
September 1, 2000 to August 31, 2005*

Section 108 Loans

Chapter IV., "Housing and Community Development Strategic Plan," of *The City of Middletown Consolidated Plan for Housing & Community Development September 1, 2000 to August 31, 2005* (Con Plan) has been amended to include two Section 108 Loans the city has applied for from HUD. Each proposed 108 loan application addresses projects already contained in the Con Plan; only the decision to use 108 Loans to realize these projects differs from the original version.

570.704 Requirements

The first Section 108 Loan pertains to the city's long-standing endeavor to eliminate the Miller Bridge neighborhood and the concentrated conditions of poverty and social pathologies that pervade it.

National Community Development Objective

Benefits Low- and Moderate-Income individuals directly.

Activities to be undertaken

Acquisition of Real Property [24 CFR 570.703(a)], Demolition and Clearance [24 CFR 570.703(e)].

Program income expected: \$0.00

Guaranteed loan funds to be used: \$250,000.

The second loan pertains to the city's long-term campaign to bring to its downtown a full-service hotel at 56 Main Street, putting to use a long-vacant yet historic building and bringing to this low income census tract new life, jobs, and tourism dollars.

National Objective: Benefits Low- and Moderate-Income individuals by creating permanent jobs, at least 51% of which will be made available to or held by low- and moderate-income persons.

Activities to be undertaken: Acquisition of Real Property [24 CFR 570.703(a)], Demolition and Clearance [24 CFR 570.703(e)].

Program income expected: \$0.00

Guaranteed loan funds to be used: \$400,000.

Text Amendments

page 50

Priority Non-Housing Community Development Needs
Elimination of Blight

Include:

- A neighborhood where blight prevails universally is the Miller Bridge neighborhood. This neighborhood has been condemned. In the city's *Miller & Bridge St. Redevelopment Plan* (Redevelopment Plan), all properties located there are scheduled for demolition, current owners fairly compensated, and residents relocated in accordance with uniform relocation procedures.

In order that progress implementing the Redevelopment Plan not be delayed, the city shall apply for a Section 108 Loan from HUD, in order to facilitate the acquisition and relocation activities.

page 54

Increasing Employment Opportunities through Economic Development
Miller and Bridge Redevelopment Plan

Replace:

"CDBG funding for demolition..." with "Section 108 Loan funding for demolition..."

page 55

Additional Economic Development
Downtown Development

Replace: "...which is being reviewed by several hotel developers." with "which has successfully attracted a hotel developer and occasioned a broad public-private partnership to finance the project. The city will apply for a Section 108 Loan from HUD in order to finance the site acquisition."

Replace: "The proposed creation of a Business Improvement District (BID) was recently voted down by the Common Council, however..." with "The proposed creation of a Business Improvement District (BID) was recently approved by the district's property owners and established."

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III. Community Development Objectives
Community Development Goal A: Economic Development
Community Development Objective A.1:
Community Development Strategy A.1.C:

Add: "Collaborate with other stakeholders in the Hotel development plan, acquiring the necessary property with a Section 108 Loan."

Pledge of Grants

To assure the repayment of debt obligations and the charges incurred under 24 CFR 570.705(g) and as a condition for receiving loan guarantee assistance, the City of Middletown pledges all grants made or for which it may become eligible under 24 CFR 570.

CITY OF MIDDLETOWN
CITIZENS' ADVISORY COMMITTEE

MINUTES

27-Jun-01
(Special Meeting)

Present

L. WALLACE, CHAIR
S. ENGLEHARDT, VICE CHAIR
R. BANTUM
E. BOGDAN
R. BUTLER
H. HENRY
A. KELLEY
A. MARINO
D. MITKOSKI
B. PLUM
J. ROBINSON

Absent

V. AMATO
M. DIMON
S. SHAPIRO

Also Present

M. JOHNSON

L. Wallace called the meeting to order at 5:10PM.

First, the minutes of the regular April meeting were approved.

Next, discussion was opened on the Section 108 Loan proposal for implementing Phase II of the Miller Bridge Redevelopment Plan. Committee members referred to the a spreadsheet, mailed out with the agenda, showing annual payments for three loans (three phases) for 10-year and 15-year term scenarios, and total interest payments for each loan scenario.

Questions arose concerning the redevelopment plan itself. M. Johnson brought a copy of the *Miller & Bridge Streets Redevelopment Plan*. E. Bogdan asked how many properties were in question. M. Johnson answered, three properties in Phase II, nineteen properties in the whole neighborhood. R. Butler asked about relocation of existing residences. M. Johnson answered that part of the redevelopment plan, and expenditures, was the relocation of residents from Miller and Bridge Streets. Residents are eligible for approximately \$5,000 in relocation assistance.

Questions then focused on the loan as a source of funding. Committee members asked what cumulative loan payments would be when all three loans were in repayment. M. Johnson referred the committee to the spreadsheet to illustrate the 10- and 15-year scenarios. J. Robinson asked about the two-year separations between 108 loans for the three project phases. M. Johnson acknowledged that W. Warner, DPCD Director, also considered two years per phase to be somewhat ambitious. S. Englehardt inquired into the possible use of State Department of Transportation monies for the project. M. Johnson responded that the department considered those monies to be an unlikely source of funding for the project given previous attempts, discussions, and application procedures. A. Marino asked if the annual \$528,000 figures for CDBG awards was realistic. M. Johnson replied that it was since CDBG monies increase each year. A. Marino noted that under the terms of the spreadsheet, it would still be almost a ten-year process to complete the project, even assuming successful 108-funding for all three phases. Why not go for a larger amount? J. Robinson responded that a larger amount would require going to referendum. M. Johnson added that he was worried a referendum on the issue wouldn't pass, so they were keeping the loan amounts below \$500,000.

Committee members voiced general support for the idea of expediting the plan, and funding for it, beyond the reach of the Section 108 loan mechanism. Committee members directed M. Johnson to request W. Warner to return to the committee at a future date to discuss alternative funding sources or strategies for applying for a larger 108 loan. M. Johnson said he would.

A. Marino moved to approve the Section 108 Loan proposal for Phase II of the Redevelopment Plan.

B. Plum seconded the motion.

The committee approved the loan unanimously.

There being no further business, the meeting adjourned at 5:45 P.M.

Respectfully submitted,



Munro W. Johnson
Community Development Specialist

City of Middletown

Division

Application for Section "108" Loan
Guarantee Assistance – Miller and Bridge Street
Redevelopment Project

Project Narrative

A. Community Development Objective

The proposed project will provide funds to acquire property, relocate residential, commercial and institutional occupants and demolish the structures in this neighborhood.

In 1998 a study was completed by Yale University which concluded that improved accessibility was essential to the revitalization of the neighborhood.

In 1999 the City subsequently completed a comprehensive review of this neighborhood to determine its viability for future residential re-use.

The findings contained in those reports and in the City's Miller and Bridge Street Redevelopment Plan (Aug. 99) identified this neighborhood as generally not conducive to future residential use.

Parts of this analysis found that all buildings in this neighborhood are located in the 100-year flood plan. All of the residential buildings in this area are within 100 feet of an active rail line and some are within 40 feet. All of the homes on Bridge Street are within 100 feet of Rte 9, a heavily used State limited access highway and some are within 60 feet.

Further, the neighborhood has been identified as a carbon monoxide "hot spot", a serious health risk for the families and the 72 school age children living in them.

The project is consistent with the City's Consolidated Plan, September 1, 2000 to August 31, 2005, portions attached.

B. Compliance with National Objectives and Eligibility

The project is eligible under the criteria set forth at 24 CFR 570.208(b)(1) and is eligible pursuant to 24 CFR 570.703(a)(d)(e) and (f)(1).

The project is located within Census Tract 5411 which has a LMI percentage of 57.7%. Refer to Map #1.

Further, the area has been identified as a slum and blighted area based on the Redevelopment Plan (portions attached) and other studies (Yale) to meet the criteria of 24 CFR 570.708(b)(1).

C. Project Activity

The City proposes to use Sec. "108" funds to carry out acquisition, relocation, and demolition activities, outlined in the Miller and Bridge Street Redevelopment Plan (Aug. 99) attached in this section.

The total amount of the "108" request is \$300,000. Acquisitions costs will be established pursuant to the Uniform Act and relocation activities and benefits will be carried out following appropriate HUD regulations.

Project costs* have been identified as follows:

Acquisition	\$204,000
Relocation	\$ 50,000
Clearance	\$ 46,000

*includes appropriate activity delivery costs.

The project is not expected to generate program income. The City is aware of the requirements of 24 CFR 570.505 governing the future use of real property acquired or improved with CDBG funds.

The City has no anticipated future use of this property.

Repayment is proposed over a ten year period from the City's future CDBG allocations.

Additional security will be provided by the City if required.

This project is part of the City's overall revitalization strategy for this neighborhood and the use of Section "108" funding will support a significant project that is beyond the ability of the City's annual CDBG allocation alone. The project will eliminate substandard and blighting conditions adversely impacting the health and safety of the predominantly LMI households in this area and is consistent with the Con Plan and the City's long term planning goals and objectives.

A location map of the proposed project is attached.

D. Schedule of Repayment

24 CFR 570.704(b)(2)

The City of Middletown will act as Borrower and issue the debt obligations to repay the Section "108" funds solely from future CDBG allocations over the next ten (10) years starting with PY28. Additional security will be provided by the City if required. Repayment is proposed as follows with interest estimated at 6.0% annually.

City of Middletown

Proposed Application for Section "108" Loan
Guarantee Assistance – Miller and Bridge Street
Redevelopment Project

Project Narrative

A. Community Development Objective

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In 1998 a study was completed by Yale University which concluded that improved accessibility was essential to the revitalization of the neighborhood.

In 1999 the City subsequently completed a comprehensive review of this neighborhood to determine its viability for future residential re-use.

The findings contained in those reports and in the City's Miller and Bridge Street Redevelopment Plan (Aug. 99) identified this neighborhood as generally not conducive to future residential use.

Parts of this analysis found that all buildings in this neighborhood are located in the 100-year flood plan. All of the residential buildings in this area are within 100 feet of an active rail line and some are within 40 feet. All of the homes on Bridge Street are within 100 feet of Rte 9, a heavily used State limited access highway and some are within 60 feet.

Further, the neighborhood has been identified as a carbon monoxide "hot spot", a serious health risk for the families and the 72 school age children living in them.

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B. Compliance with National Objectives and Eligibility

The project is eligible under the criteria set forth at 24 CFR 570.208(a) and is eligible pursuant to 24 CFR 570.703(a)(d)(e) and (f)(1).

The project is located within Census Tract 5411 which has a LMI percentage of 57.7%. Refer to Map #1.

C. Project Activity

The City proposes to use Sec. "108" funds to carry out acquisition, relocation, and demolition activities, outlined in the Miller and Bridge Street Redevelopment Plan (Aug. 99) attached in this section.

The total amount of the "108" request is \$300,000. Acquisitions costs will be established pursuant to the Uniform Act and relocation activities and benefits will be carried out following appropriate HUD regulations.

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Repayment is proposed over a ten year period from the City's future CDBG allocations.

Additional security will be provided by the City if required.

This project is part of the City's overall revitalization strategy for this neighborhood and the use of Section "108" funding will support a significant project that is beyond the ability of the City's annual CDBG allocation alone. The project will eliminate substandard and blighting conditions adversely impacting the health and safety of the predominantly LMI households in this area and is consistent with the Con Plan and the City's long term planning goals and objectives.

A location map of the proposed project is attached.

D. Schedule of Repayment

24 CFR 570.704(b)(2)

The City of Middletown will act as Borrower and issue the debt obligations to repay the Section "108" funds solely from future CDBG allocations over the next ten (10) years starting with PY28. Additional security will be provided by the City if required. Repayment is proposed as follows with interest estimated at 6.0% annually.

Compound Period : Annual

Nominal Annual Rate : 6.000 %
 Effective Annual Rate ... : 6.000 %
 Periodic Rate : 6.0000 %
 Daily Rate : 0.01644 %

CASH FLOW DATA

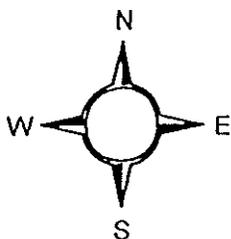
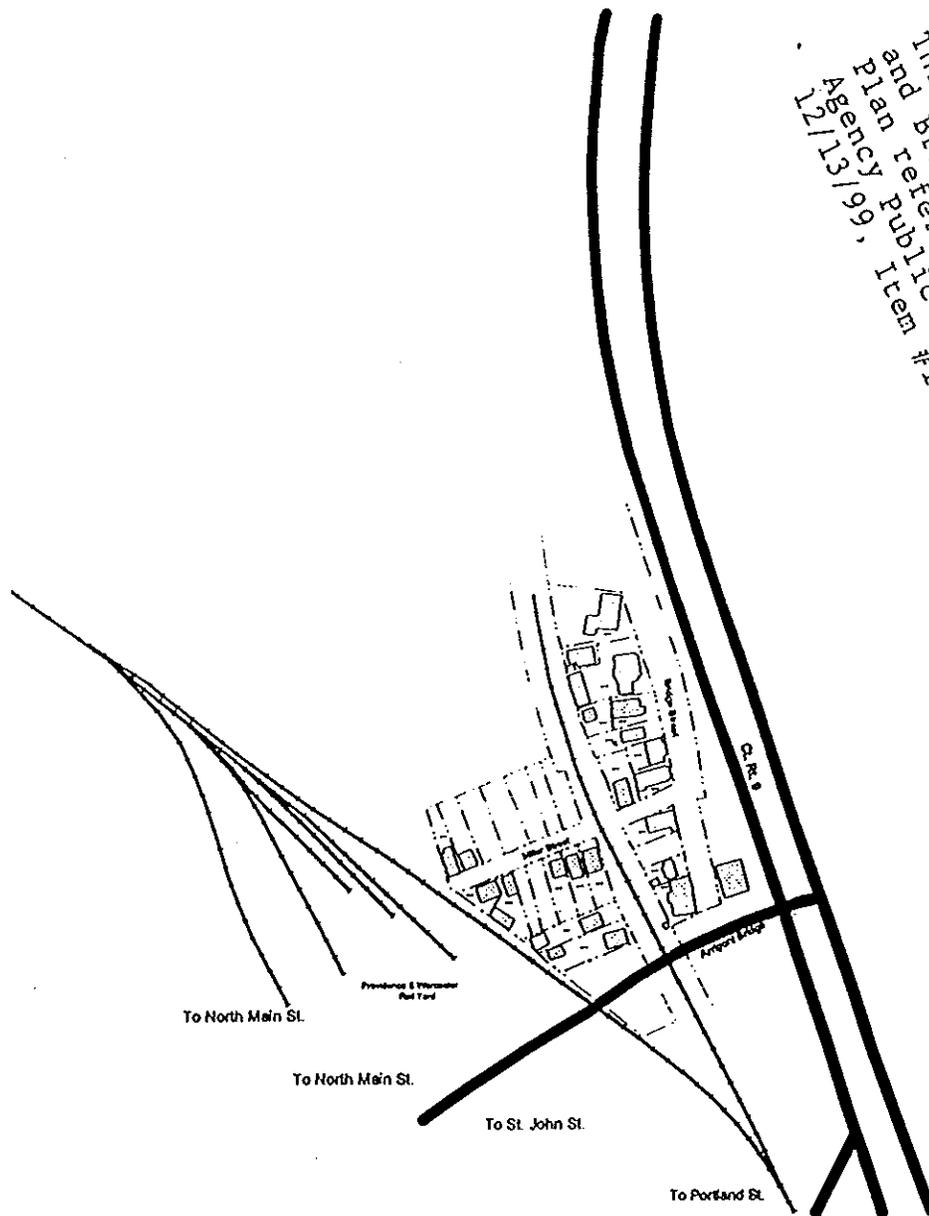
Event	Start Date	Amount	Number Period	End Date
1 Loan	07/01/2002	300,000.00	1	
2 Payment	07/01/2003	40,760.39	10 Annual	07/01/2012

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 07/01/2002				300,000.00
2002 Totals	0.00	0.00	0.00	
1 07/01/2003	40,760.39	18,000.00	22,760.39	277,239.61
2003 Totals	40,760.39	18,000.00	22,760.39	
2 07/01/2004	40,760.39	16,634.38	24,126.01	253,113.60
2004 Totals	40,760.39	16,634.38	24,126.01	
3 07/01/2005	40,760.39	15,186.82	25,573.57	227,540.03
2005 Totals	40,760.39	15,186.82	25,573.57	
4 07/01/2006	40,760.39	13,652.40	27,107.99	200,432.04
2006 Totals	40,760.39	13,652.40	27,107.99	
5 07/01/2007	40,760.39	12,025.92	28,734.47	171,697.57
2007 Totals	40,760.39	12,025.92	28,734.47	
6 07/01/2008	40,760.39	10,301.85	30,458.54	141,239.03
2008 Totals	40,760.39	10,301.85	30,458.54	
7 07/01/2009	40,760.39	8,474.34	32,286.05	108,952.98
2009 Totals	40,760.39	8,474.34	32,286.05	
8 07/01/2010	40,760.39	6,537.18	34,223.21	74,729.77
2010 Totals	40,760.39	6,537.18	34,223.21	
9 07/01/2011	40,760.39	4,483.79	36,276.60	38,453.17
2011 Totals	40,760.39	4,483.79	36,276.60	
10 07/01/2012	40,760.39	2,307.22	38,453.17	0.00
2012 Totals	40,760.39	2,307.22	38,453.17	
Grand Totals	407,603.90	107,603.90	300,000.00	

Miller & Bridge St. Redevelopment Plan

This is the final draft of the Miller and Bridge Redevelopment and Relocation Plan referred to in the Redevelopment Agency Public Hearing Legal Notice for 12/13/99, Item #1
402-857-2624



Bill Warner, Director of Planning,
Conservation & Development
August, 1999

EXISTING PROJECT AREA CONDITIONS

Project Area

The study area is bounded on the east by State Route 9, on the north by the Mattabaset River and the wetlands associated with the Cromwell Meadows State Conservation area, on the west by the rail yard which is state owned but leased on a long term basis to the Providence and Worcester Railroad and on the south by railroad tracks and the right of way for the Arrigoni Bridge.

The project area contains twenty (29) lots, twenty-two (22) principal buildings, thirty-six (36) residential units, one (1) church and one (1) full service restaurant.

Figure 3 displays the study area in relation to surrounding environs.

Roads

The only public roads within the study area are Miller and Bridge Streets. Bridge Street runs parallel to State Route 9 and terminates at its southerly end at a pedestrian/emergency rail crossing at Portland Street. Bridge Street terminates at the northerly end in a turnaround just prior to reaching the Mattabaset River. Miller Street runs perpendicular to Bridge Street. From Bridge Street it rises quickly to a crossing of the Providence and Worcester rail line. This rail line is proposed to run to Hartford. The grade in this area is in excess of 10 percent. It then drops back down on the westerly side of the track. This "hump" in the road causes poor visibility at the rail crossing and makes it difficult for maintenance and emergency vehicles to access the western end of Miller Street. Miller Street terminates at the Providence Worcester Railyard. There is no turnaround at the end of Miller making turning movements difficult.

Utilities

The area is serviced with all utilities common to an urban setting. Buildings are serviced by city water and city sewer. Electric, phone and cable television is also available via above ground poles and wiring. The area is in the city sanitation district and the City Fire District.

