Mixed-Use Real Estate Planning



A Pilot Program

June 11, 2013 Downtown Middletown

Welcome



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

34.0	00.2
\$6,500	\$634,000
\$47,500	\$ 83,600
0.0	90.0
5.9	73.7
	\$6,500 \$47,500 0.0

^{*}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 \$ 575,400

Total sources \$1,751,600

Uses

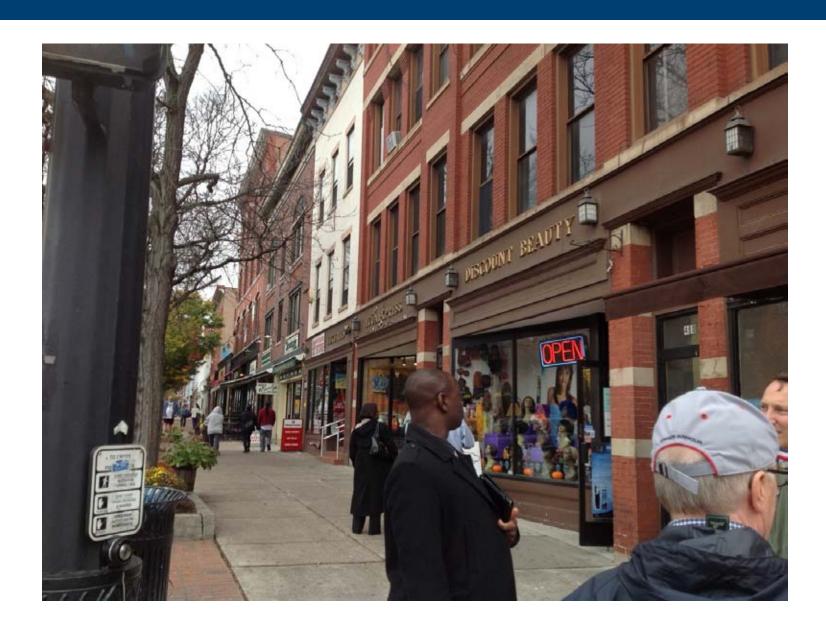
Construction Hard Costs \$1,318,500

Construction Contingency \$ 98,900

Soft Costs \$ 334,200

Total Uses \$1,751,600

Assistance to Property Owners



Mixed-Use Real Estate Planning



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

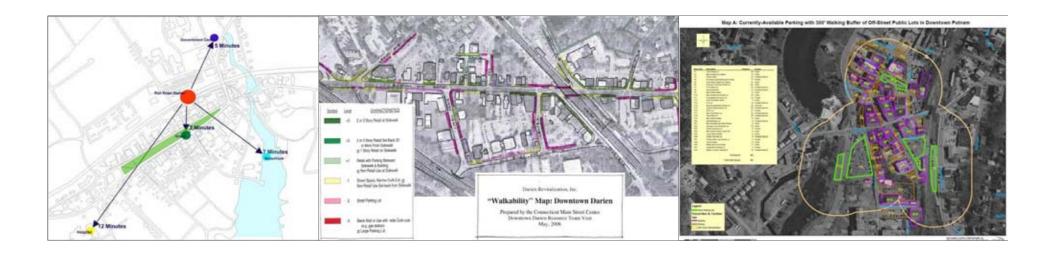
Community Meeting

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



Program

Urban Design Audit

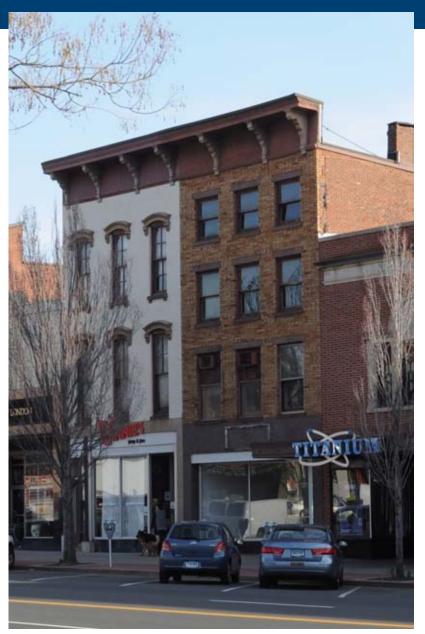


Program

DowntownDevelopment Audit

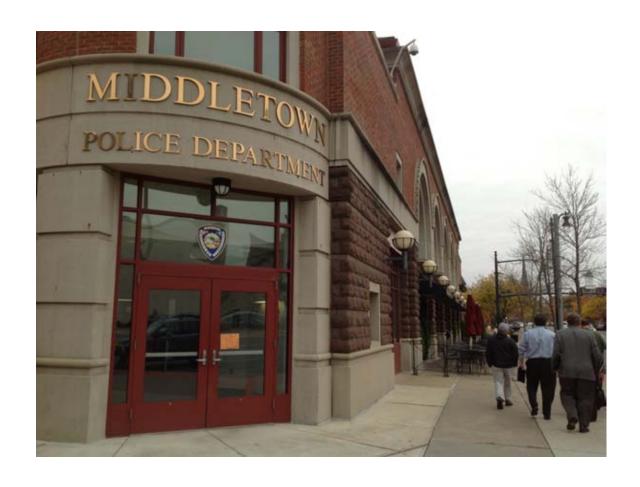
Model Building Analysis

Assistance to property owners



Program

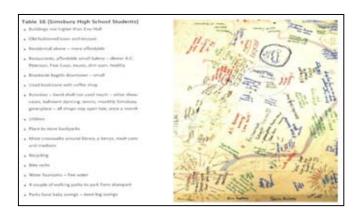
Downtown Management Assistance



Expected Outcomes

Community-wide

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







Expected Outcomes

Plan for accommodating mixed-use development & redevelopment downtown

 Recommendations for regulatory changes, parking requirements, marketing and financial incentives







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



A Pilot Program



www.ctmainstreet.org

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