

## **MEMORANDUM OF UNDERSTANDING**

### **2023-CON-0177**

**THIS MEMORANDUM OF UNDERSTANDING** (this “MOU”) is entered into as of the 7<sup>th</sup> day of July, 2023 (the “Effective Date”), by and among the **CITY OF NEW HAVEN**, a municipal corporation organized and existing under the laws of the State of Connecticut, with a mailing address of 165 Church Street, New Haven, Connecticut 06510 (the “City”), and **APT FOUNDATION, INC.**, a non-profit corporation organized and existing under the laws of the State of Connecticut, with a mailing address at 1 Long Wharf Drive, New Haven, CT 06511 (“APT”).

### **BACKGROUND**

In 2019, the City adopted the Long Wharf Responsible Growth Plan (the “Planning Document”) which entails a series of initiatives designed to enhance the economic position of the Long Wharf area through development, resiliency and inclusion. A key part of the Planning Document is a sub-area known as the Gateway District (the “District”) and the Planning Document identified potential ways to reduce the amount of surface parking spaces, integrate the currently vacant Gateway Community College parcel located at 60 Long Wharf Drive (the “Gateway Site”) and generally improve the District with increased economic activity.

APT Foundation (“APT”) is a tenant at 1 Long Wharf with a mission to promote health and recovery for those who live with substance abuse disorders and/or mental illness. APT is in need of additional space to accommodate and reshape many of its programs to meet both demand and advancements in the field. APT also desires to own and operate a building to accomplish this goal and, to this effect, recently acquired a vacant school building located at 794 Dixwell Avenue, New Haven (the “APT Property”). Given the potential synergies with the Planning Document and the City’s interest in implementation of the Planning Document, the City and APT (together the “Parties”) intend to analyze the feasibility of a new APT headquarters and medical office facility (the “New APT Building”) to be situated within the District (the “Project”).

**NOW, THEREFORE**, in consideration of the foregoing, the Parties agree as follows:

1. **Effect.**

For so long as this MOU remains in full force and effect, the Parties agree that this MOU does not create any legally enforceable obligations but shall serve as a mutually agreed point of reference for continued collaboration. The Parties further agree that implementation of the New APT Building will entail further due diligence and negotiation with the various property owners within the District and various approvals will be required. The Parties further agree to a general obligation to negotiate in good faith with the State of Connecticut (the “State”) and community and private interests during the Term, with a view to reaching a mutually acceptable resolution of the opportunities and issues herein described and the preparation of documentation designed to implement the same (the “Definitive Agreements”).

2. **Term.** This MOU shall take effect as of the Effective Date and, shall continue for a period of three hundred sixty-five (365) days therefrom, expiring on June 30, 2024 (the “Term”) whereupon this MOU shall automatically terminate and be null and void and of no further force or effect without the need for any notice or other instrument of termination. Notwithstanding the foregoing, nothing herein shall be deemed to prevent the execution and delivery of the Definitive Agreements or a further memorandum of understanding (or other form of agreement) concerning implementation of the Planning Document or the development of the New APT Building in the event that the Parties (or any combination thereof) consider further efforts to realize such activities are both feasible and desirable.
3. **Schedule.** The Parties shall carry out their respective responsibilities pursuant to this MOU in accordance with the schedule attached as Exhibit A (“the Schedule”).
4. **Planning Activities.** The Parties will work collaboratively to implement the full vision of the Planning Document as it pertains to the Gateway District and, more particularly, work to develop the New APT Building. Conceptual plans for the Gateway District were included in the Planning Document and attached as Exhibit B (the “Conceptual Plan”). Although the Conceptual Plan would accommodate the New APT Building, the Parties recognize that implementation of the New APT Building and the Planning Document vision will require further collaboration among various property owners within the District together with updated plans and financial analysis.
5. **City Commitments.** The following are the City’s commitments as part of this MOU all to be carried out in a timeline consistent with the Schedule.
  - a. The City shall carry out economic and technical feasibility tasks attached as Exhibit C in order to refine a development concept for a Gateway District Development Plan (the “Gateway District Plan”)
  - b. The City shall seek to acquire the Gateway Site from the State of Connecticut (the “State”) through legislative action in the 2023 session of the Connecticut General Assembly by way of the procedure generally known as the “Conveyance Bill” or by other means identified in consultation with the State.
  - c. The City shall facilitate conversations with key stakeholders, including the City’s Board of Alders (the “Board of Alders”), appropriate elected and appointed officials of the State and the Hill South Community Management Team.
  - d. The City shall engage stakeholders with a current or potential interest in the development of the Gateway District and shall collaborate with the various property owners to support a density of development consistent with market interest and the Planning Document.
  - e. In light of an existing moratorium, the City shall petition the Board of Alders and seek to gain approval of new zoning regulations for the Gateway District.