Rail Lines

The operation of an active railroad is a major land use in and around the study area. The main line between Middletown and the Mattabaset Treatment Plant, and in the near future Hartford, bisects the study area. The rail line to the businesses on CT. Route 3 forms the study areas western boundary. At the southern extreme of the study area is the point where trains can switch from the Hartford line to the State Route 3 line. From this point trains can continue southerly to Pratt and Whitney Aircraft or southwesterly to New Haven, or easterly across the river to Portland.

Wetlands and Watercourses

Development within areas designated as wetlands and watercourses and a fifty- (50) foot buffer around these areas is carefully regulated by the Inland Wetland and Watercourses Agency. The presence of wetlands and watercourses represents a severe development constraint to any activity in the northern extreme of the study area.

Figure 4 displays the wetlands and watercourses located within the study area.

Flood Areas

The areas displayed as flood plain are those areas, which are located within the 100-year flood plain. This flooding is due to backwater from the Connecticut River during the annual spring freshet. The Planning and Zoning Commission carefully regulates areas displayed as flood plain. Any development within the flood plain requires the

granting of a special exception from the Planning and Zoning Commission. Residential development is prohibited in the flood plain. During the hearing process the applicant is required to show that the building will be above the flood elevation and that proper compensation for the lost storage capacity has been provided on site so as to not increase flooding on adjacent properties. Considering the difficult permitting process, the required flood insurance and the relative undesirability of property located in the 100 year flood plain, the existence of flood plain on a property represents a severe development constraint.

Figure 5 displays the extensive area of flood plain within the study area.

City and State Property

Figures 6 and 7 display those areas owned by the City of Middletown and the State of Connecticut. The majority of the State land is leased to the Providence and Worcester Railroad. The City land includes Roosevelt Park and properties acquired through tax foreclosure.

Existing Plan of Development Designation and Zoning Designation

The city's Plan of Conservation and Development includes a future land use plan. This plan was last updated in 1976. This plan designates the area high density residential. The city's Zoning Map for the area designates the Bridge Street area as Riverfront Recreation (RF) and the Miller Street area as Mixed Use (MX).

EXISTING STRUCTURAL CONDITIONS

A survey of exterior structural conditions was conducted of the 23 buildings in the Project Area. As a result of the survey, each of the buildings was classified in one of the following five categories:

- Sound condition
- In need of minor repairs or adjustments
- In need of significant repairs; one or more deficiencies requiring significant rehabilitation.
- A combination of major deficiencies requiring reconstruction.
- Major defects not suitable for rehabilitation or reconstruction.

The results of the building condition assessment for the entire area are shown in Table 5.2. The original Structural Condition Survey as conducted by the Building Department with exterior conditions only. The updated structural conditions map also includes knowledge of interior conditions, using the resources of the City Health Department. Full code compliance inspection (Connecticut Fire and Life/Safety and Middletown Housing Code) may indicate additional significant structural and/or other deteriorating conditions within the structures.

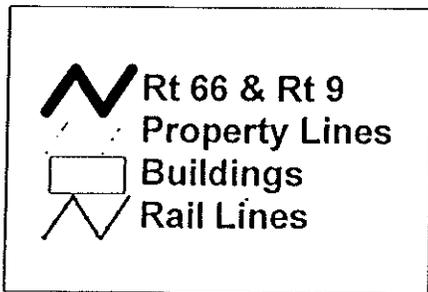
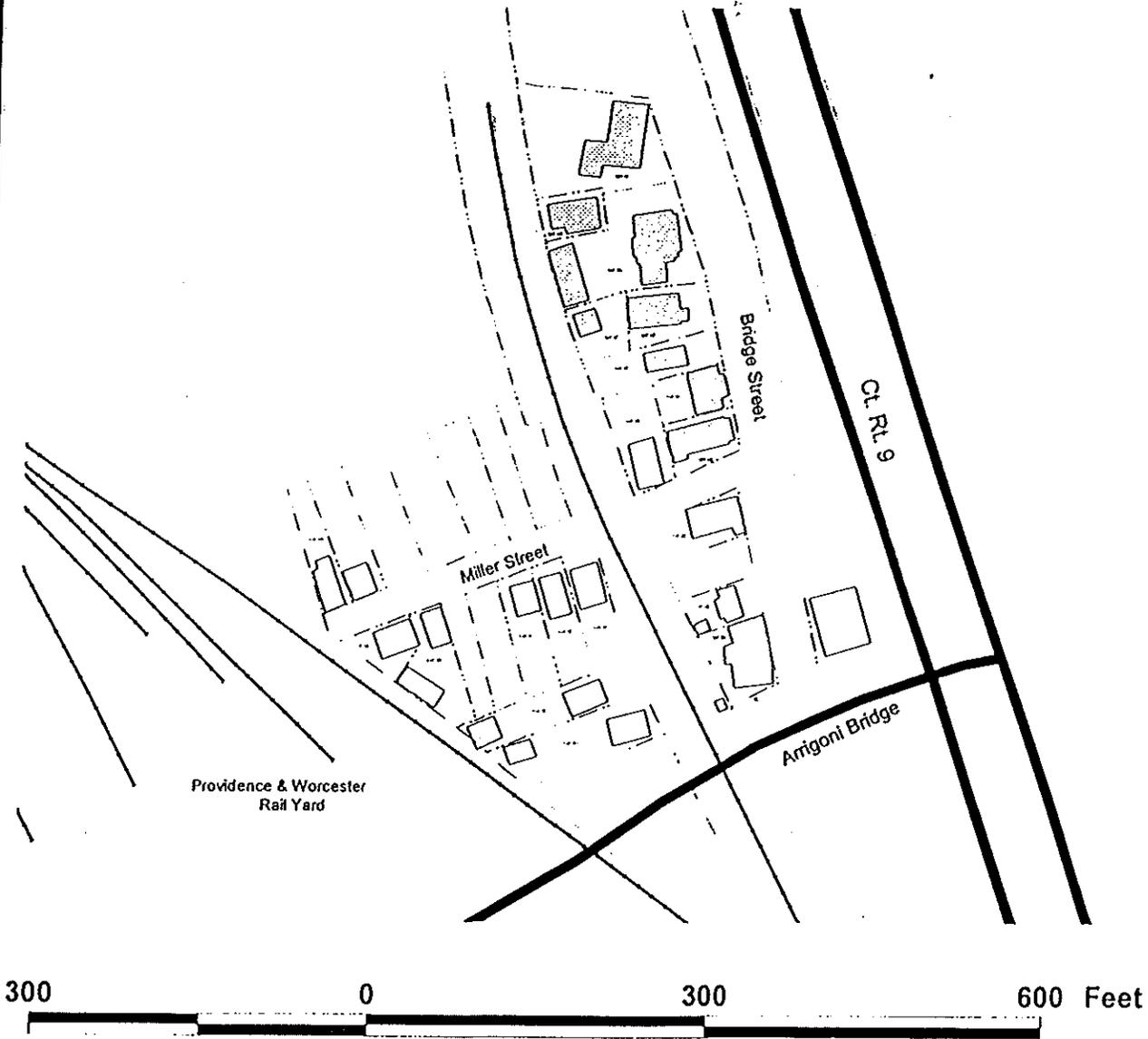
TABLE 5.2

Table 5.2 includes a breakdown of structural conditions of all buildings in the Project Area.

EXISTING BUILDING CONDITIONS (Entire Project Area) North End/CBD Project Area

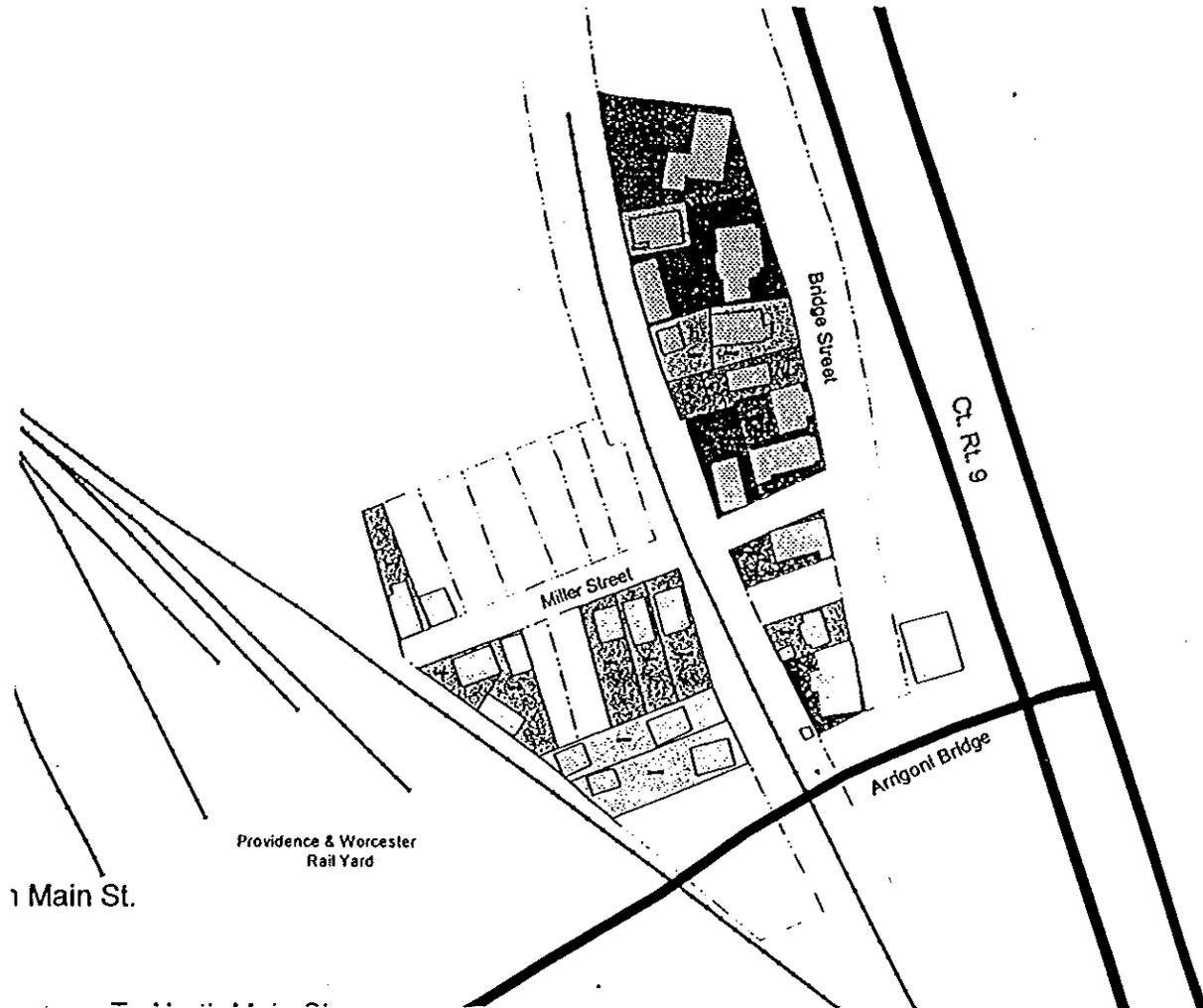
<u>Building Conditions</u>	<u>No. of Buildings</u>	<u>Percent</u>
Sound Condition		
In need of minor repairs		
In need of significant repair		
Combination of major deficiencies		

Miller & Bridge Project Area

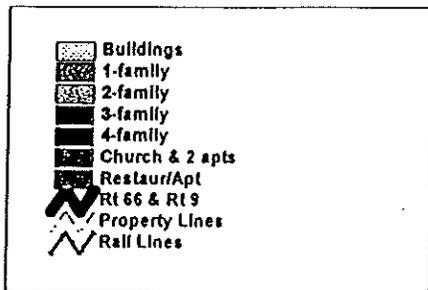


Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

Miller & Bridge Existing Land Use

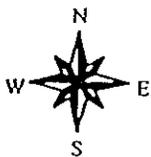
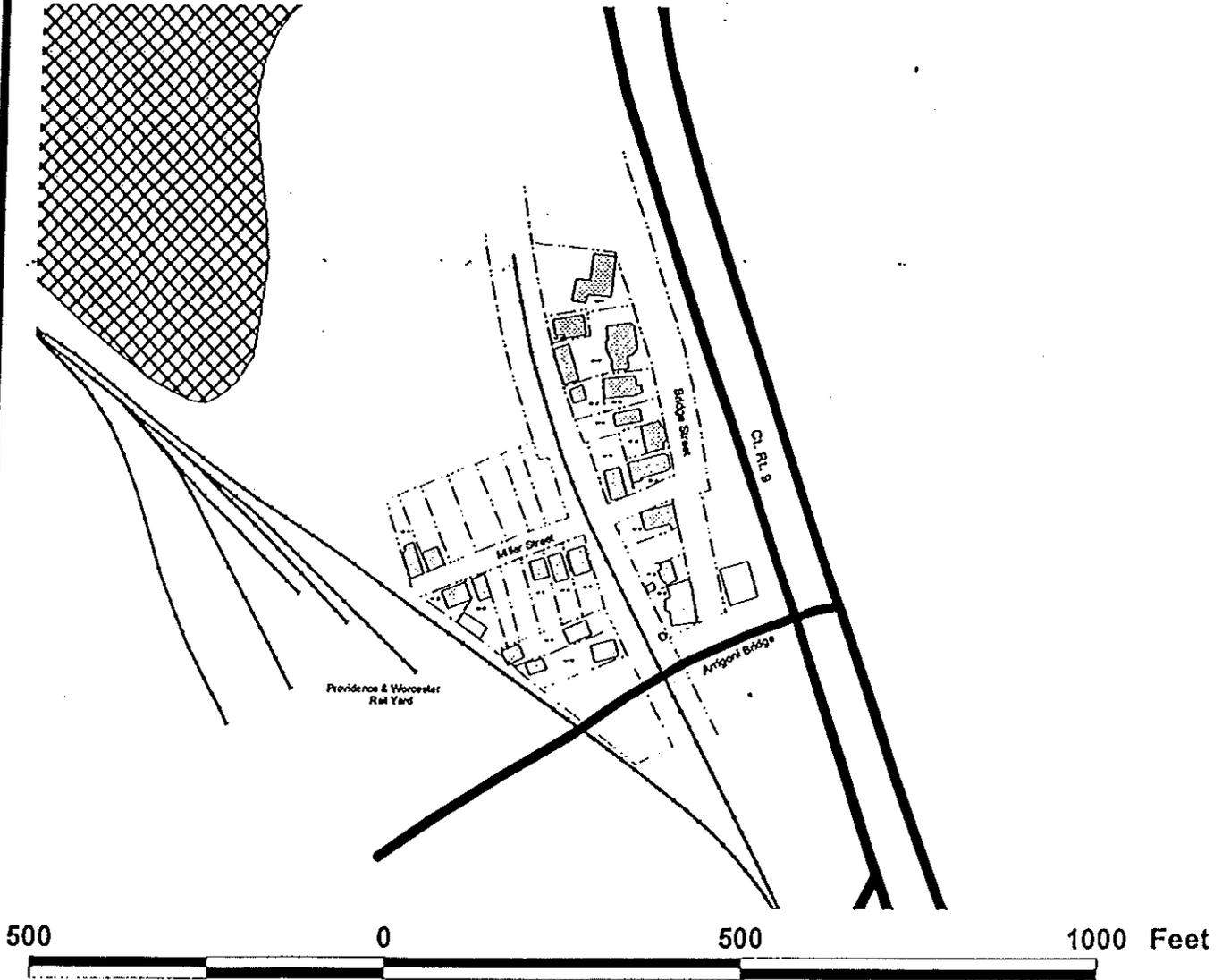


300 0 300 600 Feet



Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

Miller and Bridge Wetlands Map



Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

Miller and Bridge Flood Areas

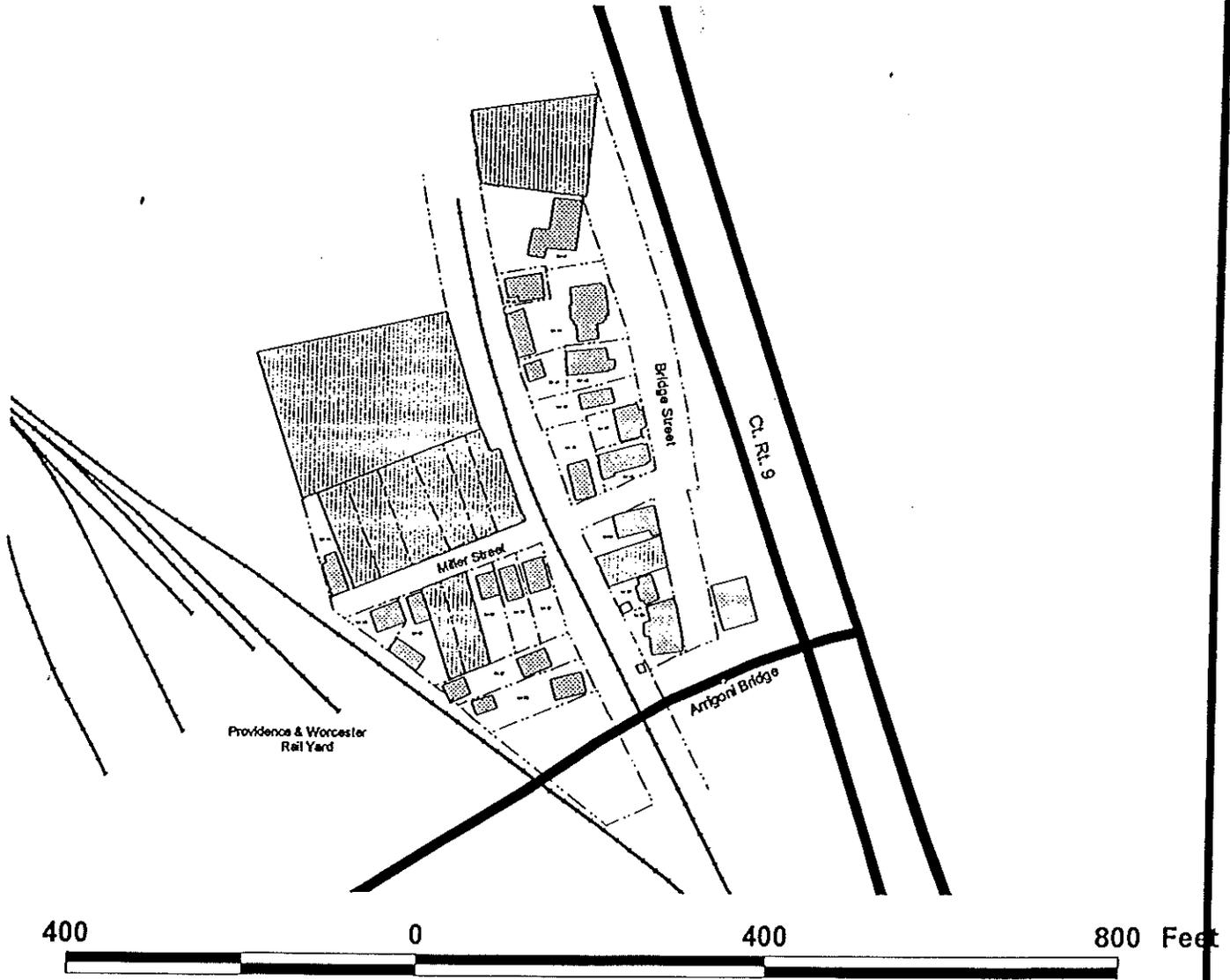


	Rt 66 & Rt 9
	Property Lines
	Buildings
	Flood Areas
	Rail Lines



Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

Miller & Bridge City Property



	Rt 66 & Rt 9
	Property Lines
	City property
	Buildings
	Rail Lines



Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

Major defects not suitable
for rehabilitation or
reconstruction

TOTAL

Condition Type and Use of Structures

<u>Address</u>	<u>OWNER</u>	<u>Type of Unit</u>	<u>Use</u>	<u>Condition</u> Good/Fair/Poor
12 MILLER ST	JANIS DAVID J & MORELAND DALE W	Four family	Rental	Poor
15 MILLER ST	EVANS PETER C SR & JOYCE A	Single Family	Owner Occupied	Good
17 MILLER ST	JONES SADIE MAE	Single Family	Rental	Good
19 MILLER ST	TURNER ERENCE P	Single Family	Owner Occupied	Fair
25 & 27 MILLER ST	RICHMOND JOAN AKA RICHMOND	Two Single Family Homes	Owner Occupied	Poor
31 MILLER ST	KILGORE BRUCE R	Single Family	Owner Occupied	Fair
50 MILLER ST	BOWERMAN JAMES JR	Single Family	Rental	Good
77 MILLER ST (REAR)	HART GERALD & ROPER REID	Two Family	Rental	Fair
<u>79 MILLER ST (REAR)</u>	<u>HART GERALD & ROPER REID</u>	Two Family Units -15	Rental	Fair
121 BRIDGE ST	WELCH, PETER	Three family	Rental	Fair
125 BRIDGE ST	MCARTHUR RAYMOND L	Three family	Rental	Poor
127 BRIDGE ST	DALESSANDRO SALVATORE &	Single Family	Rental	Poor
129 BRIDGE ST	DALESSANDRO SALVATORE &	Two Family	Owner Occupied	Poor
135 BRIDGE ST	LITTLE BENJAMIN	Three family	Owner Occupied	Fair
133 BRIDGE ST (REAR)	ALFREDOS RIVERSIDE REST INC	Two Family	Rental	Poor
141 BRIDGE ST	ALFREDOS RIVERSIDE REST INC	Restaurant/apar tment	Rental	Good
115 BRIDGE ST	MOUNT HOPE F.B.H. CHURCH	Church/two apartments	Rental	Poor
109 BRIDGE ST	ROSS DAWN S	Single Family	Owner Occupied	Poor
<u>103 BRIDGE ST</u>	<u>LILJEDAHL GILLIS JR(EST)</u> <u>JOANNE T (EXEC)</u>	Three family Units -21	Rental	Good

Project History

The primary concern impacting the viability of the neighborhood is its lack of connection to the City in that the neighborhood is bounded on the north by wetlands, on the west by railroad tracks and on the east and south by Route 9 and railroad tracks. Currently a consensus exists that safe and convenient access to the neighborhood is unavailable and the current access from Route 9 has been previously identified as one of most dangerous intersections in the State of Connecticut.

