

CIL Development Incorporated

2018 Benefit Corporation Report

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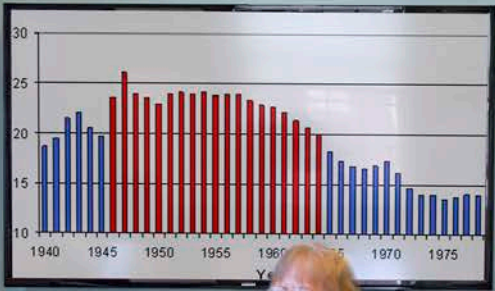
Where Visions are Built

Introduction

CIL is pleased to present its 2018 annual report for CIL Development Incorporated. Its publication is a requirement of the Connecticut Benefit Corporation Act. CIL Development Incorporated was converted to a benefit corporation in February 2017. This report provides information on its governance structure, its public benefits, its development activities during the past year, and information on past projects.

A handwritten signature in blue ink, appearing to read 'D. McKinley'.

David O. McKinley
Corporate Benefit Officer
May 7, 2019



CIL Headquarters, Hartford, CT

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This report has been prepared in accordance with guidelines for a GRI-referenced document, based on the Global Reporting Initiative (GRI) Standards, issued by the Global Sustainability Standards Board (GSSB), 2016. This material references "Topic Specific Standard GRI 203: Indirect Economic Impacts 2016", "Topic Specific Standard GRI 307: Environmental Compliance 2016", and "Topic Specific Standard GRI 413: Local Communities 2016".



About CIL Development Incorporated

CIL Development Incorporated was created in 2005 to undertake community revitalization projects that further the mission of its parent corporation, the Corporation for Independent Living (CIL). Its creation allows CIL to develop vital, impactful projects that benefit local communities and that could not be undertaken solely within the parent's 501(c)(3) nonprofit structure. CIL is the sole shareholder of CIL Development Incorporated. Any after-tax profits earned by CIL Development Incorporated are donated to CIL.

Governance

CIL Development Incorporated is governed by a Board of Directors consisting of seven members. These include the President/CEO and CFO of the CIL parent corporation, three members of the CIL Board of Directors, and two at-large members with expertise in real estate development who are not members of the CIL board.

About CIL

The Corporation for Independent Living is a 501(c)(3), not-for-profit organization that develops a wide array of housing and other real estate for persons with disabilities, families and individuals in need of affordable housing, other not-for-profit organizations and communities in need of revitalization. CIL was created in 1979 and has developed over \$580 million in real estate across Connecticut and Massachusetts.



What's a Benefit Corporation?

Benefit corporations are a class of for-profit corporation that have a purpose of creating public benefits. Legislation allowing benefit corporations in Connecticut went into effect in 2014. These benefits may include serving low income individuals, providing economic opportunity, protecting the environment, improving health, and other social or environmental benefits. Such corporations are required to use a recognized standard for defining, reporting and assessing corporate social and environmental performance.

Above: Louise Earle Loomis Children's Wellness Center at Capewell Lofts, Hartford, CT



Public Benefits



Economic

Many Connecticut towns and especially its cities are burdened by deteriorated and distressed properties that, despite their existing negative economic status, retain tremendous potential to their communities. These include former mills and factories, abandoned school buildings, and vacant lots that are located in strategically important locations. Often they are located in or close to town centers and public transportation and, if redeveloped properly, can greatly enhance the vitality of these centers while increasing the local tax base and eliminating blight.

Topic Specific Standard GRI 203: Indirect Economic Impacts 2016

- 1) Revitalize neighborhoods through the rehabilitation and adaptive reuse of deteriorated or distressed properties.
- 2) Increase population density in urban and town centers that enhances the economic viability of small businesses located in and around those centers.
- 3) Increase the local property tax base by increasing the Grand List value of properties that are distressed, vacant or otherwise underutilized.
- 4) Promote employment opportunities within the community.



Environmental

Connecticut's heritage is largely one of manufacturing as the state played a significant role in the country's industrial revolution as a center of innovation and production. One dark remnant of this legacy is the environmental contamination left behind in and around these historic industrial sites. Many of these sites are located in or close to town centers and public transportation, and many are of significant historic importance. CIL searches for sites that with the proper environmental remediation, can be restored into safe, vibrant residential and/or commercial centers. While redeveloping these sites, measures are taken to utilize best practices in low impact design, stormwater management and energy efficiency.

Topic Specific Standard GRI 307: Environmental Compliance 2016

- 1) Remediate/abate historical environmental contamination and hazardous building materials.
- 2) Increase population density in urban and town centers that enhances regional sustainability and lessens pressure for greenfield development and limits negative impact on endangered species and wetlands/watercourses.
- 3) Facilitate walkable neighborhoods and the use of public transportation, and thus reduce the production of greenhouse gas emissions and traffic congestion.
- 4) Consider resilient community planning concepts and best management practices.
- 5) Include low impact design, sustainable stormwater management, energy/water efficiency and or green infrastructure considerations into planning and design.
- 6) Preserve public access to natural resources and open space.



Social

CIL seeks out partnerships with local governments and community organizations to develop projects that correspond to their strategic initiatives. These goals may include the preservation of historic structures, the promotion of walkable neighborhoods, the promotion of income diversity and the preservation of access to natural resources and open space.