- f. The City shall work with the New Haven Parking Authority and/or other developers of structured parking facilities to develop a proposal for the construction of a new parking structure within the Gateway District for consideration by the various property owners, recognizing that parking is a key aspect to implementation of the Planning Document.

6. **APT Commitments.** The following are APT's commitments as part of this MOU all to be carried out in a timeline consistent with the Schedule.

- a. APT shall collaborate with the City as it carries out tasks identified in Section 5 above with the goal of entering into an agreement pursuant which enables the New APT Building to be constructed.
- b. APT shall engage an expert professional to develop management, security and design recommendations for the New APT Building and shall collaborate with the City as regards the implementation of recommendations, to the extent appropriate.
- c. As part of the design and then upon the completion and subsequent operation of the New APT Building, APT shall provide a minimum of two (2) security personnel, both of whom shall be present on the grounds of the New APT Building during all hours that APT is in operation.
- d. APT Foundation agrees to sell the property located at 794 Dixwell Avenue. The Foundation will consolidate its New Haven based methadone treatment services in the newly developed New Haven location and discontinue methadone treatment at its Congress Avenue location within 30 days following receipt of a certificate of occupancy for the new location. APT is committed to continuing to reshape its service delivery model to include remote, mobile and regional services in accordance with its strategic plan.
- e. Upon completion and subsequent operation of the New APT Building, APT shall provide methadone treatment in the new building such that census will not exceed the New Haven methadone program census as of April 1, 2023.

7. **Joint Commitments**

- a. The Parties agree to collaborate and support community outreach efforts including those required as a matter of law relative to the proposed use of public funding, zoning and site plan review and other regulatory requirements as may arise and that such outreach may affect the Schedule.
- b. The Parties acknowledge that the Regional Water Authority ("RWA") is undertaking a comprehensive study of its facility located at 90 Sargent Drive and the Parties wish to support the RWA with respect to the design and development of a new RWA facility within the District and the overall Gateway District Plan, to the extent feasible and appropriate.
- c. The Parties agree to cooperate in discussions with the State, recognizing the State has various processes for the disposition of State-owned property, including (without limitation) the Conveyance Bill.

- d. The Parties acknowledge that acquisition of the Gateway site is not certain and will work together on alternative site layouts in collaboration with the various property owners in order to accommodate the New APT Building in a manner consistent with the Gateway District Plan.
- e. APT acknowledges that the City is undertaking a series of public infrastructure projects aimed to reduce flood risk and enhance the resiliency of the District and shall cooperate with the same to the extent appropriate.
- f. APT and the City agree to collaborate on the creation and funding of a Special Service District ("SSD") for the purposes of maintenance, beautification, marketing and security initiatives.
- g. The Parties further agree that the SSD shall include special taxing authority consistent with State statutes and ex-officio representatives as designated by the General Assembly of the State of Connecticut and Board of Alders of the City of New Haven with full voting powers.
- h. The Parties further acknowledge that a core function of the SSD will be to provide district-wide security services and APT agrees to provide funding to the SSD for one (1) FTE in support of district-wide security functions in and around the Gateway District. The SSD shall work in partnership with the New Haven Police Department and Elm City Compass to ensure that the surrounding neighborhood is included in the management and safety plan.

**8. Authority.**

The Parties recognize that all or most of the Definitive Agreements, following agreement thereon, will require the approval of governing bodies such as Boards of Directors. In particular (but without limitation) the Parties acknowledge that any of the Definitive Agreements involving the City will require the approval of the Board of Alders, so that in the event that all of the Definitive Agreements are successfully negotiated and agreed pursuant to this MOU but are not approved by the Board of Alders, then this MOU shall automatically terminate and the Project (to the extent herein envisioned) shall be abandoned.