In May of 1998 the Yale School of Architecture in conjunction with the North End Action Team (NEAT) conducted an exhaustive two-day charrette planning process. One of the conclusions of the charrette was that the Miller and Bridge Street neighborhood could not be viable without improved access. This process included the development of four options to improve access to the Miller and Bridge Street neighborhood.

On the Common Council meet to determine the fate of four buildings in the Miller and Bridge Street neighborhood which the city acquired through tax foreclosure. At that meeting NEAT demanded that the Common Council address the safety issues in the neighborhood. NEAT felt that access must be improved or the residents of the neighborhood must be compensated for their properties and relocated out of the neighborhood in a fair and equitable manner.

Based on this meeting the Mayor and the Common Council concluded that the time had come to address the Miller and Bridge Street problem.

The Mayor and the Economic Development Committee instructed the Director of Planning to convene a meeting of the long dormant Redevelopment Agency. The Redevelopment Agency's charge was to determine if any of the access options presented by the Yale School of Architecture were feasible and if so to determine a proper course of action to implement an access solution. If the proposed access options were deemed unfeasible the Agency was to utilize its redevelopment powers to acquire the properties and relocate the residents, the church and the restaurant.

The Redevelopment Agencies Involvement

On April 12, 1999 the Redevelopment Agency convened an organizational meeting. At this meeting the Agency addressed organizational issues, reviewed the statutes relating to redevelopment and began a discussion of the Miller and Bridge Street neighborhood and the access solutions proposed by Yale.

On May 10, 1999 the Agency meet a second time to walk the neighborhood and discuss the access options. The agency then reconvened back at City Hall and conducted a discussion with the public and then listened to a presentation from the Director of Planning discussing previous studies and a more detailed discussion of the access options.

Previous Studies

The Director indicated that previous studies have concluded that improved access must be provided or the neighborhood will continue to deteriorate.

- The 1978-80 file on the neighborhood resulted from a desire to discontinue REHAB loans to the area and to convert the park to industrial. While severe blight was documented the Council refused to discontinue loans. It appears that the city concluded that the state's plans to improve the Rt.9 interchange would improve access to the neighborhood;
- The 1988 North End Task force study concluded that access needed to be addressed, but gave no alternatives;
- The subsequent 1989 Urban Renewal Plan for the north end did not include this neighborhood; and
- The 1998 Yale study concluded that improved access into the neighborhood is essential to the revitalization of the neighborhood. The Yale Study gave four alternatives.

Proposed Access Options

The four access options proposed by Yale are displayed in Figure 2 and are described as follows:

Option 1

350 ft. road construction	\$ 70,000
1 Major rail crossing	\$ 200,000
3 rail siding crossings	\$ 150,000
TOTAL	\$ 420,000

Option 2

700 ft. road construction \$	\$ 140,000
2 major rail crossings	\$ 400,000
Bridge & topography issues	\$ 500,000 (at least)
TOTAL	\$ 1,040,000

Option 3

1400 road construction	\$ 280,000	
2 major crossings	\$ 400,000	
<u>TOTAL</u>	\$ 680,000	(major flood plain concerns)

Option 4

200 ft. road reconstruction	\$ 30,000	
1 major crossing upgrade	\$ 100,000	
<u>TOTAL</u>	\$ 130,000	

- Option 4 requires a special act of legislature. Significant opposition from the DOT, the railroad and residents of Portland Street is predicted. If the city were to open Portland Street, they would most certainly have to close the Rt. 9 access to Bridge St. this would be a major impact on the restaurant. Almost 100% of Bridge Street is in the floodplain and could be underwater which would block emergency access. The Yale study concludes that this option alone is not an acceptable option.

On May 10th the Agency determined that three (3) of the four (4) options were not feasible and made a preliminary determination that the Miller Street section of the neighborhood did not appear to be viable.

Option 4

The Yale study concluded option 4 alone was not an "ideal solution". It stated that:

"The neighborhood becomes a quarter mile long, convoluted dead end street starting at the intersection of Portland and St Johns Street..."

Regardless of this conclusion, the agency questioned if the fourth access option via Portland Street over the rail line was viable. Prior to making a final decision on this alternative the Agency requested the following additional information;

- Cost/Benefit Analysis;
- Information from the DOT regarding opening the Portland Street railroad crossing;
- Commentary from the Public Works Department.

On June 14th, 1999 the Agency met and received the requested information from the Director of Planning.

The Director indicated that prior to discussing actual costs it was be important to discuss if the Bridge Street neighborhood has the potential to be a viable residential neighborhood.

The Director pointed out that the neighborhood developed before the highway, before the rail line to Hartford, before the impacts or air and noise pollution were appreciated and before the federal government regulated flood plains. He indicated further that:

- There are 11 structures on Bridge Street. These structures contain 36 residential units, one (1) restaurant and one (1) church.
- All of these buildings are located in the 100-year flood plain. New residential structures are prohibited in the 100-year flood plain.
- All of the houses on Bridge Street are within 100 feet of the rail line some are within 40 feet. The DOT indicates that traffic will be increasing significantly on this rail line.
- All of the houses on Bridge Street are within 100 feet of the highway some are within 60 feet. Air pollution has always been an issue in the downtown area. This neighborhood is in a carbon monoxide "hot spot". The primary urban design strategy to avoid the negative effects of air pollution is to separate residential from the pollution source, idling cars.
- There are, currently 22 school age children living in these conditions.

Regardless of the access issue, the Director presented the following two questions to the Agency:

- 1.) Should this area be planned for residential? and
- 2.) Is this an area that is realistically going to attract reinvestment for residential purposes?

The Director felt that, even with good access to this area, the area is inappropriate for residential uses and the city should not be promoting this area as an affordable housing option to the city's lower income population.

The Director then indicated that the City is the single largest property owner and Miller Street produces \$9,163 in taxes and Bridge Street produces \$11,980 in taxes. Together the neighborhood produces \$21,143 in taxes per year.

The Board of Education indicated that there are 22 public school children in the neighborhood. The Board has indicated that an education in the public school system costs approximately \$7,500 per child per year. This translates into a cost to taxpayers of \$165,000. Other costs would be snow plowing, police and fire protection, police overtime and road maintenance and repair.

Input from Department of Transportation

Randy Ike of the *DOT Traffic Engineering - Rail Highway Crossing Division* indicated that an at grade rail crossing over a main line needs a special act of the legislature and DOT tends to oppose them because of how dangerous they are.

Mr. Ike then referred the Director to Robert Seaman of the *DOT Rail Regulatory Division*. Mr. Seaman indicated that the current crossing exists as a result of a special act and is restricted to a pedestrian and emergency crossing only.

Because of this restriction, another action by the legislature would be required to open to a full-blown crossing. In Mr. Seaman's opinion The *DOT Rail Regulatory Division* would be opposed to opening the Portland Street crossing.

Mr. Seaman went further to indicate that an opening would require a widening of the roadway, moving the instruments and new gates. He indicated that if the widening went into the point where the train's wheels switch from one track to another rail relocation would be required which could be very costly considering the slopes in the area.

He indicated that the Rail Regulatory Division would be fully in favor of closing the Portland and Miller Street crossings totally. He indicated the amount of freight through the area would be increasing significantly in the near future. Freight from New Haven will go through Middletown directly to Hartford. Rail lines in Cromwell, Rocky Hill and Wethersfield are being reconstructed to facilitate this movement of freight.

The Providence and Worcester Railroad and the city's Department of Public Works submitted written commentary seriously questioning the Yale options and opening the Portland Street crossing to vehicular traffic.

After this presentation the Agency approved a motion instructing staff to prepare a "resolution of finding that the neighborhood is not viable as a residential area".

Resolution of Findings

On July 12, 1999 the Redevelopment Agency approved the following resolution:

WHEREAS, the Redevelopment Agency of the City of Middletown is committed to preserving and enhancing viable neighborhoods which contribute to the City's affordable housing stock; and

WHEREAS, the Redevelopment Agency is committed to providing a decent and affordable living environment for all of its residents and in particular, its children; and

WHEREAS, the viability, suitability and safety of living in the Miller and Bridge Street neighborhood has been in question for several years; and

WHEREAS, the primary concern impacting the viability of the neighborhood is its lack of connection to the City in that the neighborhood is bounded on the north by wetlands, on the west by railroad tracks and on the east and south by Route 9; and

WHEREAS, safe and convenient access to the neighborhood is currently unavailable and the current access from Route 9 has been identified as one of most dangerous intersections in the State of Connecticut; and

WHEREAS, the Yale School of Architecture has conducted an extensive study of the north end including the development of various access options; and

WHEREAS, it was determined that the access options were not feasible and/or practical; and

WHEREAS, the Connecticut Department of Transportation and the Providence and Worcester Railroad have indicated that these options are unacceptable from a safety perspective; and

WHEREAS, the City continues to acquire properties through foreclosure in this neighborhood indicating a disinvestment in the area; and

WHEREAS, the presence of an active railroad and the highway creates hazardous and unheathly conditions, including air and noise pollution; and

WHEREAS, the sale of drugs and other illegal activities have increased in the neighborhood; and

WHEREAS, the City has invested heavily in the neighborhood through the Residential Rehabilitation program only to see an accelerated deterioration in the same properties;

NOW THEREFORE BE IT RESOLVED that the Redevelopment Agency has found that the area is no longer viable or suitable for residential purposes and that the agency intends to develop a formal Redevelopment and Relocation Plan for the area; and

BE IT RESOLVED FURTHER that the Agency intends to identify and work directly and pro-actively with and for the residents of the Miller and Bridge Street neighborhood to facilitate their relocation in a fair and equitable manner to a more suitable living environment in the City of Middletown; and

BE IT RESOLVED FURTHER that the Redevelopment Agency will encourage the city to demolish vacant properties acquired through tax foreclosure and will seek to acquire vacant properties on the open market; and

BE IT RESOLVED FURTHER that the Redevelopment Agency will encourage the city to fully and aggressively enforce its codes and laws to force absentee landlords to provide safe housing to residents until that time when all residents have been relocated.

Proposed Land Uses

Due to conflicts with flood areas, rail operations and poor to no access, this plan is not advocating any new land uses. This plan and *Downtown Vision 2000 and Beyond* recognize the value of enhancing the most prominent gateway into Middletown. Therefore, it is recommended that after demolition no new construction occur in the Bridge Street area. This land should be carefully landscaped and could potentially accommodate a bike path heading into the Cromwell Meadows and other types of passive recreation such as a dog park, canoe launch and possibly an emergency boat launch.

Due to the areas' adjacency to the rail yard, the Miller Street area should be marketed for rail dependent economic development opportunities in conjunction with the Providence Worcester Railroad.

The State Department of Transportation is currently studying the Route 9 interchange at Hartford Avenue and the Arrigoni Bridge. The land, which the city acquires, may be an integral part of the states plans to improve the interchange. In this case the city should insist in an enhanced gateway and direct access to the downtown and the north end industrial area.

Benefits of Implementing Proposed Land Use Plan

1. Beautification of major gateway into Middletown;
2. Elimination of a hazardous intersection at Ct. Rt.9;
3. Elimination of two dangerous at grade rail crossings;
4. Possibilities for a bike path, canoe and boat launch and other types of passive recreation;
5. Relocating residents out of a blighted area;
6. Removal of residential units from an area of known or suspected environmental contamination;
7. Relocation residents away from sources of noise and air pollution
8. Removal of homes currently located in the 100 year flood plain; and
9. A section of the acquired property could play an important role in the State Department of Transportation's plans for a reconstruction of Rt. 9 which would eliminate hazardous conditions on Rt. 9.

Proposed Plan of Development designation and Zoning Regulations

In accordance with the proposed land uses this Redevelopment Plan recommends that the Planning and Zoning Commission amend its Future Land Use Plan and Zoning Map in the following manner:

- Designate the Miller Street area as industrial on the future land use plan;
- Designate the Bridge Street area as open space on the future land use plan;
- Retain the Riverfront Recreation (RF) zoning along Bridge Street and change the Mixed Use (MX) zoning in the Miller Street to Industrial Redevelopment Area (IRA).

Acquisition and Clearance

The procedure of acquisition, relocation, clearance and redevelopment by the Agency is applicable to all four (4) phases of the project. Acquisition, relocation and clearance is applicable where necessary to achieve one or more of the following:

- Removal of buildings that are structurally substandard to a degree requiring clearance or that have a number and type of other deficiencies which in combination can be remedied only by modification or replacement of major parts of or all of the basic structure;
- Removal of conditions having a blighting influence; or
- Assembly of land for redevelopment, and other plan objectives.

To achieve such purposes, properties acquired may consist of two or more contiguous parcels or may consist of individual properties: The Middletown Redevelopment Agency, upon adoption of this plan, may initiate acquisition of those areas in the acquisition and relocation schedules. The acquisition of property shall be pursuant to Sections 8-128 through 8-133 inclusive of the Connecticut General Statutes. It is recommended that the Redevelopment Agency either form a Real Estate Subcommittee of its members to guide the negotiating process of acquisition or meet as an agency of the whole to review appraisals and to authorize land acquisition offers. When the Agency determines that a particular acquisition area should be acquired, the Agency should cause to have prepared at least two independent appraisals prepared by qualified appraisers as the basis for negotiating for property.

The Redevelopment Agency may acquire real property by eminent domain with the approval of the Common Council of the City of Middletown in accordance with Sections 8-129 through 8-133, inclusive of the Connecticut General Statutes. Once acquired by the Agency, the Agency may clear, repair, operate or insure such property while in its possession or make site improvements essential to preparation for its use in accordance with the approval Redevelopment Project Plan. The estimated market value was determined using the resources of the City of Middletown Tax Assessor's Office. The basis for the estimate is the 1998 re-evaluation figures.

SCHEDULE OF ADOPTION

1. Forward the Redevelopment Plan to the Planning & Zoning Commission for its study and comments. In addition, request a written opinion of the Middletown Planning and Zoning Commission as to general conformance of the Redevelopment Plan to the Local Plan of Development.
2. Request the written approval of the Plan from the City of Middletown Housing Authority.
3. Hold the required Public Hearing. (Publish legal notice at least twice in newspaper of general circulation within municipality. The first publication shall not be less than 2 weeks prior to scheduled hearing date.)
4. Approval of Plan by Redevelopment Agency by resolution which finds the following:
 - a. The area in which the proposed redevelopment is to be located is a redevelopment area;
 - b. Carrying out the redevelopment plan will result in materially improving conditions within the Project Area;
 - c. Sufficient living and business accommodations are available within reasonable distance of the Project Area or are provided for in the Redevelopment Plan for persons, families and businesses displaced by the proposed improvement, at prices or rental within the financial reach of such persons, families and businesses; and
 - d. The Redevelopment Plan is satisfactory as to site planning, relation to the comprehensive or general plan of the municipality and, except when the redevelopment agency has prepared the Redevelopment Plan, the construction and financial ability of the redeveloper to carry it out.
5. Approval of the Redevelopment Plan by Legislative body.

6. Forward the Relocation Plan to the Connecticut Department of Economic and Community Development for its review and approval by the Commissioner as it pertains to those persons, families and businesses to be displaced by the Relocation Plan.

DESIGNATION

Urban redevelopment designation is essential for the Project Area described within this document. Chapter 130, Section 8-124 of the Connecticut General Statutes, as revised, contains the requirements for designation based on applicable measures for the definition of urban blight. As the earlier sections of this document demonstrate, conditions of blight are prevalent in the Miller and Bridge Street area. The blighted conditions which exist within the Project Area can only be addressed by legislative action to provide a redevelopment designation and thereby-enable mechanisms to apply the power of eminent domain to the acquisition and disposition of properties to qualified public and/or private organizations under the authority of this Plan.

FINANCING

Public project funding resources should be assembled from a variety of program sources, which are appropriate for the Miller and Bridge effort. These include but are not limited to, the use of funds from the City's annual Community Development Block Grant entitlement from the U.S. Department of Housing and Urban Development, City General Fund monies, public improvement financing using City bonding and DECD and DOT funding.

IMPLEMENTATION

Begin with Phase 1 acquisition area. Assemble project funding and secure appraisals. Conduct acquisition and relocation.

Phase 1-Year 2000

Phase 2-Year 2001

Phase 3-Year 2002

Phase 4-Year 2003

As displayed on the acquisition and relocation schedules Phases 3 and 4 are substantial financial commitments. Therefore the Mayor's Office, the Common Council and the Finance Department should be planning now for these future expenditures.

PROJECT ADMINISTRATION

The administrative responsibilities for this project will rest with the Middletown Redevelopment Agency, as the Designated Development Agency by the Common Council. The Redevelopment Agency has considerable experience with the administrative duties as required by a project of this nature.

The Redevelopment Agency was reorganized in the mid-1980's from ten (10) to sixteen (16) members. In September 1984, the staffing functions of the Redevelopment Agency were brought into the Municipal Development Office situated within the Municipal Building.

