

Mixed-Use Real Estate Planning



A Pilot Program

June 11, 2013
Downtown Middletown

Welcome

Middletown



Partnership for Success

Connecticut Main Street Center

&

Connecticut Housing Finance Authority

Commercial districts
must be managed

The Problem

Connecticut's downtown properties
are needlessly under-utilized and under-valued.

Comparison

Asheville Big Box vs. Downtown Mixed-Use Development



**ASHEVILLE
WALMART**



**DOWNTOWN
MIXED-USE**

Land Consumed (acres):	34.0	00.2
Total Property Taxes per Acre:	\$6,500	\$634,000
Retail Taxes* per Acre to City:	\$47,500	\$ 83,600
Residents per Acre:	0.0	90.0
Jobs per Acre:	5.9	73.7

*Estimated from public reports of annual sales per sq.ft..

The Problem & Opportunity

Vacant Buildings Cost Communities

\$222,340/year/vacant space

Reduced property value, property tax, sales tax, utilities,,
professional services, and workers' pay

Upper-story Residential Units Benefit

Local Economy

Annual downtown impact/unit = \$20-39K

Main Street Iowa Economic Development Study, Donovan Rypkeyma

The Opportunity

People want to live in authentic, compact places where one can walk to shops and services.

Especially Babyboomers & Millenials

The Opportunity

“A recent national survey found that 60 percent of respondents would choose a smaller home if it meant a commute time of 20 minutes or less, and two-thirds said that being within an easy walk of shops and services was an important factor in deciding where to live.”

Belden Russonello & Stewart, *The 2011 Community Preference Survey*

The Opportunity

Forbes article, *Downtowns: What's Behind America's Most Surprising Real Estate Boom*

“...this demographic (between 25 & 34) grew 26% from 2000 to 2010 in major cities' downtowns...

Or twice as fast as it did in those cities' overall metro areas”

The Challenge

Mixed-use/mixed-income
development
has become a lost art form.



Sample Financial Pro Forma

Sources

Historic Tax Credits	\$ 301,200
First Mortgage	\$ 875,000
Additional Funds Needed	<u>\$ 575,400</u>
Total sources	\$1,751,600

Uses

Construction Hard Costs	\$1,318,500
Construction Contingency	\$ 98,900
Soft Costs	<u>\$ 334,200</u>
Total Uses	\$1,751,600

Assistance to Property Owners



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A Pilot Program

Selection Process

- Submitted Letter of Interest October 2012
- Selected communities asked to conduct downtown & building tours with proposed project leaders
- CMSC chose 3 Pilot Communities
 - Torrington
 - Waterbury
 - Middletown

Selection Criteria

- Likelihood of Success
- Ability to leverage other state funds
- Market Opportunity & Real Estate development capacity
- Diversity of scale & location
- Model building
- Interested property owners

Public Outreach

Community Engagement

What's right for your town?



Community Liaisons

Bill Warner, Michiel Wackers & Quentin Phipps

Advisory Team

- Local Downtown Leaders
- Business & Property Owners
- Neighborhood Groups
- Elected Officials & Town Staff
- Other Civic Leaders/Institutional Reps
- Residents
- Other Interested Citizens

Community Meeting

- Tonight we want to hear your concerns about downtown
- Get your feedback about Come Home to Downtown findings and recommendations



Program

■ Urban Design Audit



Program

- Downtown
Development Audit
- Model Building
Analysis
- Assistance to
property owners



Program

- Downtown Management Assistance



Expected Outcomes

Community-wide

- An increased understanding of the value of today's downtowns
- A Downtown Vision for the future

Table 10 (Dunelmere High School Students)

- Buildings not higher than One Hall
- Old fashioned town architecture
- Residential above - more affordable
- Restaurants, affordable small bakery - dinner A.C. Peterson, Fast Cops, snacks, donuts, healthy
- Affordable budget downtown - small
- Used bookstore with coffee shop
- Activities - food stalls for local events - street shows, ballroom dancing, events, monthly farmers green place - all things may open late, once a month
- Lobbies
- Place to store backpacks
- More crosswalks around library, a ferry, trash cans and machines
- Recycling
- Bike racks
- Water fountains - free water
- A couple of walking paths to park from downtown
- Parks have baby stroller - metal bag storage



Expected Outcomes

- A growing relationship with downtown property owners & stakeholders
- Property owners understand what it takes to redevelop their buildings
 - Redevelopment Plans
 - Financial Pro-forma
 - Property Management Strategy



Discussion:

Questions & Answers



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