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New school HQ bid is 'welching'

By Patrick Thibodeau
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NEW BRITAIN — The city would be "welching" on its agreement to sell Crowninshield Management Corp., 27 Hillside Place if it throws out the company's nearly two-year-old offer of \$251,500 to seek new ones, according to the lawyer representing the company here.

However, Atty. William Weber, Crowninshield's counsel here, said if the Common Council votes to seek new bids, the Peabody, Mass., company won't go to court to try to hold the city to its earlier agreement.

"It really is a marginal deal," said Weber.

STUDY TIME

The council last week tabled a resolution finalizing the sale of the school district administration building, to the company. The plan was tabled to allow the aldermen time to study the sales contract.

The action, however, also followed Ald. Stanley J. Nadolny's comment at last Monday's aldermanic caucus that new bids should be sought because the property's value had increased "quite a bit."

The company disputes that.

Other aldermen are inter-

ested in whether the city can seek new bids.

"The feeling is, without looking at the (prior) agreement — we've known what has happened to property in New Britain. It would seem like the price is low, but we don't have the facts," said Ald. Henry J. Olszewski.

22 CONDO UNITS

Crowninshield wants to convert the deteriorating 47,000 square-foot 1882 building into approximately 22 luxury condominiums. Paul C. Gaudet, vice president of Crowninshield, said if the project is put out to bid the company may not make an offer.

"It would not be economically feasible for us to increase that bid. We would probably opt not to bid, or bid lower," said Gaudet.

Since Crowninshield made its offer, construction costs have increased by 18 percent a year and interest rates by two percent, said Gaudet.

"Those two components alone ... would make it very difficult for us," he said.

Crowninshield's bid was nearly \$100,000 more than next highest offer from two other developers who also offered to convert 27 Hillside Place into housing.

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"Although they (Crowninshield) bid high, and realized afterwards that they bid high, they were going to honor their obligation," said Weber.

TWO YEARS AGO

Crowninshield's obligation began nearly two years ago. Prospective developers were told that the building wouldn't be sold for two years, until the school administration headquarters was relocated.

Crowninshield officials, however, feared passage of a proposal which would have ended a federal tax credit for renovating historic properties, according to city and company officials.

"We had asked, at the time the President's tax reform was on the table, to buy it early if necessary to preserve the tax credit," said Weber.

The council agreed, and in February, 1986, authorized the sale and conveyance of 27 Hillside Place. The building would have been leased back to the city by Crowninshield.

The law was never changed, however, and the company stayed with the original plan to purchase the building once the school administration left it.

If the city, however, seeks new bids for the project, Weber believes the company can challenge the city under the previous agreement.

"Although we feel we can tie it up in court for a very long period of time ... the aldermen can do what they want to do," said Weber.

If the aldermen were to seek new proposals, there may be more interest in the property "this time around," according to acting City Assessor Charles Agli.

CAMP SCHOOL

The former Camp School on Prospect Street (a stone's throw away from 27 Hillside Place, according to Agli) was sold by Sebastian Cannamela in April, 1986, for \$200,000, to Camp School Associates Limited Partnership, whose principal is Mark Breen.

The Camp School building is approximately 41,000 square-feet, about 6,000 square-feet smaller than 27 Hillside Place.

The 29 condominium units in that building sold fairly quickly for around \$60,000, and the value of those units is on the rise, said Agli. A unit which sold for \$73,500 in February was

sold again for \$85,500 in June.

The quick sale of the Camp School units, and the increase in price, indicates that there is interest in that type of property, said Agli.

Crowninshield isn't new to the city. The company renovated the old New Britain High School on the south end of Franklin Square, the former Washington Street school on Washington Street and the former E.C. Goodwin State Technical School on South Main Street.

CITES RELATIONSHIP

Gaudet said Crowninshield is a recognized leader in redevelopment, and over the course of the past three projects the company has developed an excellent relationship with city and state officials.

"We cherish that relationship and we're very excited about the potential of converting Hillside place," said Gaudet.

At last week's council caucus, city resident Stanley Milewski of Burritt Street, asked why no appraisal of the building was done when the city sought proposals, and why the Sabre System's appraisal of approximately \$550,000 on the property (made during the 1985 city-wide revaluation) was disregarded.

He also pointed out that Crowninshield President Lawrence B. Collier contributed \$500 to Mayor William J. McNamara's reelection.

The bottom line, however, may be the city's earlier agreement with Crowninshield.

"I feel that we already made the commitment to the developer at the agreed price," said Ald. Ralph F. Hedenberg, majority leader.

The sales contract will most likely be considered again at the council's regular monthly meeting on Oct. 21.

If approved, the sale will take place sometime after December, according to city officials, after the school administration moves in December to new quarters at One Liberty Square at Elm and Chestnut Street.

Last year the city, for \$2.59 million, purchased 25,000 square-feet of Tomasso Brothers Inc., 85,000 square foot building, now under construction, under a condominium arrangement for the a new school headquarters.

★ School

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offering, and arguing that the original leaseback proposal was a giveaway.

"I think the public out there is aware of this item and it could be a very critical issue to a number of Democratic aldermen ... to give something away like this may come back to haunt somebody in this last two weeks (before election)."

McNamara told Bozek that he wasn't "choosing his words carefully," and told him that he wanted the record to show that the building wasn't being given away.

Bozek, then said that it was his understanding that the city had "taken care" of some utility work around Washington School, which was also purchased by Crowninshield and converted into apartments.

TESTINESS

McNamara challenged that. "Would you please state the times and dates."

Bozek said "Sure your honor, as soon as I look them up."

McNamara said he wanted them now. Bozek said he couldn't provide it.

McNamara said told Bozek that since he made a charge he had to back it up, and was required under the council's standing rules to do so.

"You want this tremendously, that's why you're debating with me. There must be some reason that you want this project," accused Bozek.

McNamara said that Bozek was violating the rules of the council by charging special interest, and called him out of order.

SALE DEFENDED

Other aldermen defended the sale.

Ald. Connie Wilson Collins, referring to Sabre Systems Inc., 1985 assessment on the property of more than \$500,000, said "It may be true that the building has been assessed for over \$500,000, that's on paper."

She told the aldermen to look at the bids that were received.

The two other proposals for housing conversion were about \$100,000 less than Crowninshield's offer. A proposal to convert the school into offices and lease those offices back to the city for \$200,000 was also received, but later withdrawn by the developer.

AFTER MEETING VIEWS

Following the meeting, McNamara said Bozek had made untrue statements on the coun-

cil floor concerning the sale.

"Debate and argue but don't make up stories — this is unfair. I expect this in a campaign, I don't expect this on the Common Council floor no matter what the issue is," said McNamara.

Bozek, also following the meeting, said he believed McNamara abused his office by calling him out of order.

Asked about the charges of city utility work for Washington School, Bozek said he wasn't certain and made the statement based on "my recollection."

HOW VOTE WENT

Voting "yes" were Aldermen Anthony Cervoni, Hedenberg, David Malinowski, Mark Bernacki, Collins, Bert Anderson, Thomas Moore, Henry Olszewski, John J. Podblelski and James Scheyd.

Voting "no" were Aldermen Robert J. Balocki, Bozek, Charles Bugnacki, Janet Paszkowski and Stanley Nadolny.