

City cuts price by \$1m to sell site

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BRIDGEPORT — The city has agreed to accept \$1 million less than it wanted for the sprawling former American Fabrics complex off Connecticut Avenue.

If the City Council goes along, Westrock Development of Yonkers, N.Y., will pay \$2 million for the 10-acre, 360,000-square-foot facility. An additional \$1 million will be held in an escrow account to cover the cost of demolishing several buildings and cleaning up recently discovered environmental contamination.

Westrock will also undertake a series of upgrades to the property, as well as demolish several buildings.

The city expected to receive \$3 million for the property, but recently discovered pollution prompted a different buyer to back out. The city turned to Westrock, which had also bid for the property, and struck a new deal, said Edward Lavernoich, the city's acting development director.

About a year ago, then-Mayor John M. Fabrizi included the expected \$3 million in revenue in preparing this year's city budget. The one-shot revenue source is among about one-half dozen revenue streams Fabrizi included in the budget, but that failed to materialize.

Mayor Bill Finch discovered the fiscal shortfall after taking office late last year and announced that lower revenues, along with other economic factors, contributed to a \$16 million deficit in this fiscal

year. Finch is laying off workers and cutting spending to fill the gap, and the mayor's budget for the next fiscal year calls for a 9 percent tax increase, along with major cuts at libraries and school health clinics.

Finch's proposed 2008-09 budget does not rely on one-shot revenue sources like the American Fabrics sale, or the \$4.5 million expected from the sale of Steel Point. The mayor pledged to put those monies into the fund balance, which is the city's savings account.

American Fabrics' former manufacturing center was acquired through foreclosure more than a year ago. It now houses 28 business tenants, which occupy about half the usable space.

A request to approve the sale is now before the City Council.

During a public hearing Monday night, several tenants expressed support for the sale. But they also voiced concern over how they would be treated after the transaction is completed.

"Westrock has a great track record," said Jerry Cavallo, an official with the James Ippolito Co., a defense and aerospace contractor leasing space in one of the buildings. "I think Westrock will do a wonderful job, but I want to see if the interest of the tenants will be respected," Cavallo added.

Finch told Cavallo the city "will do everything we can to make sure your interests are covered."

After the hearing, Finch said tenants would be better off without the city as landlord, if only because leaking roofs and poor heating systems will be replaced and fixed.

"We are not a good landlord. It will be good to get

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professional management," the mayor said.

Jason Friedland, a principal in Westrock Development, on Tuesday said his company is already negotiating with tenants, who include 11 artists. He confirmed that Westrock would replace the aging heating system and repair leaks in roofs.

He said only a few tenants will be displaced by the planned demolition.

"Almost all of the tenants are being asked to stay. We are not looking for rent increases. The space each tenant has will be much better," said Friedland.

Westrock plans to landscape and beautify the property, install new loading docks and drive-in doors, and segregate utility services. The company plans to demolish three buildings, removing about 74,000 square feet of space.

A \$1 million escrow account will be used to pay for that demolition and cleanup of the area.

If any money were left in the escrow account, it would revert to the city.

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