Since 1984, the Agency and its staff have successfully marketed a large residential project in the Metro-South Urban Renewal Area and have negotiated with the owners of a parcel of land in the former Center Street Renewal Project Area which is now under development as a State Courthouse facility.

From 1986 to the present, the Middletown Redevelopment Agency has been responsible for the Middlesex Mutual Assurance Development Project with public participation funding coming from the State of Connecticut Department of Economic Development and the City of Middletown. The value of private sector construction in the project area, to date, exceeds \$40.0 Million Dollars. In 1998 the Redevelopment Agency was transferred to the Department of Planning, Conservation and Development. The staff for the Redevelopment Agency also has a great deal of experience in the Community Development Block Grant Program and has a strong relationship with the Mayor and Common Council in the decision-making process that is required in projects of this type.

The administrative duties to be performed during the development phase of this project will consist of; the procedural and legal requirements for the project land acquisition and project land sale negotiation, the coordination of the contract document preparation and bid phase for demolition and the maintaining of required financial records in accordance with the State and Federal regulations.

The Middletown Redevelopment Agency, assisted by the City, will organize and provide the services necessary to facilitate meetings required for various Federal, State and City agency approvals for the proposed project and will provide general project assistance to expedite all project matters that arise.

The Middletown Redevelopment Agency, assisted by City staff, will carry out the day-to-day functions for project administration including contracting for preliminary and final engineering and construction inspection for the project development, overseeing the physical development to verify the extent of development within the project boundaries in accordance with an approved project plan, and making the required submissions to the appropriate State and Federal agencies as may be required by the funding sources.

The legal services required for the various aspects of this project will be the responsibility of the City's Legal Department who will be responsible for all deeds, contracts, title searches and other project-related legal matters. These services will be in accordance with the acquisition and disposition schedules as determined by the Redevelopment Agency.

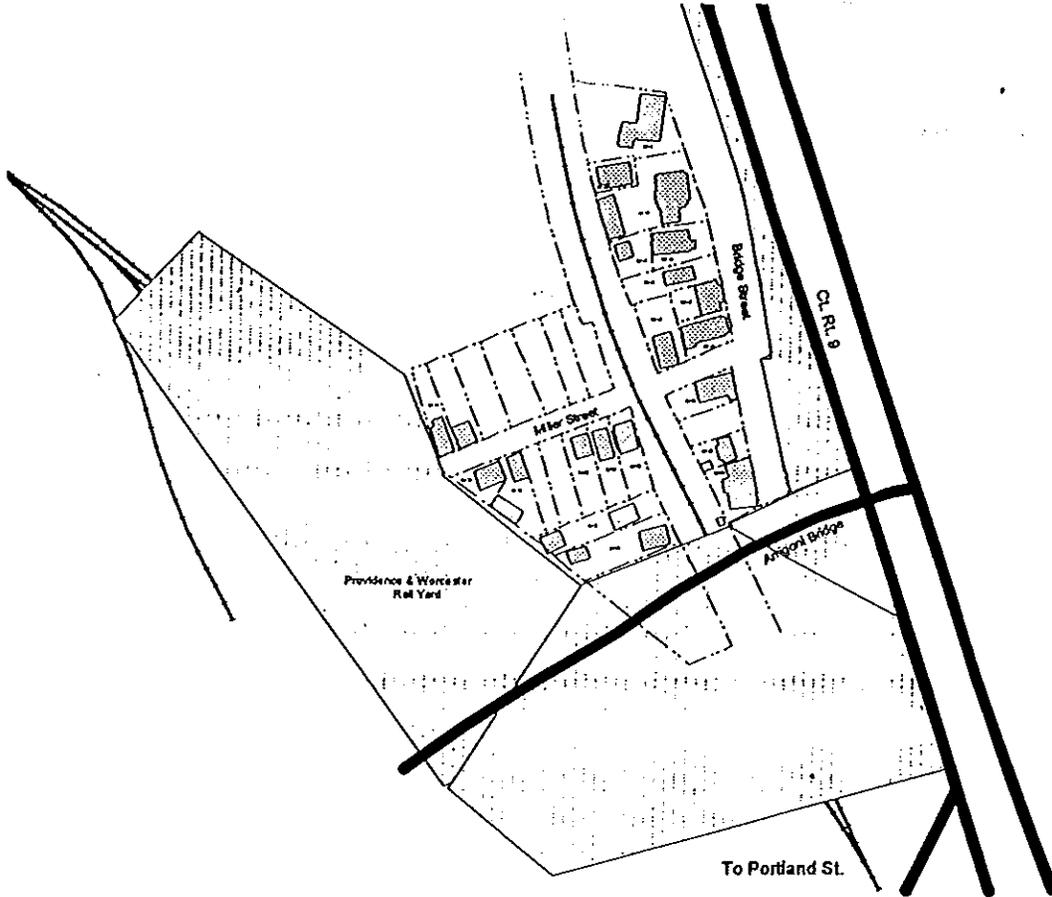
The staff of the Redevelopment Agency with the assistance of a part time Relocation Officer will also be responsible for implementing the Relocation Plan, which is a part of this document. As

determined by the Mayor and Common Council, other City staff may be required to assist in the relocation effort, particularly where significant numbers of families and individuals are involved.

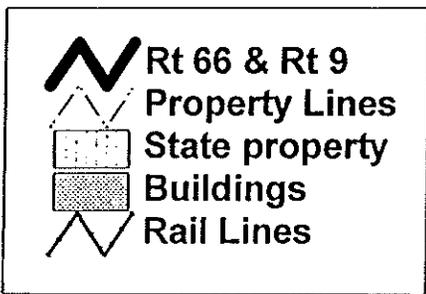
The Planning, Conservation & Development Office staff presently consists of five (5) professionals with experience, skills and expertise in economic development, housing, planning, public administration, real estate, land use law, historic preservation and grantsmanship. These professionals are backed up by three (3) skilled clerical staff employees with expertise in computer applications, budget and financial processing and capacity out-put on wordprocessors and computers.

Grant writing/administration and the coordination of projects with many other City departments, departments of the State and Federal Government, and various elements of the private sector are part of the daily fare of the Planning, Conservation & Development Office in their efforts to achieve the City's development goals. Many of Middletown's more significant achievements are initiated through these grants and coordinated project services. Middletown's Planning, Conservation & Development staff members are active in State-wide organizations promoting economic development, community development, planning and preservation.

Miller and Bridge State Property

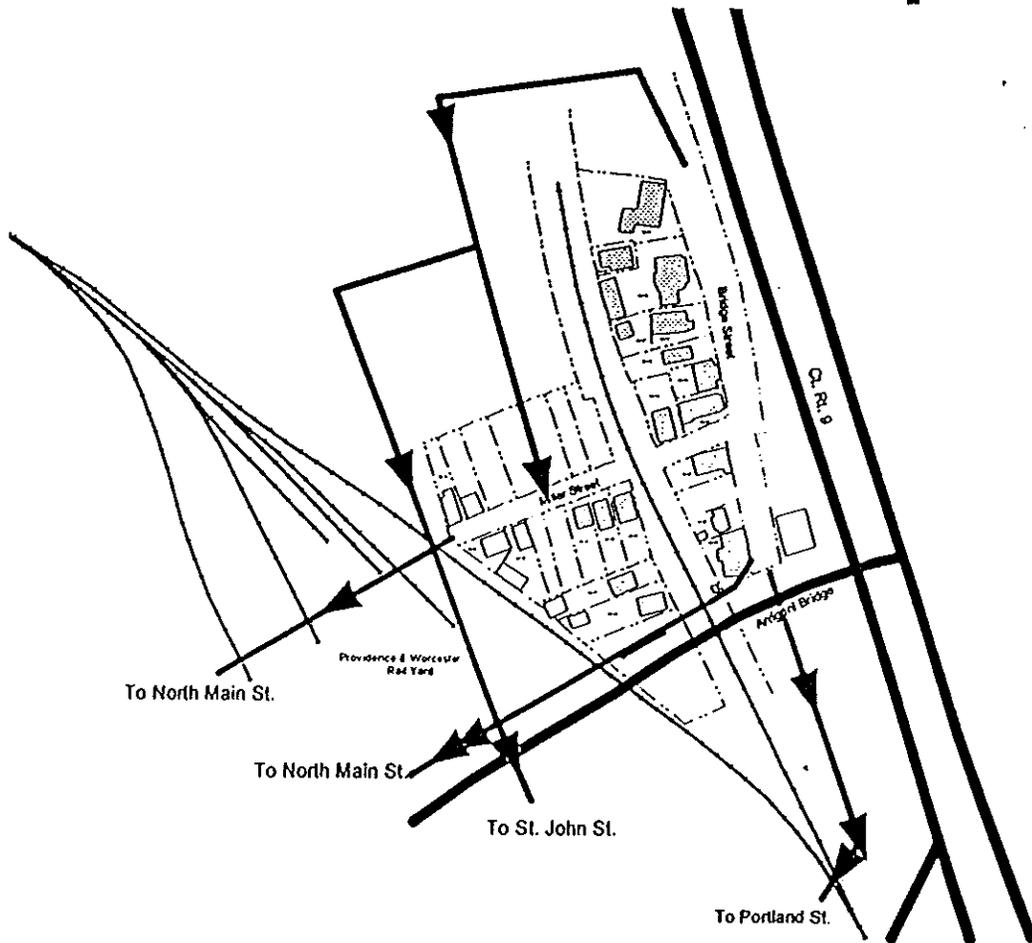


500 0 500 1000 Feet



Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

Miller & Bridge Yale Access Options



500 0 500 1000 Feet

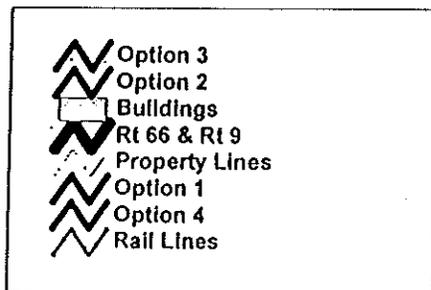
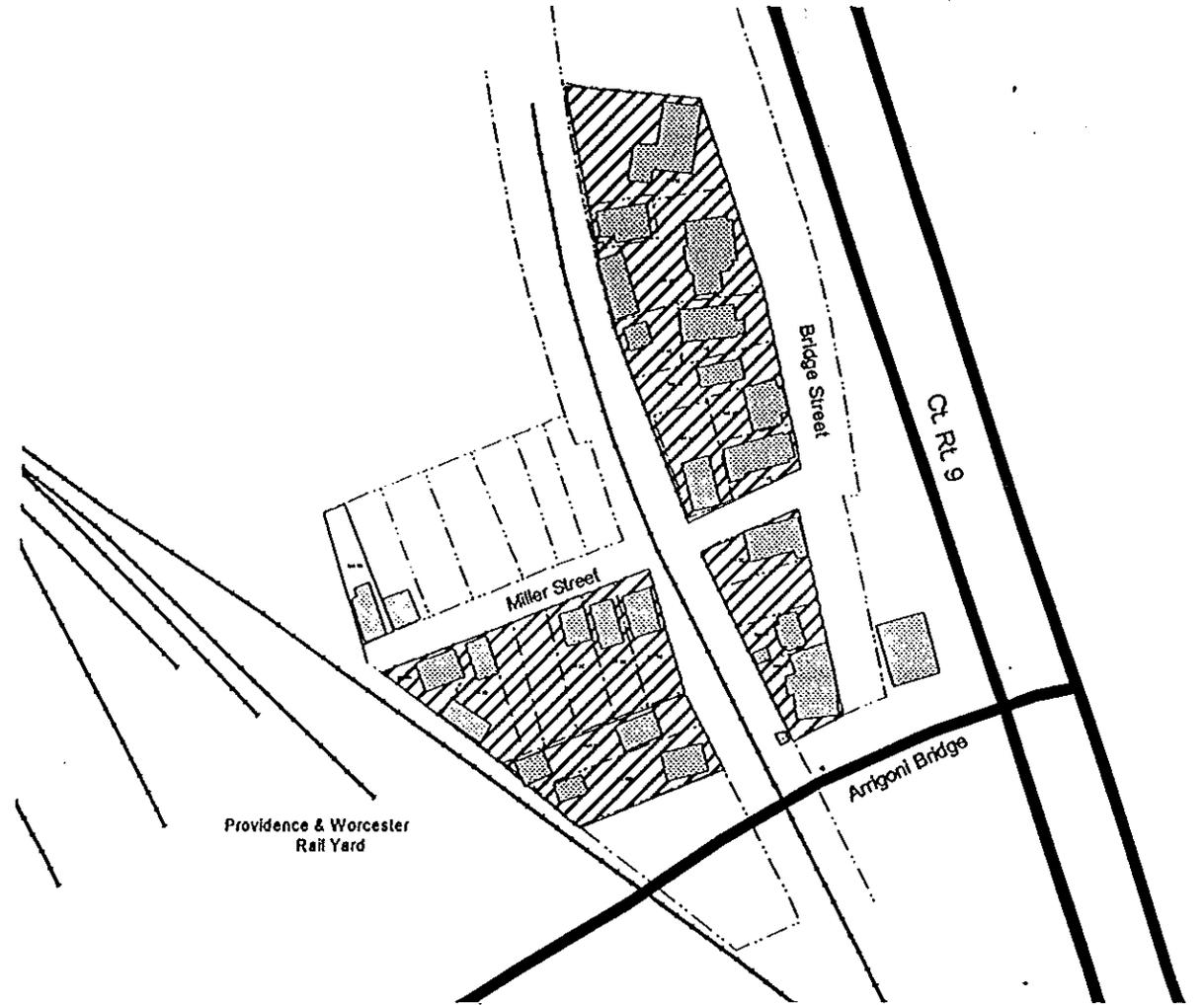


Figure 2

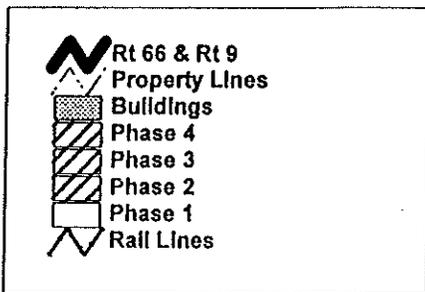


Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

Miller and Bridge Project Phases

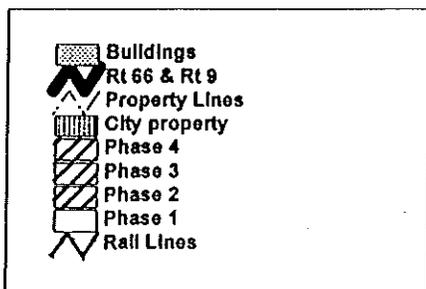
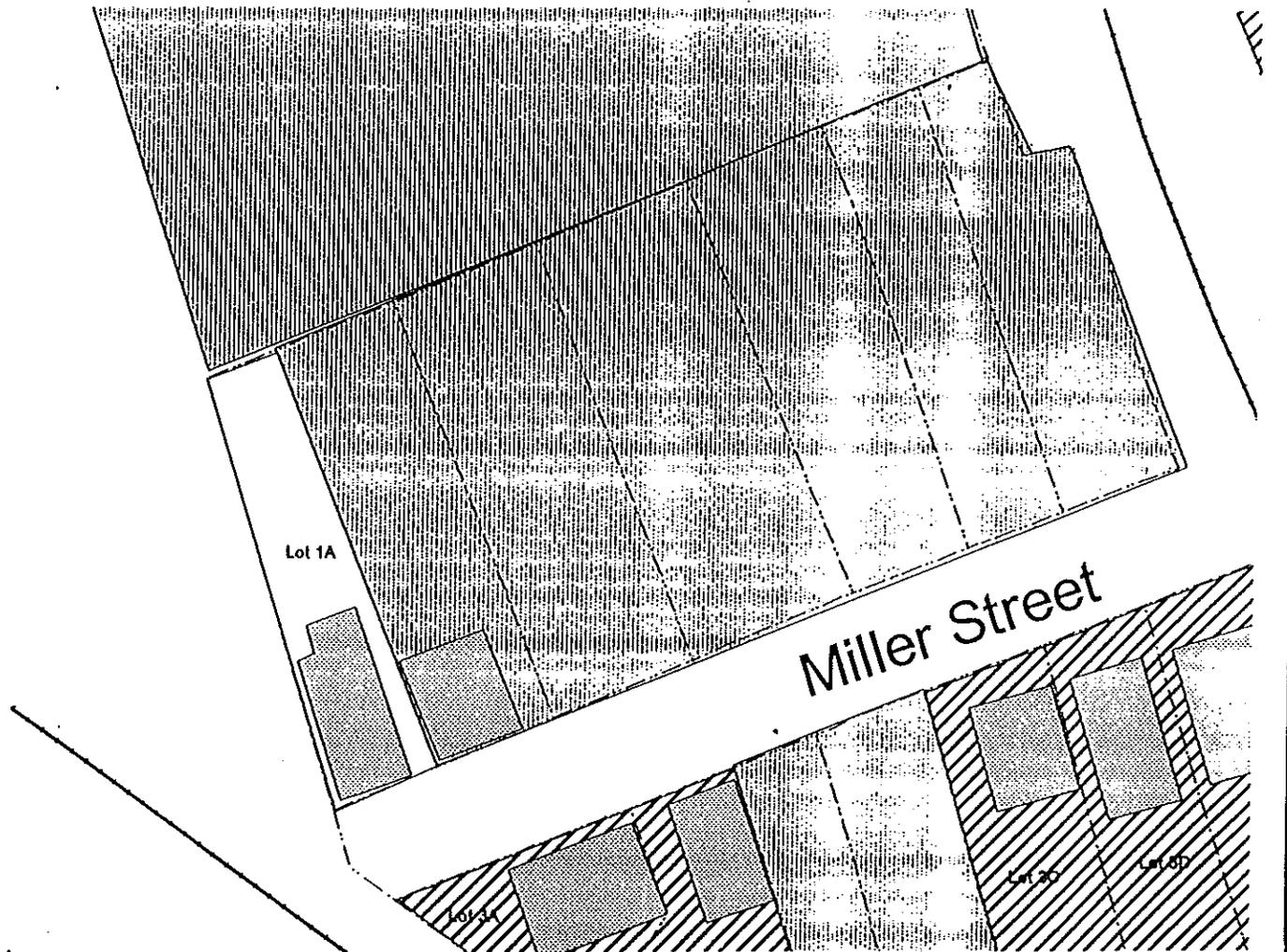


300 0 300 600 Feet



Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

Miller & Bridge Phase 1



Miller and Bridge Street Redevelopment Project
 Department of Planning, Conservation & Development, Fall of 1999.

