

Broad Street Parkade Site

Reconnaissance & Market Assessment

Manchester, Connecticut | October 2014



LiveWork
LearnPlay



FUSS & O'NEILL

NEWMAN ARCHITECTS

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Executive Summary

Project Introduction

In November 2013, the Redevelopment Agency (RDA) for the Town of Manchester issued a Request for Qualifications (RFQ) seeking developers who were interested in developing an 18-acre parcel commonly referred to as the Broad Street Parkade (Parkade Site). Master development firm Live Work Learn Play, Inc. (LWLP) responded to the RFQ, suggesting that the town first work with a developer to assess and determine viable and community-supported development options at the Parkade Site. LWLP, the RDA and the Town of Manchester began this assessment process in May 2014.

This Reconnaissance and Market Assessment is the result of LWLP's first step of a suggested three-step development process for the Parkade Site. The analysis and direction contained in this report are the outcomes of extensive market research and data compilation, financial modeling, stakeholder engagement, a deep evaluation of target markets, and other market and development due diligence. The LWLP team also included Fuss & O'Neill (a Manchester-based engineering consulting firm), Newman Architects (a collaborative design firm based in New Haven), and Jim Kelly (a commercial real estate brokerage professional and Manchester resident).

The purpose of this first step (and this particular document) is to outline potential real estate uses and to begin forming viable development options for the Parkade Site, which the RDA and the Town of Manchester can then evaluate and respond to. Discussions with town leadership and the Manchester community are essential to ensuring that any future development of the Parkade Site or surrounding area is undertaken with the goals, objectives and desired placemaking in mind. This document does not present one inflexible single-use development option for the Parkade Site, but rather puts forward visions and multiple options as the suggested "highest and best use" concepts.

Research & Real Estate Use Analysis

In seeking the highest, viable and overall best real estate uses for the Parkade Site, LWLP evaluated any and all potential real estate options. Using this open-ended approach, LWLP then narrowed down options based on the goals, objectives and requirements laid out by the RDA, the Town of Manchester and the Manchester community, and the results of market research and financial analysis. The appropriateness of real estate uses was also dependent on the location and characteristics of the Parkade Site itself. While some of the uses evaluated may be viable in other areas of Manchester, they may not work at this particular site. Lastly, the uses and development options were based on the fundamentals of the current and near-future micro and macro financial and real estate markets, and financing of land development.

It should be noted that traditional real estate uses (residential, retail, office, etc.) can be analyzed using statistics, market comparables and other market indicators, whereas various non-traditional uses (institutional, entertainment, civic, etc.) cannot be analyzed using the same metrics. The development of these non-traditional uses is dependent on the deal and transaction details, funding opportunities, and timing. As a result non-traditional uses have been evaluated differently in this assessment.

Real estate uses that were explored include:

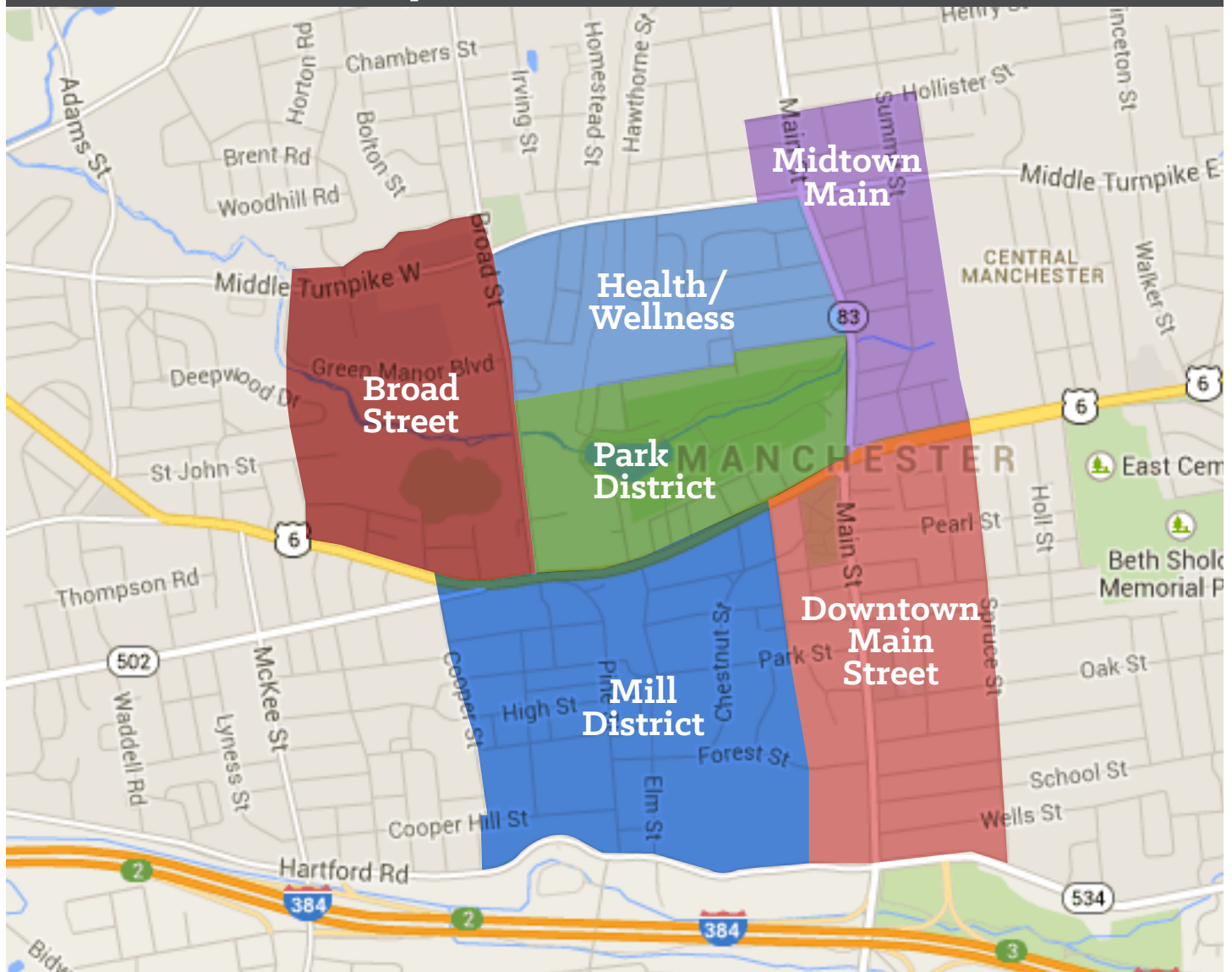
- Residential For-Sale Product
- Residential Rental Product
- Office
- Hotel & Hospitality
- Traditional Retail
- Specialty Retail
- Industrial
- Cultural
- Civic
- Educational
- Medical
- Entertainment
- Sports & Recreation
- Public Space & Amenities
- Others

Districts

It was immediately clear to the entire LWLP team that the Manchester core is home to several proximate and unique, but disconnected neighborhoods. This core area (also referred to as the Evaluation Area), if programmed, marketed, and physically connected in an effective manner, can strengthen the identity or “sense of place” for the Town of Manchester. Placemaking can not only be used as a marketing and branding tool, but extends far beyond a tag line or slogan, and can be very helpful in focusing efforts, establishing alignment on the vision and future, creating demand and guiding short-term and long-term planning.

Each of these proposed districts should be leveraged as special and complementary places, reinforcing the overall personality of Manchester. By creating integrated districts, the town will be able to offer different experiences and “places” that make Manchester a more attractive place to live, visit, invest and/or locate a business. This holistic approach to envisioning a larger core of interconnected districts, creating a richer fabric and vibrant downtown, is essential to maximizing the potential for the Parkade Site and most of Manchester. Connections between these districts would be essential for the success of the town, as one of the biggest challenges for the future economic well-being of Manchester will be how people flow through these areas.

Proposed District Plan for Manchester



Executive Summary (cont'd)

Broad Street Potential Development Options

LWLP strongly believes that the proposed programming options for the Parkade Site are viable, creative and innovative concepts. These development options have the potential to truly benefit virtually all of Manchester, and will ensure that the town is uniquely positioned within the region. Based on the preliminary market assessment, the following three potential development options have been proposed for further exploration, planning and future development for the Parkade Site:

Medical & Educational District

Vision

An economic driver and anchor for the town, the Medical and Educational District would bring additional employment, users and activity to Broad Street and the Town of Manchester.

Rationale

Medical and educational developments have high economic impact, drawing employees, students, visitors, and others on a daily basis. If implemented strategically, they could also become catalytic, generating demand for additional development and providing options for many more people to be able to work in Manchester. These resilient, economically stable anchors receive significant public and private funding, and are expected to remain leading innovative engines well into the future.