**9. Notices.**

All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number, e-mail address or person as a party may designate by notice to the other parties):

If to the City:

Michael Piscitelli  
Economic Development Administrator  
The City of New Haven  
165 Church Street, 4R  
New Haven, CT 06510  
Email: [mpiscite@newhavenct.gov](mailto:mpiscite@newhavenct.gov)  
Fax:

With a copy to:

John R. Ward  
Special Counsel to Economic Development  
The City of New Haven  
165 Church Street, 4R  
New Haven, CT 06510  
Email: [JWard@newhavenct.gov](mailto:JWard@newhavenct.gov)  
Fax:

If to the APT:

Lynn Madden, PHD, MPA  
Chief Executive Officer  
Apt Foundation, Inc.  
One Long Wharf Drive, Suite 321  
New Haven, CT 06511  
Email: [LMadden@aptfoundation.org](mailto:LMadden@aptfoundation.org)  
Fax: (203) 781-4624 ]

With a copy (which shall not constitute notice) to:

[Michelle Michaud  
Apt Foundation, Inc.  
One Long Wharf Drive, Suite 321  
New Haven, CT 06511  
Email: [MMichaud@aptfoundation.org](mailto:MMichaud@aptfoundation.org)  
Fax: (203) 781-4624

With a copy (which shall not constitute notice) to:

Samuel L. Braunstein, Esq.  
Braunstein and Todisco, P.C.  
One Eliot Place, Suite 302  
Fairfield, CT 06824-5154  
Email: [sam@btlawfirm.com](mailto:sam@btlawfirm.com)  
Fax: (203) 254-2453

Any party from time to time may change its address, facsimile number, email address or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

10. Execution of MOU.

This MOU may be executed in one or more counterparts, each of which will be deemed to be an original copy of this MOU, and all of which, when taken together, shall be deemed to constitute one and the same agreement. The exchange of copies of this MOU and of signature pages by facsimile or other electronic transmission shall constitute effective execution and delivery of this letter agreement as to the parties and may be used in lieu of the original letter agreement for all purposes. Facsimiles or scans of signatures of the parties shall constitute acceptable, binding signatures for any purpose whatsoever.

CITY OF NEW HAVEN



Justin Elicker  
Mayor

APPROVED AS TO FORM AND CORRECTNESS

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John R. Ward  
Special Counsel to Economic Development

APT FOUNDATION, INC.



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Lynn Madden, PHD, MPA  
Chief Executive Officer

## EXHIBIT A: SCHEDULE

City/APT MOU Commitments		2023	2023	2023	2023	2023	2023	2024	2024	2024	2024	2024	2024
Task by Month		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
City Commitments													
a)	Economic and Technical Feasibility												
b)	Authorization to Acquire Gateway Site												
c)	Stakeholder Engagement												
d)	Development Partner Engagement												
e)	Adoption of new Long Wharf Zoning												
f)	Parking/Intermodal Center Proposal												
APT Commitments													
a)	Collaboration with Economic and Technical Study												
b)	Management, Security and Design Plan												
c)	Listing for Sale 794 Dixwell Avenue												

**EXHIBIT B: CONCEPTUAL PLANS**



## **EXHIBIT C      SCOPE OF WORK**

**Task 1: Project Initiation – Virtual Meeting 1.** The City's Contractor shall conduct a virtual meeting with the City staff from the economic development, planning, and engineering departments to discuss goals and expectations for the project inclusive of new APT Building.

**Task 2: Planning & Programming – Virtual Meeting 2.** This task entails the development of three massing concepts and a final alternative for the different parcels and sub-areas for the site. Deliverables: Up to 3 concept plans for massing and detailed rendering of one preferred alternative.

**Task 3: Schematic Design & Estimating.** This task entails more detailed development of grading and floodplain information, drainage and utility program and construction cost estimates. Deliverables: Schematic design plan with rough grading and utilities for preferred alternative; construction cost estimates (demo, site/civil, building construction) and text and diagrams related to the scope of report.

**Task 4: Financial Feasibility Analysis.** The City's Contractor shall develop a pro forma model to analyze the financial feasibility of the development scenario alternatives. This model will utilize projections on price/rental points, construction and sitework costs.

**Task 5: Development Strategy Recommendations – Virtual Meeting 3.** The Contractor will conduct a third virtual meeting with the City to discuss initial financial feasibility findings from the pro forma analysis.

**Task 6: Final Deliverables & Presentation – Virtual Meeting 4.** Final Deliverables will include presentation deck and a supporting report. The pitch deck will be a graphically designed slide deck designed for a potential stakeholder / investor audience.