PHASE 1

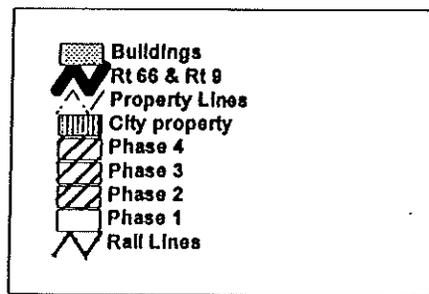


Bowerman James Jr. - 50 Miller St. - Lot 1A - 1 Family - Condition Good

Miller & Bridge Phase 2



90 0 90 180 Feet

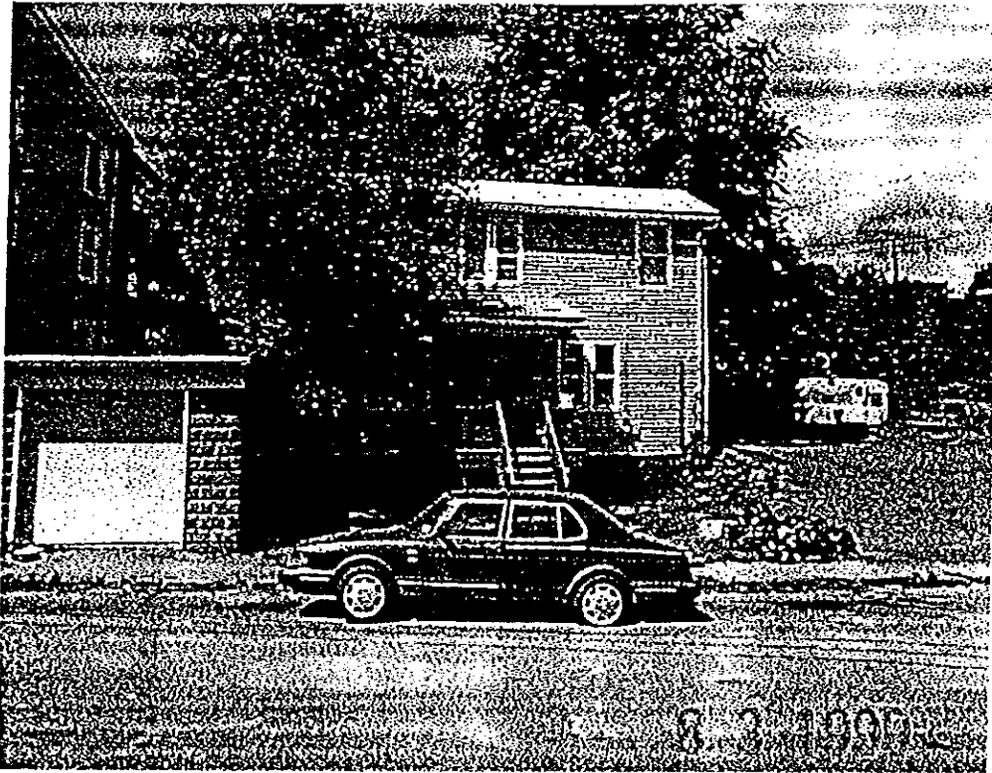


Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

PHASE 2



Liljedahl Gillis Jr.(est) Joann -103 Bridge St.- Lot 2A-3 Family-Condition Good



Ross Dawn S - 109 Bridge St.- Lot 2B-1 Family- Condition Poor

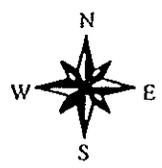


Mount Hope F.B.H. Church-115 Bridge St.-Lot 2C-Use 2&Church-Condition Poor

Miller & Bridge Phase 3



	Buildings
	Rt 66 & Rt 9
	Property Lines
	City property
	Phase 4
	Phase 3
	Phase 2
	Phase 1
	Rail Lines



Miller and Bridge Street Redevelopment Project
 Department of Planning, Conservation & Development, Fall of 1999.

PHASE 3



Evans Peter C Sr. & Joyce A.-15 Miller St.-Lot 3E-1 Family - Condition Good



Jones Sadie Mae - 17 Miller St. - Lot 3D - 1 Family - Condition Fair



Turner Erence P. - 19 Miller St. - Lot 3C - 1 Family - Condition Fair



Hart Gerald & Roper Reid-79 Miller St.(Rear)-Lot 3G-2 Family-Condition Fair



Hart Gerald & Roper Reid-77 Miller St.(Rear)-Lot 3F-2 Family-Condition Fair



Richmond Joan Aka Richmond-27 Miller St.-Lot 3B-1 Family-Condition Poor



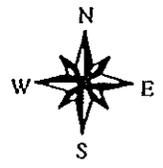
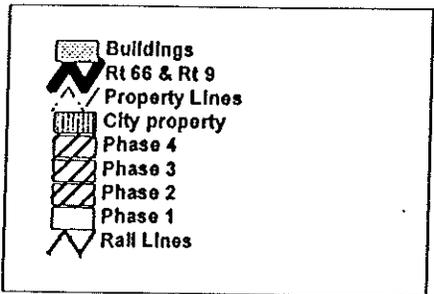
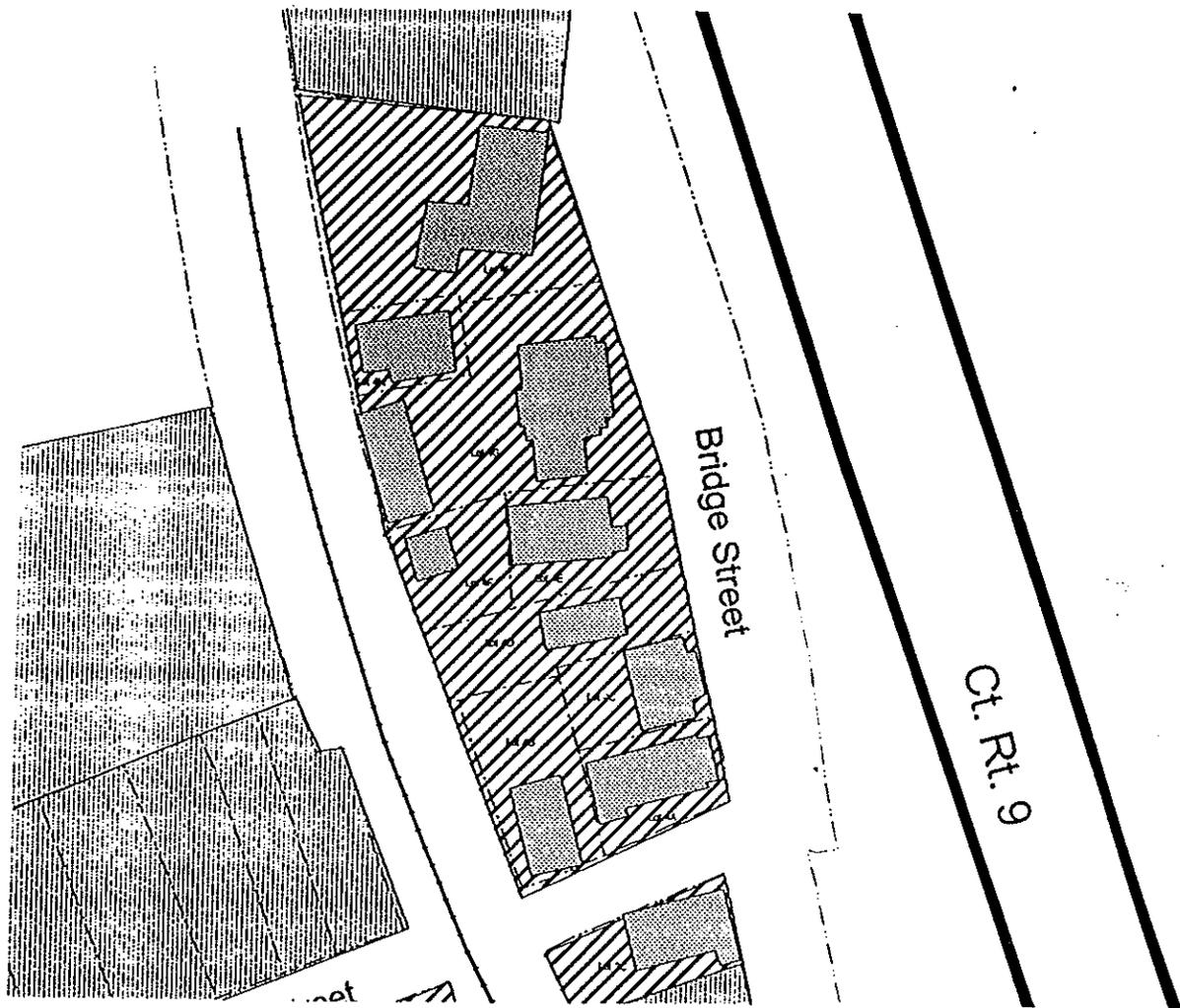
Richmond Joan Aka Richmond-25 Miller St.-Lot 3B-1 Family-Condition Poor



8. 3. 1999

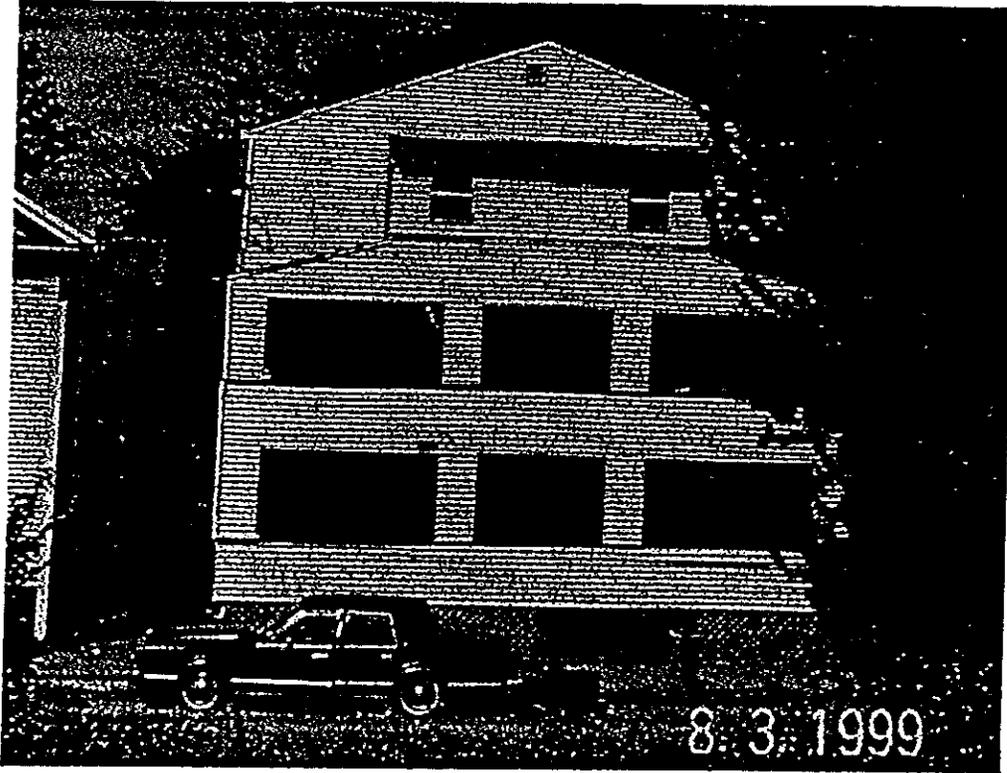
Kilgore Bruce R. - 31 Miller St. - Lot 3A - 1 Family - Condition Fair

Miller & Bridge Phase 4



Miller and Bridge Street Redevelopment Project
Department of Planning, Conservation & Development, Fall of 1999.

PHASE 4



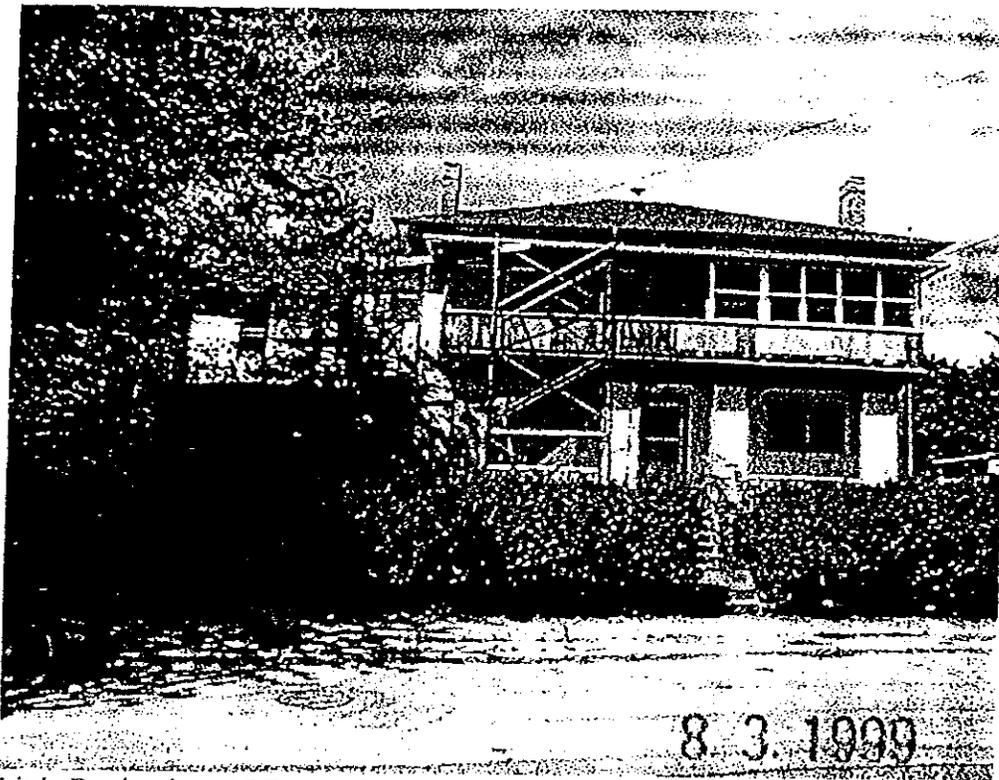
McArthur Raymond L-125 Bridge St.-Lot 4C- 3 Family- Condition Poor



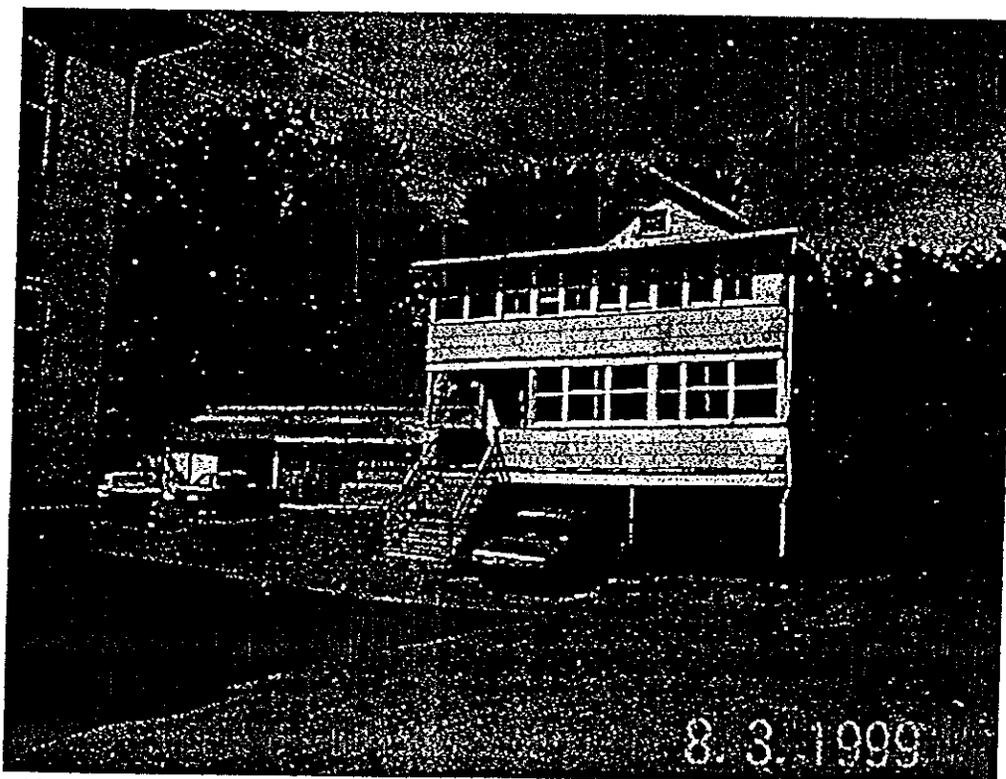
Dalessandro Salvatore-127 Bridge St.-Lot 4D- 1 Family- Condition Poor



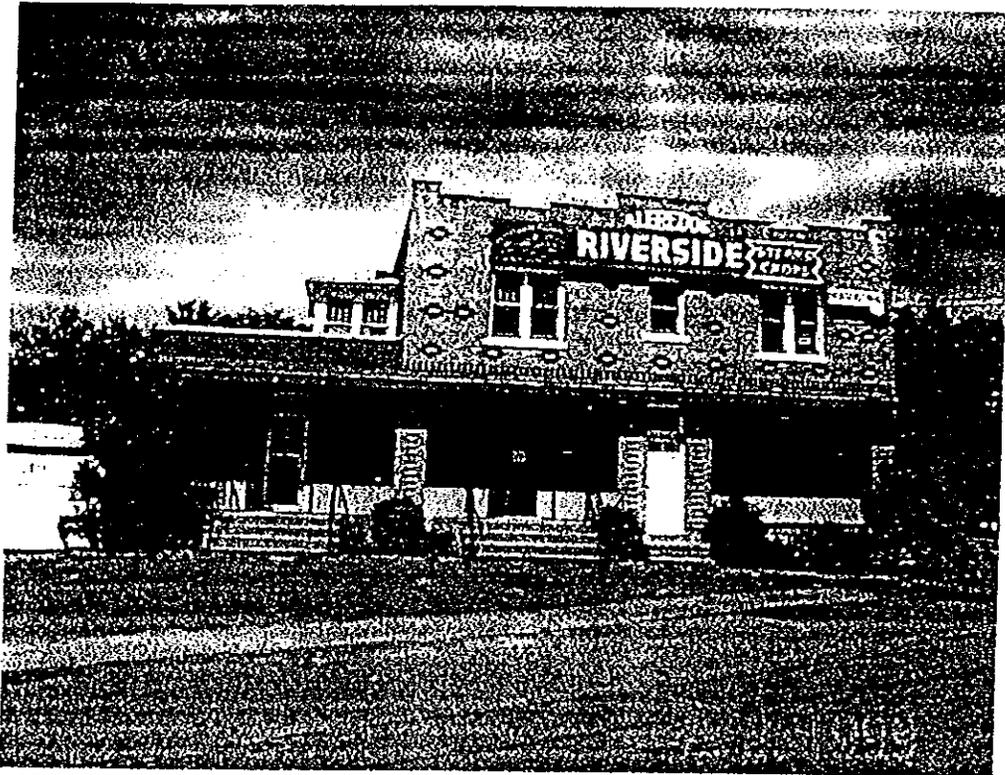
Delessandro Salvatore -129 Bridge St.- Lot 4E- 2 Family- Condition Poor



