

Naugatuck, CT

Naugatuck, CT - 42,000 Sq. Ft. on 1.42 acres

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About Welfont

Welfont is a commercial real estate brokerage company specializing in the acquisition and disposition of performing, underutilized, and distressed real estate. We represent cash buyers from the private sector, and nonprofits capable of competing successfully with other buyers in the value add market space.

With the IRS Section 170 Bargain Sale tax strategy, Welfont has helped Corporate America quickly and profitably divest itself of over 10 million square feet of commercial and industrial space.

The Challenge

Steven Fournier, owner of Water Street Industrial, LLC and the Naugatuck, CT property, was a successful businessman in Connecticut for many years. When he decided to create a new start for himself in Florida, he was left with one big problem; What to do with a 42,000-square-foot warehouse facility that sits on 1.42 acres of land? Moving to Florida, placed him 1,200 miles away. Since he had sold the business that was once run at that location, the building was no longer of use to him. He wanted to dispose of the property rather quickly. So, he hired a realtor to help with a quick transaction.



The Solution

After Welfont's lead acquisition team discovered the property listing,



Senior Acquisitions Manager, Mario Labrit, contacted Mr. Fournier's realtor and made an offer. Fournier admitted he was skeptical when his realtor first told him of the IRS Section 170 Bargain Sale. However, since he lives near Tampa and Welfont's home office, he met face-to-face with Mario. He explained all the benefits of the Bargain Sale; and how it would benefit Mr. Fournier, a 501 (c)(3) nonprofit, and potentially a new buyer and the community. Most importantly, the transaction would be speedy.

Mr. Fournier then agreed to pay for an **MAI-Designated appraisal** and enter into a sales agreement with Charity Partners Network in Sarasota, FL. The





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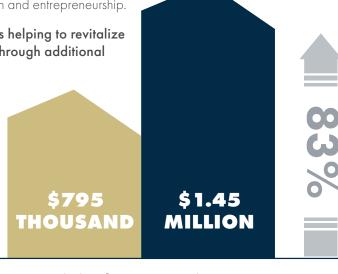
property was valued at \$1.45M. The purchase price agreed upon at closing was \$100K to be paid by the nonprofit. Fournier then received tax deduction against other liabilities for the amount of \$1.35M.

The Result

- With Mr. Fournier being able to remove the Naugatuck warehouse from his financial obligations, he is able to turn his attention to other ventures in Florida. "I really had no interest in owning an empty building in Connecticut or developing it," said Fournier.
- He also liked having a transaction that turned it over and stopped all the monthly operating costs. Mr. Fournier also said that the ability to dispose of the property in a nice way had a lot of appeal to him.

■ As for the nonprofit, Charity Financial executed a sale with a third-party company, Plastic Express. The deal helped to generate funds for the charity to continue helping poor and less fortunate people learn to become financially independent through education and entrepreneurship.

■ Plastic Express is helping to revitalize the community through additional tax dollars.



Original **List Price** Section 170 **Appraisal**

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