Differentiator

Unlike standalone medical or educational facilities, this mixed-use development would become an integrated district, seamlessly leveraging surrounding uses. It should connect and flow into Center Springs Park and the existing ECHN medical area to form a holistic district with maximum potential and benefits for the town.

Challenge

Concluding a deal with medical and/or educational anchor is challenging, as decision-making within these institutions can be a complex and slow process. However, if the timing is appropriate and leadership is committed on all sides, the availability of shovel-ready projects/sites can assist with otherwise challenging deal making.

Mixed-Use New Urbanist Village

Vision

A predominantly residential development with a focus on health, wellness, recreation and sustainability, the development will incorporate the principles of New Urbanism including compact neighborhood design and walkability, setting itself apart from other residential developments in the State of Connecticut.

Rationale

Given that traditional market-rate multi-family rental or for-sale residential housing is not achievable at the Parkade Site without large public subsidies, this concept aims to create a much more viable and differentiated product. Proposed unit sizing, in addition to construction and finishing techniques, could reduce costs and increase the per-square-foot value of the residential properties. Healthy-living amenities and New Urbanist planning can also drive demand for this product based on its unique offering and positioning within the competitive landscape. A subsequent phasing plan is highly recommended in order to test absorption.

Differentiator

Not only would the aesthetics and identity of this community be fairly unique in Connecticut, but the amenities offered – from naturalized parks and recreation trails, to a handful of destination shops and daily social events – would help to create a unique sense of place that serves all residents of Manchester. The units would incorporate the latest in energy efficient design and innovative green features, reducing consumer costs and utility bills.

Challenge

While the Village could become a great new community within Manchester, its mainly residential use limits the long-term positive impact it could have on the town. Economic activity associated with the development would be less widespread when compared with the other options. Even if it were decided to budget zero land costs and a developer were to achieve reduced construction costs, there would likely remain a development gap that would have to be filled in order for this development to be financially viable for private investment and development. Last but not least, the absorption of several hundred units may be challenging.

Hybrid Mixed-Use Village & Institutional District

Vision

The hybrid option would ideally have a mix of institutional uses (medical, education, or others) as well as supporting uses, such as residential, retail, and public space. It creates a district that serves and is complementary to existing and future districts in Manchester, and would allow for a truly unique live-work-learn-play environment within the town.

Rationale

This option would have the greatest balanced impact on the town, generating significant new opportunities for employment, living, learning and recreating in Manchester, drawing the most significant economy, investment and people to the area. While the required overall financial investment would be higher in this scenario, there is also more opportunity for institutional investment, public and/or private partnerships and ongoing value creation.

Differentiator

Through the creation of an integrated mixed-use neighborhood, Broad Street and the Parkade could become the town's newest, walkable, sustainable healthy-living and learning community, setting itself apart from the countless standalone institutional facilities or other mid-sized towns struggling to become relevant for younger populations as well as to thrive economically.

Challenge

At 18 acres, capacity would be limited for the amount of achievable mixed-use development. A complete district master plan, along with parking and transportation plans, would have to be produced in order to verify the mobility and parking required, and maximize site potential without creating too much density. Many other potential challenges associated with the hybrid option will become better known as the vision, scope, size and programming of this option becomes more fully defined.

Next Steps

The Reconnaissance and Market Assessment report concludes the first step in a suggested deliberate and rigorous three-step development and implementation process. At the option of the RDA and the Town of Manchester, the next step involves the testing and formation of a comprehensive Broad Street Parkade Development Plan. The plan will be developed through program analysis, master planning, strategic business planning, financial modeling, and ongoing public and stakeholder input. The third step will involve the creation of a full Development Implementation Plan or "Development Roadmap", which will include a refined and detailed master development plan and program for the Parkade Site, detailed budgets, other financial strategies, any deal making and transactions, and all other components needed to begin implementing the development of the Parkade Site.

Background

The Town of Manchester, Connecticut is located in Hartford County, less than 10 miles east of the City of Hartford. Two interstate highways (I-84 and I-384) run through the town. The rich history of southern Manchester as the center of the silk industry and company town for the Cheney Brothers beginning in the 1800s is still apparent today by the many preserved mill buildings, family mansions, historic rail beds and other structures.

Since the 1800s and 1900s, the town has evolved into an urban-suburban municipality. In 2010, Manchester's population was 58,241 making it the fifth largest community, by population, in Hartford County.

The Broad Street Parkade Site is a vacant 18-acre, parcel of land located on Broad Street and Green Manor Boulevard in central Manchester. From the 1960s to the 1990s, the site was home to one of the largest and most visited shopping centers in the region. In 1990, as was common in many towns and cities across North America, a large regional shopping center opened along I-84. Many tenants left the Broad Street area, visitation to the Parkade decreased dramatically, and eventually the shopping center became vacant.