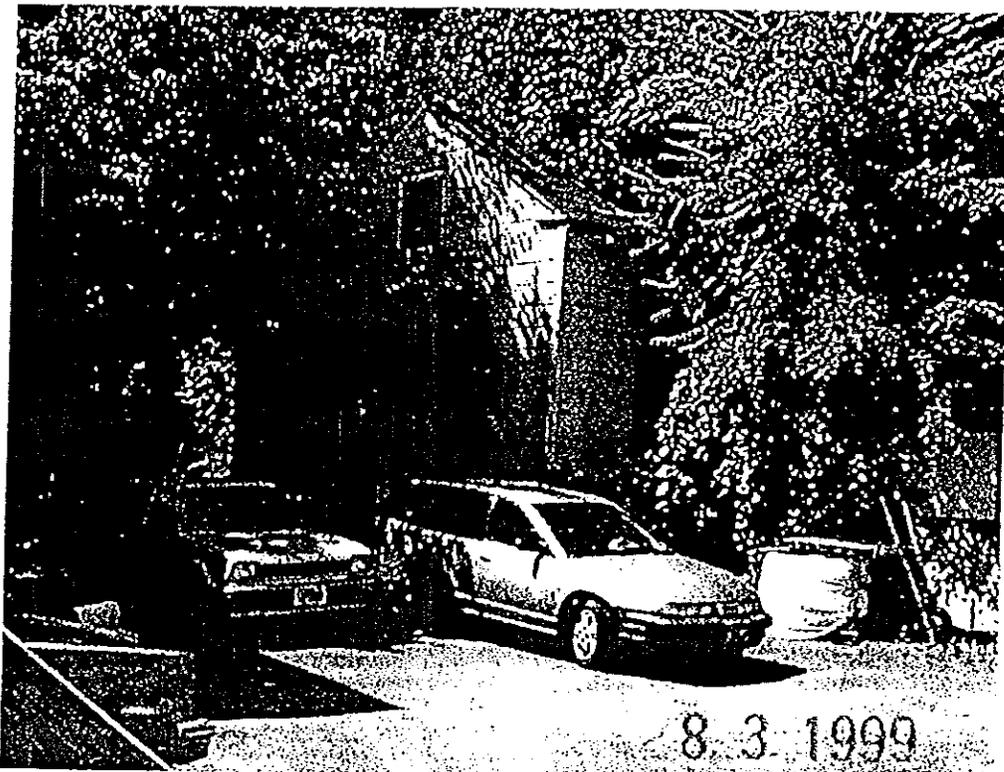
Little Benjamin- 135 Bridge St.- Lot 4G - 3 Family- Condition Fair



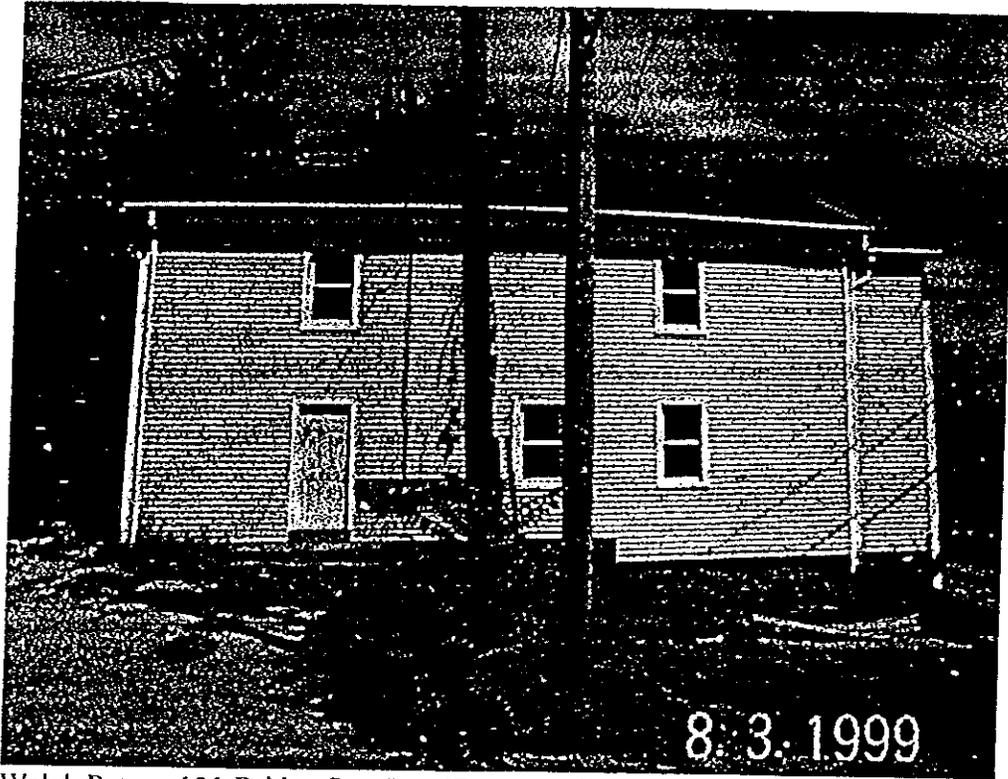
Alfredos Riverside Rest. Inc.-133 Bridge St.(Rear)-Lot 4H-2 Family-Condition Poor



Alfredos Riverside Rest. Inc.-141 Bridge St.-Lot 4I-Rest./1Apt.-Condition Good



Dalessandro Salvatore-129 Bridge St.-Lot 4F-2 Family-Condition Poor



Welch Peter - 121 Bridge St. - Lot 4B - 3 Family - Condition Poor



Janis David J & Moreland Dale W-12 Miller St.-Lot 4A-4 Family-Condition Fair

divider

CITY OF MIDDLETOWN CONSOLIDATED PLAN

For Housing &
Community Development

September 1, 2000 to August 31, 2005

Department of Planning, Conservation and Development
City of Middletown
245 deKoven Drive
Middletown, CT 06457

North End Industrial Zone (Remington Rand Building)

The City of Middletown is in the process of revitalizing the North End industrial zone. The 184,000 ft² of industrial space will receive environmental remediation and blighted outbuildings will be demolished. The property is located in a low to moderate-income census tract (5411) and is ideal for a business incubator for multiple (34) micro-enterprises. Funding from the yearly entitlement and from Section 108 Loan Guarantees and EDI and BEDI grants will be essential to create this incubator. This project is a commitment to both improving the appearance of the North End's industrial area as well as to aiding entrepreneurs in starting small businesses and creating new jobs.

Brickyard Industrial Park

The City has secured 50% state funding to construct the Brickyard Industrial Park off of CT Rt. 3/Newfield Street in the northern section of census tract 5412. Development of this industrial park on a bus line and in close proximity to low and moderate-income areas will no doubt create jobs for such residents. The City's share is approximately \$350,000.

Miller and Bridge Redevelopment Plan

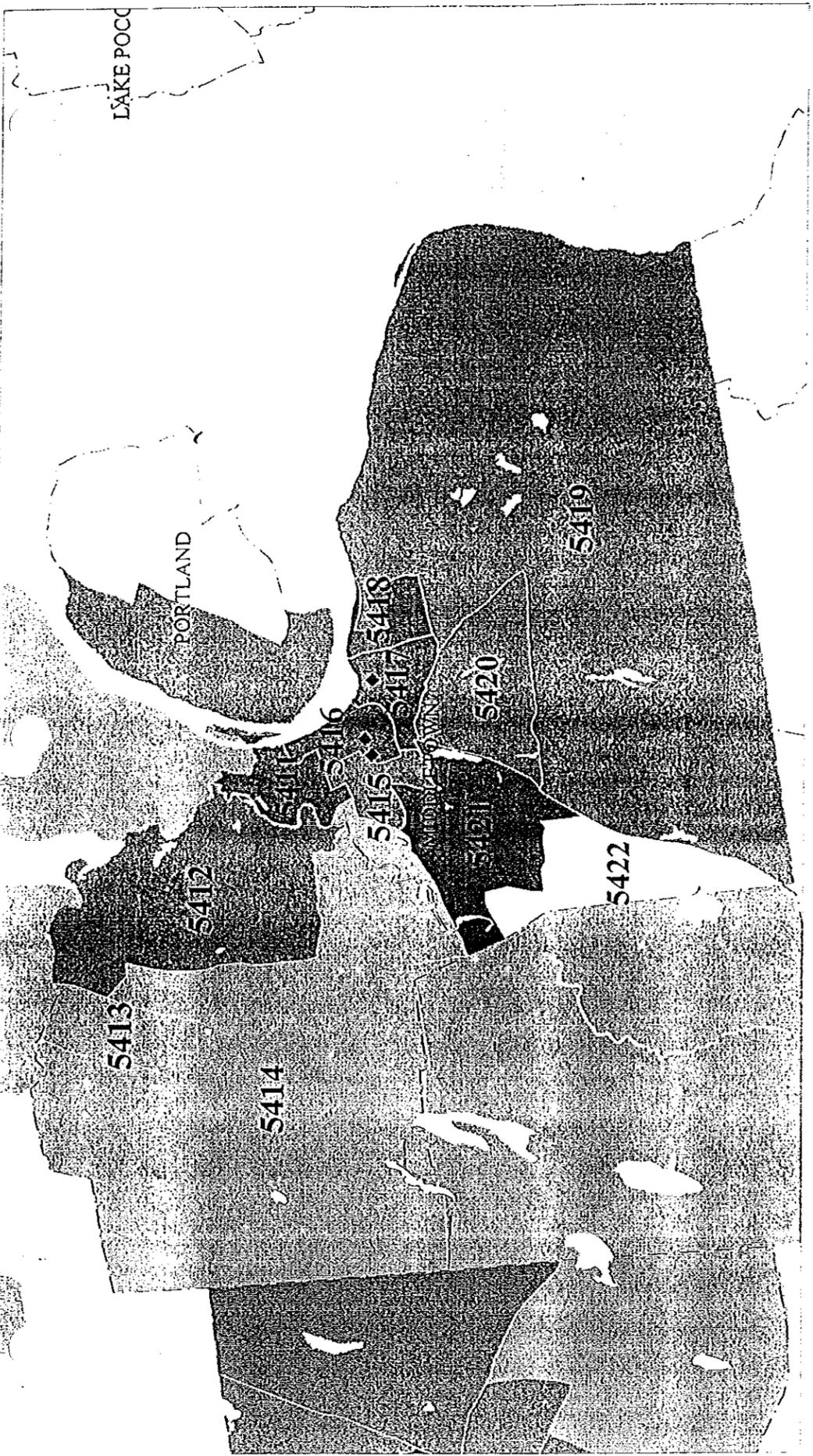
It is estimated that implementation of the Miller and Bridge Redevelopment Plan will cost \$1.7 million. The plan is divided into four (4) phases. CDBG funding for demolition of the severely blighted neighborhood and for relocation payments will be required.

As the plan highlights, the elimination of this neighborhood is a matter of environmental justice. No household should be required to live in these conditions and its redevelopment will be a significant benefit to low and moderate-income residents. Additionally, elimination of this blighted neighborhood will provide additional land for rail-dependent economic development opportunities.

Additional Economic Development

Downtown Development

Main Street has suffered the fate of many downtown streets—it is slowly losing its commercial vitality to large malls located on the outskirts of town. The strategy for preserving the viability of Middletown's Main Street is to make it a place for residents to spend their evening hours. Zoning regulations consistent with responses to the city-wide survey conducted in August favor greater aesthetic controls over projects,



City of Middletown, CT

Forecast Median Family Housing by Census Tract: 2002

Map Layers

- Census Tract
- Census Place
- Public Housing 96
- Median Family Income by Census Tract, 2002
 - 20,000 to 59,999
 - 60,000 to 76,999
 - 77,000 to 85,899
 - 85,900 to 93,999
 - 94,000 to 130,000



City of Middletown, CT
1997 Estimated Population Density by Race

Population Density by Race: 1997

- = 75 White
- ▲ = 75 Black
- ★ = 75 Am. Indian/Esk./Aleut
- ◻ = 75 Asian/Pacific Islander
- ◻ = 75 Other Race



City of Middletown, CT
1997 Unemployment Rate by Census Tract



MAP #3



City of Middletown, CT

Historic Districts -- Located in the Poorest Tracts

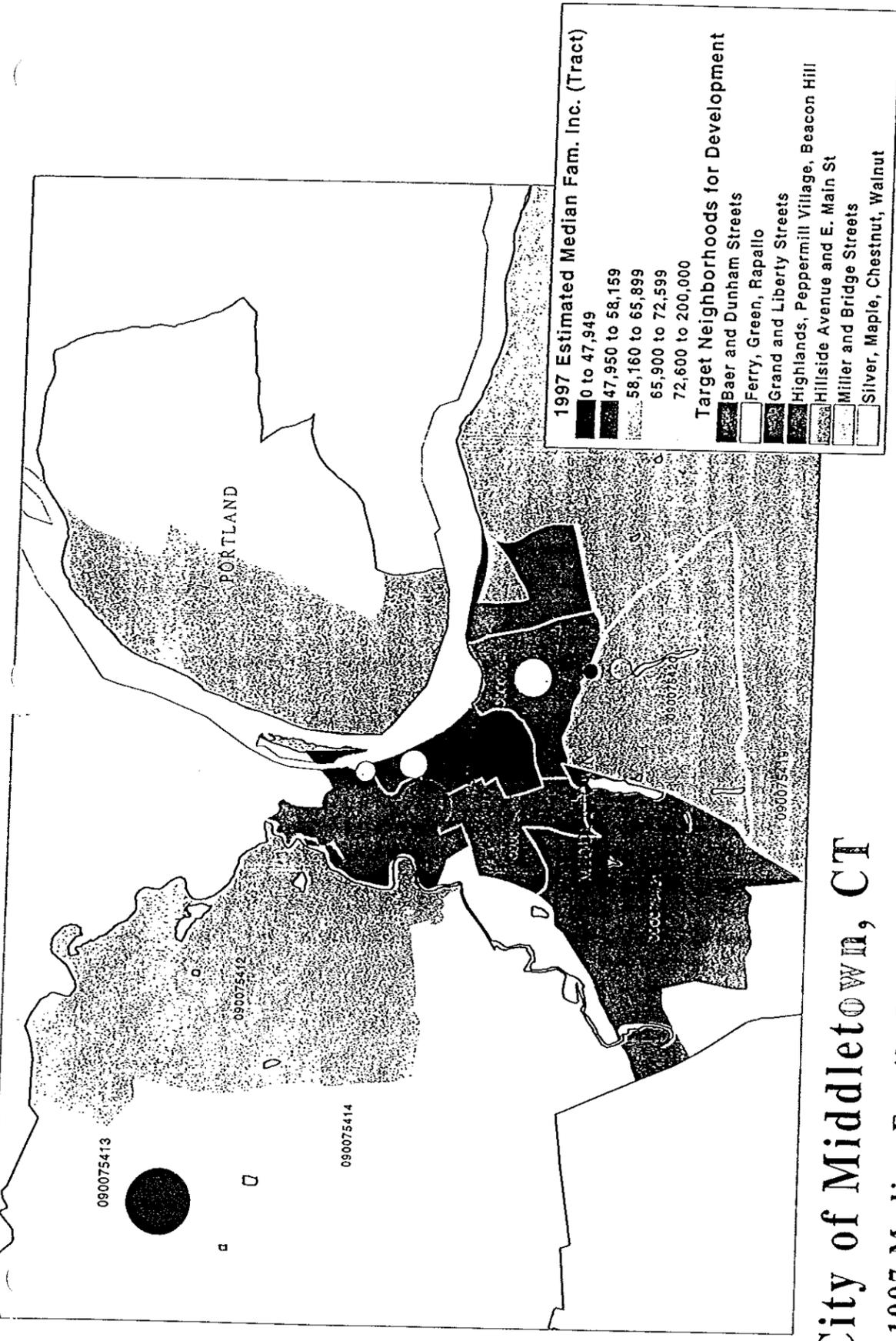
Median Family Income by Census Tract, 2002

- 20,000 to 59,999
- 60,000 to 76,999
- 77,000 to 85,899
- 85,900 to 93,999
- 94,000 to 130,000

Historic Districts

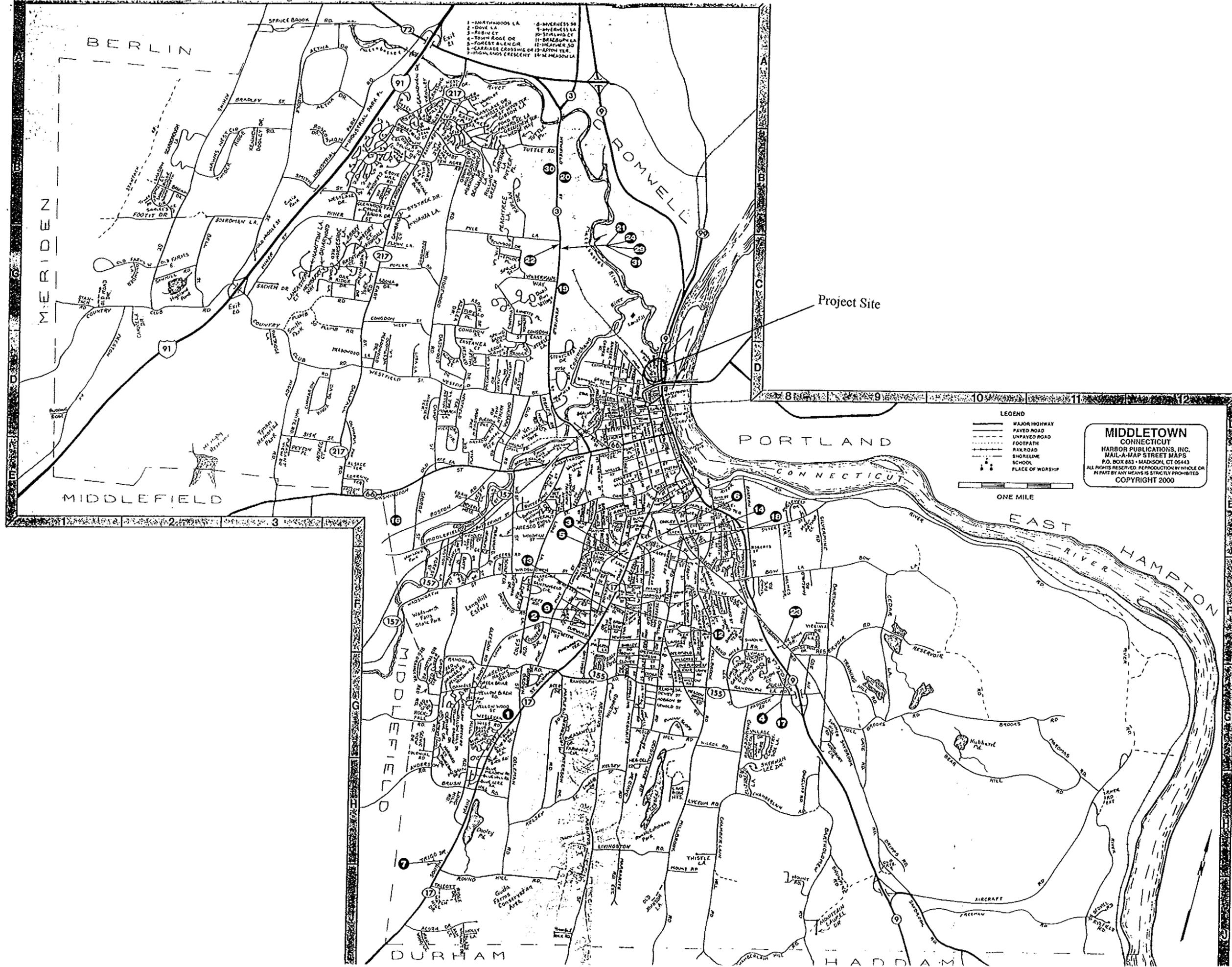
- Broad Street
- Main Street
- Metro South
- South Green
- Washington Street

MAP #4



City of Middletown, CT

1997 Median Family Income by Census Tract and Target Neighborhoods for Development



BERLIN

ROMWELL

PORTLAND

MIDDLEFIELD

DURHAM

HADDAM

CONNECTICUT RIVER

EAST RIVER

HAMPTON

Project Site

LEGEND

- MAJOR HIGHWAY
- PAVED ROAD
- UNPAVED ROAD
- FOOTPATH
- RAILROAD
- SHORELINE
- SCHOOL
- PLACE OF WORSHIP

MIDDLETOWN CONNECTICUT
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ONE MILE

**SECTION 108 LOAN GUARANTEE
ENTITLEMENT PUBLIC ENTITY CERTIFICATIONS**

In accordance with Section 108 of the Housing and Community Development Act of 1974, as amended, (the "Act") and with 24 CFR § 570.704(b) the public entity certifies that:

(i) It possesses the legal authority to submit the application for assistance under 24 CFR Part 570, Subpart M ("Subpart M") and to use the guaranteed loan funds in accordance with the requirements of Subpart M.