Topic Specific Standard GRI 413: Local Communities 2016

- 1) Correspond with the strategic goals of local municipalities, community organizations and/or state.
- 2) Ensure new development is complementary to existing neighborhood character and/or community goals/needs.
- 3) Preserve and redevelop structures that contribute to the historic and cultural heritage of communities.
- 4) Facilitate walking communities that provide consumers with better access to goods, services and amenities and reduce their reliance on the automobile.
- 5) Promote income diversity by including units for households with varying incomes levels.
- 6) Enhance diversity, inclusiveness, and opportunities for underserved groups.

2018 Activities



Louise Earle Loomis Children's Wellness Center at Capewell Lofts, Hartford, CT

Capewell Lofts, Hartford, Connecticut

2017 ushered in a moment long awaited by many – the successful restoration of the historic Capewell Horse Nail factory. After sitting vacant for over 25 years, the factory was converted into 72 loft-style, mixed-income apartments. During Capewell's second full year of operation in 2018, the project continues to be highly attractive in the Hartford rental market with an occupancy rate close to 100%.

Its success continues to foster additional development in the historic Charter Oak neighborhood as new projects on adjacent parcels are under design, other vacant factories are undergoing renovation, and a sports stadium undergoes renovation for use by a professional soccer team. CIL makes the Capewell Lofts Community Room available to civic and not-for-profit organizations on a frequent basis for social and business functions. Such uses bring hundreds of people into this iconic, historic building who might not otherwise have reason to visit. CIL considers itself as not just the owner of Capewell, but as the steward of the building and its rich history.

The Capewell Lofts project includes 5,800 square feet of nonresidential space that was leased this year to Family Life Education (FLE). This not-for-profit corporation opened the Louise Earle Loomis Children's Wellness Center, the first facility of its kind in the Northeast to provide a spectrum of wellness strategies for children and their parents. Areas of focus include childhood obesity prevention, nutrition and healthy eating, and early childhood development.



In redeveloping the Capewell site, CIL built new townhouse units for low and moderate income owner occupants. Increased home ownership has been a goal for the neighborhood organization for many years. In December of 2018 CIL sold the last of the 16 newly constructed townhouses to an income-eligible family.

CIL also began preliminary design work on another portion of the Capewell site known as 120 Wyllys Street. While completing site work on other portions of the Capewell site, CIL completed environmental remediation activities at 120 Wyllys Street. In 2018 CIL engaged Union Studio, an architectural firm based in Providence, to develop conceptual drawings for a multi-family apartment project. A twenty-four unit, mixed-income project is envisioned for the site and further predevelopment activity will occur in 2019.





Amerbelle Mill, Rockville, Connecticut

The former Amerbelle Mill in the Rockville section of Vernon sits on a strategically important site above the town center and along a major artery leading into the town center. The Town of Vernon used state funds to demolish buildings that were of no historic significance and to complete extensive environmental remediation.

In 2018 CIL completed an extensive feasibility study for the redevelopment of the site. Its team of architects, engineers, construction professionals and other consultants examined critical issues such as residential density, the structural and environmental condition of the buildings, design options for a mix residential, commercial, and public space, and the estimated construction costs. The study was presented to town officials in April. No further action is being taken by CIL at this time due to funding and environmental considerations. CIL is continuing discussions with town officials on future development options for Amerbelle and other properties in its downtown area.



Park Street and Main Street, Hartford, Connecticut

The City of Hartford owns several parcels of vacant land that lie at the intersection of four city neighborhoods. After responding to an RFP issued by the City, CIL was identified as the preferred developer of the site. However, after being unable to establish a mutually acceptable timeline for the project, CIL and city officials agreed that another developer would be better suited for this project at this time.

Previously Completed Projects

First Town Square, Windsor, Connecticut

A vacant factory was converted into 50 market rate condominiums and completed in 2009. It is located on a strategically important site – adjacent to the town center, next to the Windsor Amtrak stop, and connecting the town center with the Farmington River walking trails. CIL completed a removal of hazardous waste under the DEEP's voluntary compliance program. It added hundreds of thousands of dollars per year to the Windsor tax base, and provided a boost to local businesses. The Town of Windsor provided financial support for the environmental cleanup through tax increment financing, one of the first times this has been used in the state.

Kenyon Falls, Coventry, Connecticut

The historic Kenyon Woolen Mill was redeveloped into 8 ownership units and 26 additional units were constructed on this site located close to the town center. CIL secured zoning approval under the town's new village district regulations that allowed for added density. Work included a cleanup of hazardous waste as required under the State Transfer Act. CIL secured historic tax credits under the state's program to allow for the restoration of the Kenyon Mill.

Sherwood Falls, Kensington, Connecticut

Located on Main Street in the Kensington section of Berlin, the former Sherwood Tool Company factory is one of the most historic buildings in the town. Built originally by the American Paper Goods Company, it served as a major employer and the producer of millions of the iconic "We Are Happy to Serve You" coffee cups found in diners across the country. Seventy-one market rate condominiums were created after substantial environmental site work was completed. The Town of Berlin provided financial assistance through tax increment financing.

Depot Crossing, Berlin, Connecticut

The New Haven-Springfield Amtrak line runs through the Town of Berlin. For years, a partially completed, abandoned building served as an eyesore for anyone passing through the center of town via car or train. CIL acquired the building and created 16 apartment units and 8,800 square feet of commercial space. Depot Crossing serves as a model for the town going forward in its efforts to add residential density to its town center and foster transit oriented development near its train station.

