

## A Fixed Assessment for the Campbell Grain Property: The Key to Revitalizing Downtown Pawcatuck

**The Site:** The site of the former Campbell Grain building has sat vacant since the early 2010s. Transforming this critical location is one of Stonington’s most important priorities—but its size and topography pose challenges for most developers, and as pictured below, the lot remains empty and blighted.



**The Partner:** WinnDevelopment, a family-owned New England firm with deep experience in Connecticut, has offered to bring its unique capacity to the site.

**The Plan:** Winn proposes to build 82 mixed-income apartments, with one level of garage parking and four stories of residential units and amenity space. The plans include the extension of the Pawcatuck Riverwalk on to the site and a public-access easement along River.



**Economic Boost:** Construction of the new building would create approximately 106 full-time direct jobs and 122 additional indirect jobs, generating \$17.9 million in induced activity to fuel the local economy.

Construction is just the beginning: 82 new households in the heart of Pawcatuck will offer local businesses an expanded customer base for decades to come. The project is expected to create \$2.1 million of additional business income and support 36 permanent jobs in the area.

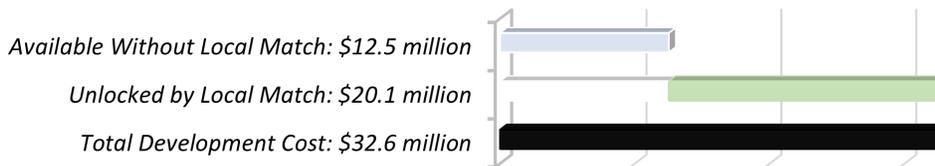
**Project Financing:** It will cost approximately \$32 million to bring the Campbell Grain redevelopment to life. Around 20% of this amount can come from a traditional mortgage, supported by cash flow from rental revenues. Another 5% can come from developer resources and energy rebates.

To cover the remaining 75% of costs, the project will apply to the Connecticut Housing Finance Authority (CHFA)’s 9% Low Income Housing Tax Credit, or “LIHTC” program, and to the Connecticut Department of Housing (DOH)’s FLEX fund and Small Cities Community Development Block Grant (CDBG) programs.

**Pedestrian Bridge:** Winn will continue working with the Economic Development Commission to integrate the landing for a pedestrian bridge crossing the Pawcatuck River into the site design, a critical piece of connectivity for the neighborhood.

## The Need for a 10-Year Fixed Assessment

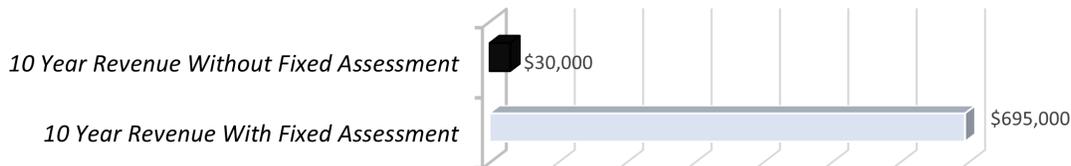
- **A “Local Match” to Compete for State Resources:** Together, LIHTC and CDBG can account for \$20 million in support for the project—over 60% of the total budget. But funding under these state programs is not guaranteed. CHFA and DOH prioritize projects where municipalities offer their own separate financial support, providing a “local match” to complement state resources. Projects need this “local match” to effectively compete for LIHTC and CDBG awards. *Not having a local match for the 2020 funding round hurt the project’s ability to secure financing from these state agencies.*
- **Unlocking Critical Funds:** Without local financial support for the Campbell Grain project, around \$20 million in state resources would be unavailable, making it impossible to proceed with the redevelopment. But financial support from the Town of Stonington will unlock these critical funds from CHFA and DOH.



- **Local Support in the Form of a Fixed Assessment:** While Stonington does not have funds available to offer as a direct subsidy, CHFA and DOH allow local support to take the form of a “fixed tax assessment.” By setting a stable tax assessment, a fixed assessment stabilizes a project’s operating expenses. To meet CHFA benchmarks for local support, Stonington’s fixed assessment would need to reduce Campbell Grain’s tax burden by about half. The fixed assessment currently proposed would result in \$690,748 in net abatements over ten years.

***These \$690,000 in abatements would secure \$20 million in state resources—a 29 to 1 return on the Town’s investment.***

- **Tax Revenue Under the Fixed Assessment:** The proposed fixed assessment would leave the Town of Stonington with approximately \$695,000 in new tax revenue from the redeveloped site over ten years. By comparison, if the parcel remains vacant and undeveloped, it will generate less than \$30,000 over the same period, or about \$3,000 annually.



***Without a fixed assessment, the Campbell Grain redevelopment cannot proceed, and the vacant lot will generate just \$30,000 in taxes over the next decade. With a fixed assessment, the project will revitalize downtown Pawcatuck, create hundreds of jobs, while also creating more than \$665,000 in new tax revenue over the first ten years.***