(ii) Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the person identified as the official representative of the public entity to submit the application and amendments thereto and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the public entity to act in connection with the application to provide such additional information as may be required to use the guaranteed loan funds in accordance with the requirements of 24 CFR Part 570.700 et al, and execute such documents as may be required in order to implement the application and issue debt obligations pursuant thereto.

(iii) Before submission of its application to HUD, the public entity has:

(A) Furnished citizens with information required by § 570.704(a)(2)(I);

(B) Held at least one public hearing to obtain the views of citizens on community development and housing needs; and

(C) Prepared its application in accordance with § 570.704(a)(1)(iv) and made the application available to the public.

(iv) It is following a detailed citizen participation plan which meets the requirements described in § 570.704(a)(2).

(v) The public entity will affirmatively further fair housing, and the guaranteed loan funds will be administered in compliance with:

(A) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000d et seq.); and

(B) The Fair Housing Act (42 U.S.C. 3601-20).

(vi) In the aggregate, at least 70 percent of all CDBG funds, as defined at § 570.3(e), to be expended during the one, two, or three consecutive years specified by the public entity for its CDBG program will be for activities which benefit low and moderate income persons, as described in criteria at § 570.208(a).

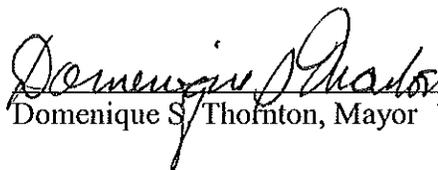
(vii) It will comply with the requirements governing displacement, relocation, real property acquisition, and the replacement of low and moderate income housing described in § 570.606.

(viii) It will comply with the requirements of § 570.200(c)(2) with regard to the use of special assessments to recover the capital cost of activities assisted with guaranteed loan funds.

(ix) It will comply with the other provision of the Act and with other applicable laws.

(x) (Where applicable, the public entity may also include the following additional certification.) It lacks sufficient resources from funds provided under Subpart M or program income to allow it to comply with the provision of § 570.200(c)(2), and it must therefore assess properties owned and occupied by moderate income persons, to recover the guaranteed loan funded portion of the capital cost without paying such assessments in their behalf from guaranteed loan funds.

By and on behalf of
The City of Middletown

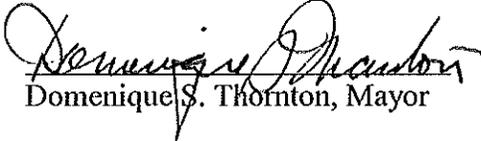

Domenique S. Thornton, Mayor

5-6-02
Date

**SECTION 108 LOAN GUARANTEE
CERTIFICATION OF LEGAL AUTHORITY TO PLEDGE GRANTS**

The public entity hereby certifies and assures with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it possesses the legal authority to make the pledge of grants required under 24 CFR § 570.705(b)(2) and 24 CFR § 570.705(b)(3).

By and on behalf of
The City of Middletown


Domenique S. Thornton, Mayor

5-6-02
Date

**SECTION 108 LOAN GUARANTEE
ENTITLEMENT PUBLIC ENTITY CERTIFICATIONS**

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(i) It possesses the legal authority to submit the application for assistance under 24 CFR Part 570, Subpart M ("Subpart M") and to use the guaranteed loan funds in accordance with the requirements of Subpart M.

(ii) Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the person identified as the official representative of the public entity to submit the application and amendments thereto and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the public entity to act in connection with the application to provide such additional information as may be required.

(iii) Before submission of its application to HUD, the public entity has:

(A) Furnished citizens with information required by § 570.704(a)(2)(I);

(B) Held at least one public hearing to obtain the views of citizens on community development and housing needs; and

(C) Prepared its application in accordance with § 570.704(a)(1)(iv) and made the application available to the public.

(iv) It is following a detailed citizen participation plan which meets the requirements described in § 570.704(a)(2).

(v) The public entity will affirmatively further fair housing, and the guaranteed loan funds will be administered in compliance with:

(A) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000d et seq.); and

(B) The Fair Housing Act (42 U.S.C. 3601-20).

(vi) In the aggregate, at least 70 percent of all CDBG funds, as defined at § 570.3(e), to be expended during the one, two, or three consecutive years specified by the public entity for its CDBG program will be for activities which benefit low and moderate income persons, as described in criteria at § 570.208(a).

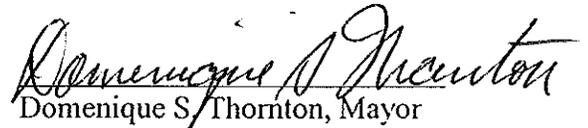
(vii) It will comply with the requirements governing displacement, relocation, real property acquisition, and the replacement of low and moderate income housing described in § 570.606.

(viii) It will comply with the requirements of § 570.200(c)(2) with regard to the use of special assessments to recover the capital cost of activities assisted with guaranteed loan funds.

(ix) It will comply with the other provision of the Act and with other applicable laws.

(x) (Where applicable, the public entity may also include the following additional certification.) It lacks sufficient resources from funds provided under Subpart M or program income to allow it to comply with the provision of § 570.200(c)(2), and it must therefore assess properties owned and occupied by moderate income persons, to recover the guaranteed loan funded portion of the capital cost without paying such assessments in their behalf from guaranteed loan funds.

By and on behalf of
The City of Middletown


Domenique S. Thornton, Mayor

3/6/02
Date

Resolution Number: 16-02

Date:

RESOLUTION

WHEREAS, the Miller & Bridge Streets neighborhood has been determined no longer viable due to conditions of severe blight and poor access; and

WHEREAS, the City of Middletown has resolved to redevelop the Miller Bridge neighborhood, adopting the *Miller & Bridge Streets Redevelopment Plan*; and

WHEREAS, the City of Middletown's status as an entitlement community under the Community Development Block Grant (CDBG) Program of the U.S. Department of Housing & Urban Development (HUD), gives it access to the HUD Section 108 Loan Program; and

WHEREAS, in accordance with CDBG Federal Program Requirements, the Citizens Advisory Committee approved the inclusion of a Section 108 Loan application in its PY27 Annual Action Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MIDDLETOWN:

That, the Mayor, as Chief Executive Officer of the City of Middletown, is hereby authorized to submit a \$300,000 Section 108 Loan application, for purposes of implementing Phases I and II of the *Miller & Bridge Streets Redevelopment Plan*, to the US Department of Housing and Urban Development with all understandings and assurances contained therein; and

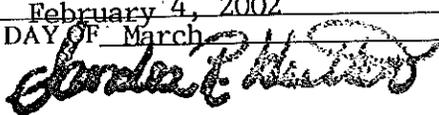
BE IT FURTHER RESOLVED,

That, the Mayor is authorized to act in connection with the application to provide such additional information as may be required, and to execute such documents as may be required in order to implement the application and issue debt obligations pursuant thereto.

CERTIFICATION

I, Sahdra R. Hutton, CITY AND TOWN CLERK / ASSISTANT
~~CITY AND TOWN CLERK~~ OF THE CITY OF MIDDLETOWN, HEREBY CERTIFY THAT THE FOREGOING
Resolution 16-02 WAS ADOPTED AT THE Regular MEETING OF THE
COMMON COUNCIL WHICH WAS HELD ON February 4, 2002. DATED AT
MIDDLETOWN, CONNECTICUT THIS 5 DAY OF March 2002.

ATTEST:


CITY & TOWN CLERK / ASS'T. CITY & TOWN CLERK

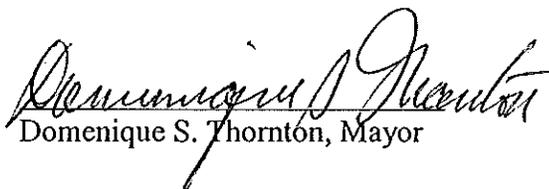
SECTION 108 LOAN GUARANTEE
STATEMENT REGARDING LOBBYING

THE UNDERSIGNED STATES, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF,
THAT:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By and on behalf of
The City of Middletown

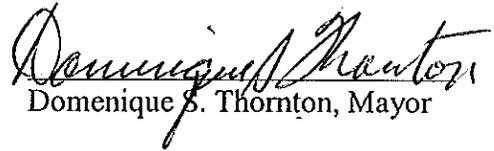

Domenique S. Thornton, Mayor

3/6/02
Date

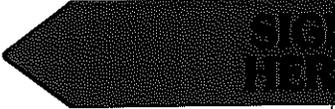
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CERTIFICATION OF LEGAL AUTHORITY TO PLEDGE GRANTS

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By and on behalf of
The City of Middletown


Domenique S. Thornton, Mayor

3/6/02
Date



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS--
PRIMARY COVERED TRANSACTIONS**

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals;

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

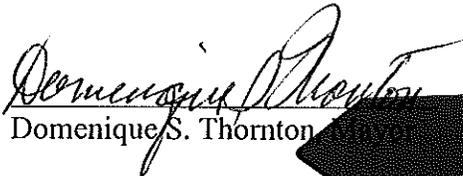
(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certifications, such prospective participant shall attach an explanation to this proposal.

By and on behalf of
The City of Middletown

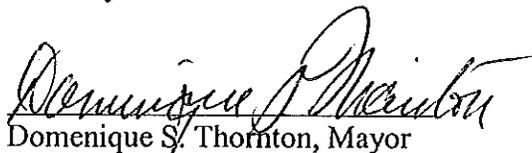

Domenique S. Thornton

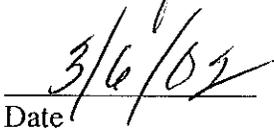

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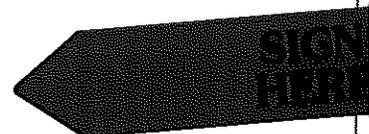
**SECTION 108 LOAN GUARANTEE
CERTIFICATION OF EFFORTS TO OBTAIN OTHER FINANCING**

The City of Middletown hereby assures and certifies with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it has made efforts to obtain financing for the activities described herein without the use of such guarantee, it will maintain documentation of such efforts for the term of the loan guarantee, and it can not complete such financing consistent with the timely execution of the project without such guarantee.

By and on behalf of
The City of Middletown


Domenique S. Thornton, Mayor


Date



**SECTION 108 LOAN GUARANTEE
CERTIFICATION REGARDING DRUG FREE WORKPLACE REQUIREMENTS**

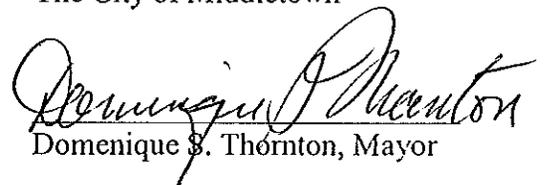
The certification set out below is a material representation upon which reliance is placed by the U.S. Department of Housing and Urban Development in awarding the loan guarantee assistance. If it is later determined that the public entity knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the U.S. Department of Housing and Urban Development, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

CERTIFICATION

- A. The public entity certifies that it will provide a drug free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an ongoing drug free awareness program to inform employees about -
 - (1) The dangers of drug abuse in the workplace;
 - (2) The public entity's policy of maintaining a drug free workplace;
 - (3) Any available drug counseling, rehabilitation and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - (c) Making it a requirement that each employee to be engaged in the performance of the activities undertaken with the loan guarantee assistance be given a copy of the statement required by paragraph (a);
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the loan guarantee, the employee will -
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;

- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted -
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or other appropriate agency.
- (g) Making a good faith effort to continue to maintain a drug free workplace through implementation of paragraphs a, b, c, d, e and f.

By and on behalf of
The City of Middletown


Domenique S. Thornton, Mayor

3/6/02
Date



B. The public entity shall insert in the space provided below the site(s) expected to be used for the performance of work under the assistance covered by the certification:

Place of Performance (include street address, city, county, state, zip code for each site):

City of Middletown, 45 DeKoven Drive, Middletown, CT 06457

Check _____ if there are workplaces on file that are not identified here.

(g)

CITY OF MIDDLETOWN

SECTION 108 LOAN GUARANTEE PROGRAM APPLICATION

GENERAL PROGRAM ASSURANCES

I certify, in my official capacity as Mayor, duly authorized by the City Council of the City of Middletown at its meeting of _____, that the City has, prior to the submission of this Application:

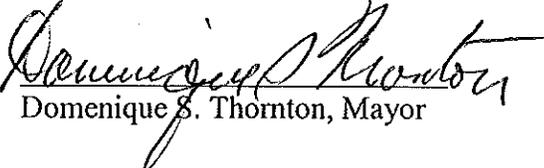
- (A) Furnished citizens with information required by § 570.704(a)(2)(i);
- (B) Held at least one public hearing to obtain the views of citizens on community development and housing needs; and
- (C) Prepared its application in accordance with §570.704(a)(i)(IV) and made the application available to the public.

Further, that the City will:

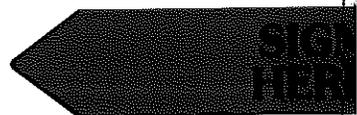
- (iv) Follow a detailed citizen participation plan which meets the requirements described in §570.704(a)(2);
- (v) Affirmatively further fair housing and the guaranteed loan funds will be administered in compliance with:
 - (A) Title VI of the Civil Rights Act of 1964 (Pub. L 88-352, 42 U.S.C. 3601-20); and
 - (B) The Fair Housing Act (42 U.S.C. 3601-20)
- (vi) Insure that in the aggregate, at least 70 percent of all CDBG funds, as defined at §570.3(3), to be expended during the one, two or three consecutive years specified by the public entity for its CDBG program will be for activities which benefit low and moderate income persons, as described in criteria at §570.208(a).
- (vii) Comply with the requirements governing displacement, relocation, real property acquisition and the replacement of low and moderate income housing described in §570.606.

- (viii) Comply with the requirements of §570.200(c)(2) with regard to the use of special assessments to recover the capital costs of activities assisted with guaranteed loan funds.
- (ix) Comply with the other provisions of the Act and with other applicable laws.

By and on behalf of
The City of Middletown


Domenique S. Thornton, Mayor

3/6/02
Date



CITY OF MIDDLETOWN

SECTION 108 LOAN GUARANTEE PROGRAM APPLICATION

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$100,000 for each such failure.

B. Drug Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out in paragraph (o).
2. The certification set out in paragraph (o) is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies. (This is the information to which entitlement grantees certify).
4. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identify of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
5. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority of State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

6. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
7. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-free Workplace common rule apply to this certification., Grantees' attention is called, in particular, to the following definitions from these rules:

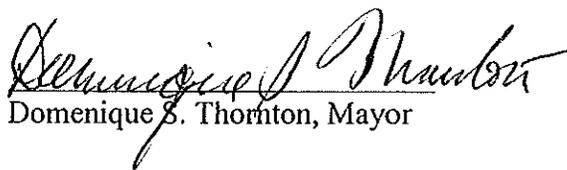
"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

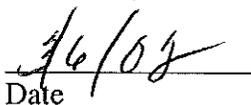
"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

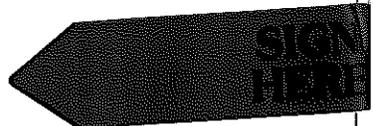
"Criminal drug statute" means a Federal or non Federal criminal statute involving the manufacturer, distribution, dispensing, use, or possession of any controlled substances;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (I) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are not on the grantee's payroll. This definition does not include workers on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

By and on behalf of
The City of Middletown


Domenique S. Thornton, Mayor

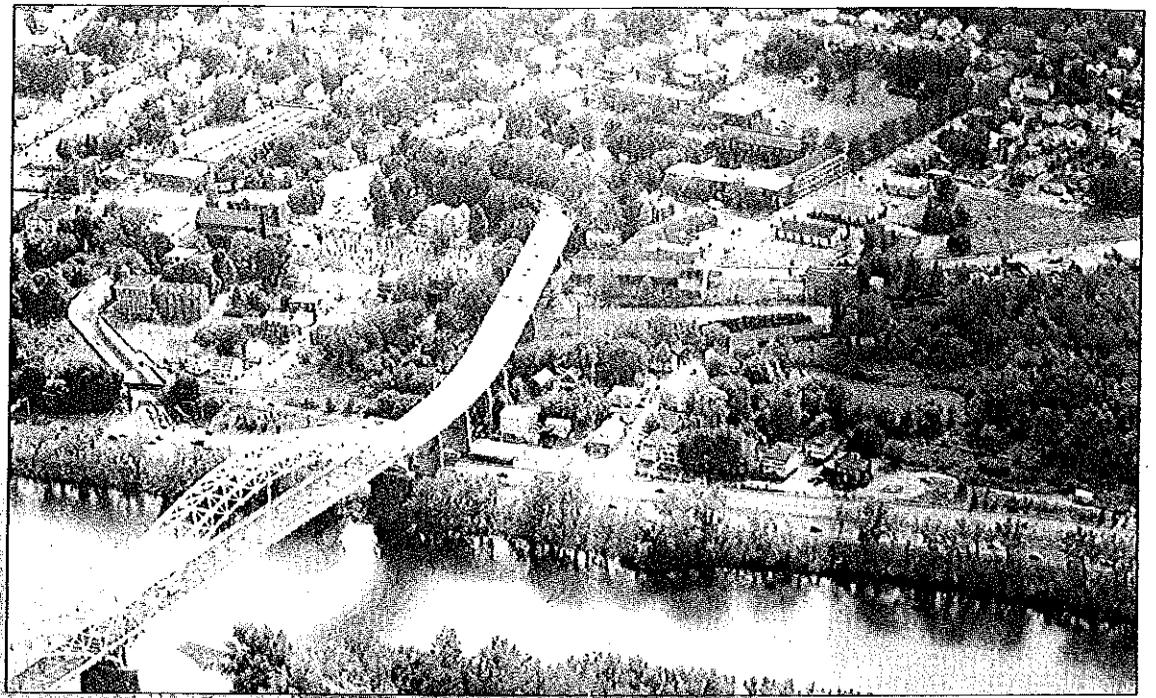

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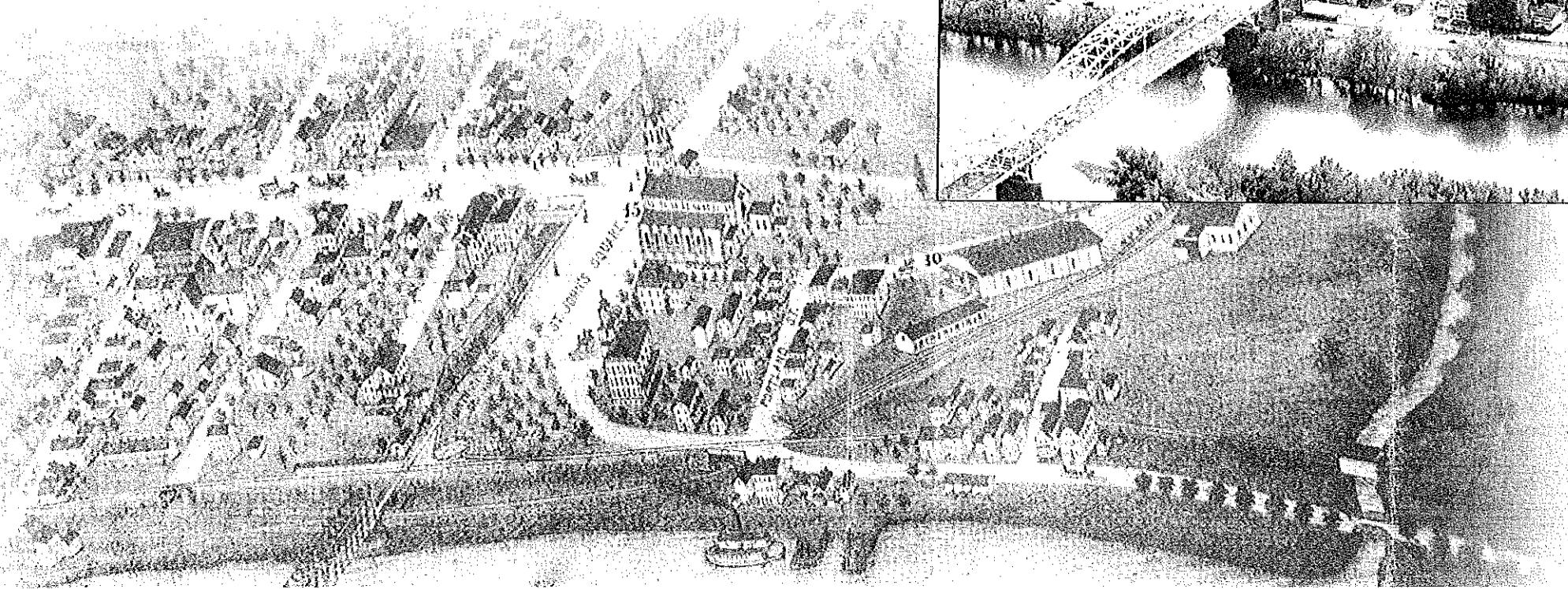
Connecticut

There Goes The Neighborhood

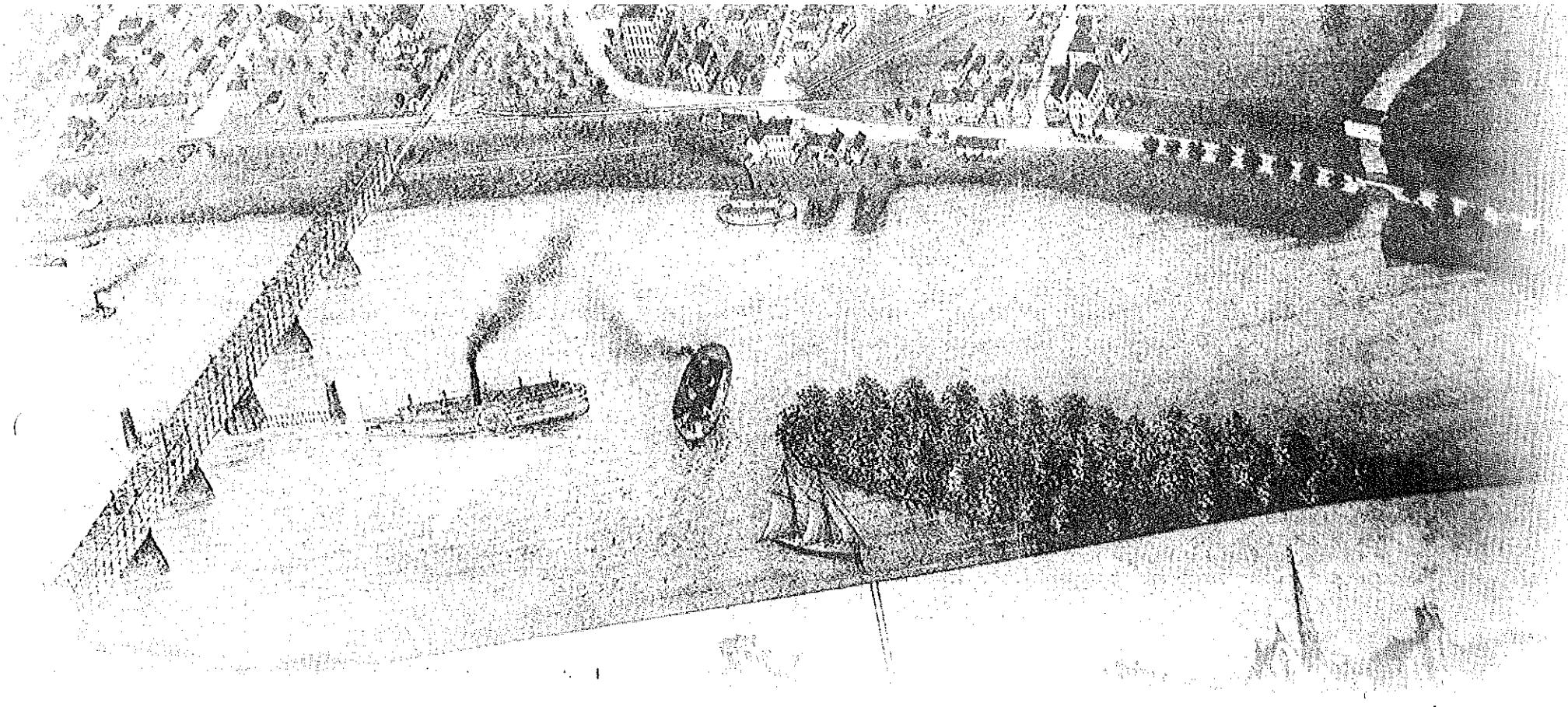
Cut Up by Tracks and a Highway, Old Part of Middletown Fades Away



Bruce Kilgore



A drawing circa 1877, left, shows the neighborhood, which is to the far right of the bridge over the Connecticut River. When the Arrigoni Bridge, top, was put up in the 1930's, it was built almost right over



A drawing circa 1877, left, shows the neighborhood, which is to the far right of the bridge over the Connecticut River. When the Arrigoni Bridge, top, was put up in the 1930's, it was built almost right over the neighborhood. Route 9 runs between the area's houses and the river.

Greater Middletown Preservation Trust

By JEFFREY B. COHEN

ALVATORE D'ALESSANDRO once found an arrowhead in his Bridge Street backyard, perhaps evidence of the first people to live here along the Connecticut River. According to Alfredo Jr., there is a right-of-way on his property that grants passage for a Mrs. Evans to let her cows walk to the river and then there is the faded lettering on the facade of the Mount Hope Church at the corner of Miller and Bridge Streets that reads "John Swanson's," a 19th-century building. The neighborhood has a long history, with reminders of the English, Irish, Italian, African-American and Hispanic newcomers who worked the mills, the river, worked in Portland at the

quarries, each filling the vacancies left when their predecessors moved up and on.

As they did, they left behind a home fated for isolation. There is only one way into this intersection of a neighborhood by car. Sliced by one railroad track and bounded by another in the 1870's, left in the shadow of the Arrigoni Bridge to Portland in the 1930's, and cut off from the river by Route 9 in the 1950's, this corner of Middletown's North End grew up out of the way.

If the city gets its way, this historic neighborhood will soon be just that — history. City officials are working hard to find money to knock the neighborhood down; years of drugs, blight, pollution, traffic and train accidents make it cheaper to demolish the neighborhood than service it. Tenants and owners don't want to save the neighborhood, either. They just want what they say is fair — reasonable buyout offers and a time line

An area that is cheaper to raze than to fix.

for the move with teeth.

As it is, the only reason to come to the neighborhood at Miller and Bridge Streets is if you are going home, going to eat at the one restaurant, going to pray at the one church, or going to buy drugs.

The city declared this neighborhood "no longer viable or suitable for residential purposes" in 1999, and if its redevelopment plan gets the \$1.7 million it needs to buy the 17 remaining properties, relocate the approximately 85 people who live there and raze the remaining structures, no one will have rea-

son to come here at all. The city doesn't even have a plan of what to do with the property when it is vacant.

"We basically concluded that this is not a neighborhood we want Middletown residents living in," said William Warner, the city's director of planning. "It's our responsibility as a city to protect our residents."

Or as Mr. Maturo put it: "It was a good neighborhood in its time. But it's probably outlived its time, and it's time to do something else with it."

Meanwhile, as residents and owners wait for the wrecking balls they said can't come fast enough and the buyout offers they said won't come in high enough, life is in limbo.

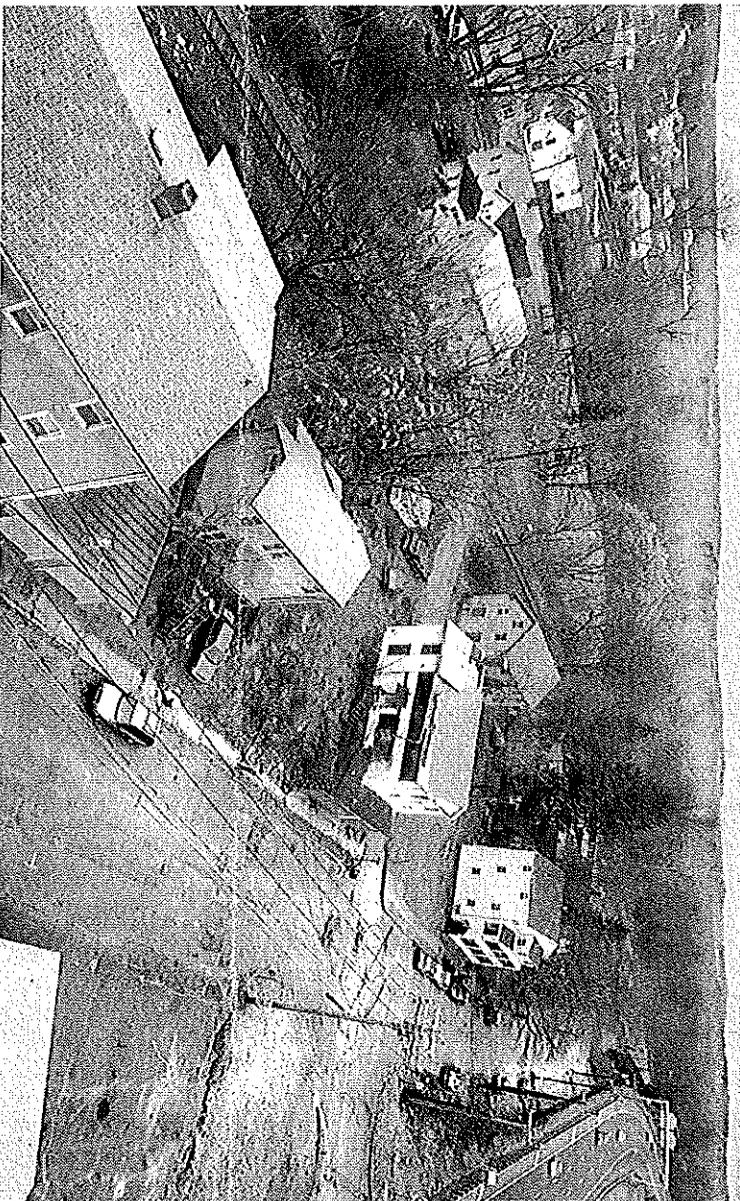
"They told us it would all be over in four years," said Bruce Kilgore, a homeowner and Miller Street resident. "They said, 'You've got three years to get ready,' and a lot of us have."

The problem is the city still doesn't have enough money to complete the project, and its 1999 plan to have everything wrapped up in four years isn't likely to happen. So all the residents can do is wait. They can't sell, because who would want to buy a house in a soon-to-be extinct neighborhood, and they can't move until the city pays them for their property and relocation expenses.

Joyce and Peter Evans have two rooms full of boxes they packed when the city announced its plans in 1999. The couple has lived in the home at 15 Miller Street for more than 20 years, and they had hoped to retire there.

"I'm 54, he's 57, who's going to give us a mortgage now?" Ms. Evans asked. "We've had chances to buy a couple of houses, but we're all tied up. If you don't stay down here until they make up their minds, you lose the

Continued on Page 4



Photographs by Thomas McDonald for The New York Times
The neighborhood around Miller and Bridge Streets, with train tracks running through it and Route 9 in front.

There Goes the Neighborhood

Continued From Page 1

\$20,000 in relocation expenses.”

So there is nothing to do but stay, said Olasee Turner, a 62-year-old resident. “You can’t move, and you can’t sell, all you can do is wait.”

The city said it realizes what residents are going through and they are working as fast as they can.

“It’s a long process,” Mr. Warner said. “There’s all kinds of excuses we could make, but we had funding for Phase I, and until we finish Phase 2, we don’t need to go to Phase 2.”

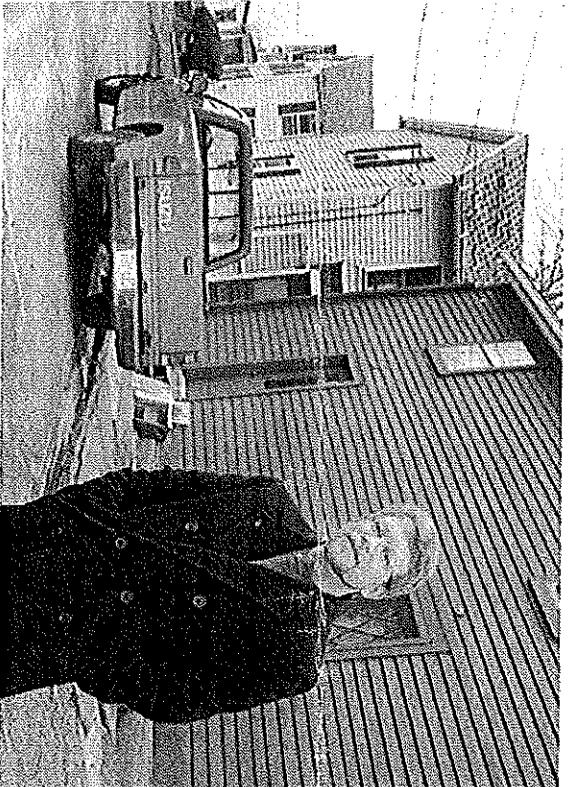
The first part of the project was buying and razing a house on the north side of Miller Street, the last home remaining in that area. Many other homes have already been razed after they were obtained by the city through foreclosure. Phase 2 will move the project into another area of the neighborhood.

Joanne Lijjedahl, 74, said she is tired of waiting. Like her mother, she was born in the three-family house on Bridge Street that she now owns and rents. She remembers the Pasantanos who lived in the building for more than 40 years and who sent five sons to World War II. She remembers how her neighborhood was uprooted to make Route 9.

Ernie Butts is known as the mayor of Middletown’s North End and he remembers the trains that passed behind his and every other Bridge Street home. “Living just at the railroad tracks, it seemed like the train was going to come in the house while you were trying to sleep,” he said. Still, he lived here in the 1960’s and liked it, he said.

“Me and my children, we’d walk across the bridge every evening just to be doing something,” he said.

When Mr. Maturro bought his Bridge Street restaurant in 1966, it was just the Riverside Restaurant. He added “Alfredo’s” to make it his



Bruce Kilgore, who owns a house on Miller Street, would receive about \$60,000 from the city, but he said that would not be enough.

own. The building was originally Gillett’s grocery store and tavern, Mr. Maturro said, and it was moved twice by the state to make room for the Arrigoni Bridge and Route 9.

But by the time Mr. Maturro moved into the neighborhood, many of the Italian families had moved away or just grown old. By the early 1980’s, they were even older.

“There were a lot of older landlords going into convalescent homes, saddled with properties they didn’t want to maintain,” said Mr. D’Alessandro, who bought Bridge Street properties in 1983. He later moved out and rented, often to students at nearby Wesleyan University, he said.

The late 1980’s were when the drug business made its move into the area, and it has yet to completely leave. Still, for people like Royal Hartigan who moved here from Wesleyan housing, the neighborhood maintained its appeal.

“Even though coming to this place was kind of a sad step down, there was something about it that was good in the sense that it was real,” Mr. Hartigan said. “Even if it was a bad place, it’s where you were. It’s where you had your dreams, your thoughts, your emotions.”

Sadie Jones gave birth to triplets while living on Miller Street. She and her family moved out years ago, and she later tried renting the property out. But thanks to too many bad tenant experiences, Ms. Jones just lets the property sit, clean but vacant.

“The house doesn’t mean anything to you,” she recalled a city official saying. “And I turned around and I said, ‘No, it never really meant anything to you because you never lived there.’”

“I don’t disagree that they should get rid of the area, that’s O.K.,” Ms. Lijjedahl said. Nevertheless, “I’ll die

when my house gets demolished. I will die."

In 1998, organizers from the North End Action Team, a community group, got involved. They saw health and public safety problems, the danger of the railroad and highway crossings, and the potential for lead contamination from the bridge above, said Lydia Brewster, the director of the group. Then there was the isolation.

"For the neighborhood to continue to exist, it had to be reconnected to the city," Ms. Brewster said. But she found that between the railroads, the restaurant, the residents and the state and city governments, there were too many interests to agree on how to do that.

Another thing Ms. Brewster found was that perhaps her group wanted to save the neighborhood more than the neighborhood wanted to be saved, and that made organizing difficult. In the end, the group may have drawn just enough attention to the neighborhood to force the city to act — not to save the neighborhood, but to raze it.

"It was one of those, 'D.O.T. will eventually take care of this neighborhood,' things," said Mr. Warner. He said the State Department of Transportation had long hoped to use that area to connect Route 9 to the bridge or to widen the highway. So when the matter came to the city's Redevelopment Agency in 1999, there wasn't much to discuss.

"I don't want to say their minds were made up," Mr. Warner said. "But everybody knew the fate of Miller and Bridge Streets because a solution would probably cost more than buying up all the houses and relocating the people."

Nevertheless, more than three years into the project, there is not enough money to complete even the first phase, and it only includes dealing with one of the project's 19 lots. Money for future phases has yet to be secured, Mr. Warner said.

The city is applying for funding under Section 108 of the Housing and Community Development Act of 1974, which allows municipalities to borrow against future Community Development Block Grants, he said.

The money is virtually guaranteed and that guarantee could bring loans as high as \$1.425 million. With that money, the city will make its offers.

"Residents can accept or reject it, and we can go ahead with eminent domain if we have to," Mr. Warner said, adding that there is room for negotiation. "That's the power of the redevelopment plan. It will be done in 10 years."

But 10 years is a lot longer than the four years owners were originally promised, said Mr. Maturo, whose restaurant building is valued at \$152,400. "To make you sit and wait until they're ready to make a move, I don't think that's fair," he said.

Unlike Mr. Maturo, the Mount Hope Church at 115 Bridge Street

can't afford the wait, said Dave Smith, one of the members of the church. Founded in 1959 and home to 15 members, who all own the building, the congregation is stuck.

No one would buy property in a condemned neighborhood, so the church can't sell. The congregation can't afford to take out a mortgage somewhere else and it can't forgo the \$31,000 relocation allowance the redevelopment plan calls for, so the church can't move. The town values the church at \$45,214. Meanwhile, the congregation is shrinking.

"It's a lot cheaper for the city if the neighborhood just disintegrates, but we can't replace what we've got with the money they want to give us," Mr. Kilgore said, adding that

now that the city foreclosed on and demolished most of the properties on the north side of Miller Street, the drug dealing has slackened and his neighborhood is a nicer place to live. His house is valued at \$38,500 and he would receive \$22,500 to relocate, but that isn't enough, he said. "Now, at the same time, if they doubled their offers, a lot of people would go."

Maritza Quinones, one of Ms. Liljedahl's tenants, said she often runs drug dealers away from her near her home.

"It's known as a drug area, and that's just the way they see it," she said. "I take pride in keeping my area decent and clean, but it's not fair to keep us waiting for so many years."