Since the Broad Street Redevelopment Plan was adopted in 2009, renewed efforts to revitalize the Parkade Site have taken place. The former shopping center buildings were demolished, physical improvements were made to Broad Street, new form-based zoning regulations were adopted, and efforts have been made to reconnect the Parkade Site to Center Springs Park. The Redevelopment Agency (RDA), which has been charged with overseeing the redevelopment of the Parkade Site, is seeking market-driven, high-quality, private or public-private development to transform the vacant property.

Development Planning & Due Diligence

Rather than respond to the town's Request for Qualifications (RFQ) for developers for the Parkade Site (November of 2013), LWLP recommended that the RDA and an experienced potential developer work together to assess real estate potential, development options and visions, and create a detailed and feasible development plan for the site. The Market Assessment is the conclusion of the first step in generating a market-viable plan that could then be implemented by experienced and capable developers with private equity and financial sponsorship capabilities. The suggested steps to achieve implementation of development on the Parkade Site are:

Step 1: Reconnaissance and Market Assessment

Step 1 is the four-month process that was just undertaken by LWLP and the RDA. The assessment involved the completion of an initial analysis by setting strategic objectives, conducting market research, identifying opportunities and challenges, and evaluating the target market and potential for anchor uses. The process involved reviewing existing materials and collecting additional data, conducting rigorous market research, engaging with key stakeholders, and conducting data analysis and preliminary financial modeling. This report summarizes the work completed, and puts forth a strategic vision and initial direction for the Parkade Site and Broad Street District.

Market Assessment Methodology

LWLP employed a wide range of research methods to gather and interpret real estate and economic data as related to the Broad Street Parkade Site, the Redevelopment Area, Manchester, and the broader Hartford County region. LWLP then drew on decades of comprehensive and extensive real estate development and financing experience to translate the data and information into potential development concepts for the RDA and the Town of Manchester.

Rigorous Market Research

Background research, statistics and information gathered from various sources were reviewed by LWLP in order to quantitatively and qualitatively understand Manchester and the surrounding markets. Indicators such as growth patterns, home values, rental rates, vacancy and occupancy figures, absorption and other data factored into this analysis.

Site Assessment

LWLP performed a number of site visits to Manchester and the surrounding region, touring the area to evaluate existing physical conditions, development patterns and potential end-user behavior patterns throughout the study area.

Stakeholder & Community Engagement

Over the past four months, LWLP met with, and interviewed, a range of public and private stakeholders from a broad cross-section of government organizations, agencies, local business owners, developers, real estate brokers, residents, students, institutions, and landowners.

Best Practices & Industry Knowledge

All of the above information was then analyzed and interpreted by LWLP. Options presented in this assessment are the result of professional experience in real estate development and knowledge of industry best practices applied to the unique context and needs of the Town of Manchester.

How Do Developers Evaluate Potential Sites?

When developers examine potential project sites, many factors are taken into consideration. Although developers examine sites differently based on their preferences and past experiences, the following are some of the common considerations that are used to evaluate potential projects:

Region	Municipality	Site-Specific
<ul style="list-style-type: none"> Regional growth and momentum (residential and employment) Regional trends and patterns Population demographics Economic drivers and existing industry Unique regional characteristics Population groups and movement Major investment (public and private) Political leadership and stability Economic, financial and real estate market metrics, including interest rates and mortgage rates 	<ul style="list-style-type: none"> Population groups and demographics - local and secondary “trade areas” Population growth Major employers and employment patterns Unique town/city characteristics Local leadership & community collaboration Anchor uses and economic/traffic drivers Geography and natural advantages Historic and recent development: <ul style="list-style-type: none"> Permits Absorption Sales Rental rates Vacancy Development incentives 	<ul style="list-style-type: none"> Site location Site size, shape, capacity and other physical characteristics Site connectivity, access and proximity Site relationship to adjacent uses Surrounding infrastructure Existing users/customers Site potential, economic and otherwise



Next Steps

This report concludes Step 1 of LWLP’s proposed three-step process for the successful development and activation of the Broad Street Parkade Site. The next step involves development and business planning to test and affirm the proposed development programs. As a part of this step, initial physical plans for the Parkade Site will begin to take form through an iterative community engagement and planning process. The physical plan will continue to evolve through Step 3 and beyond, as needed, based on ongoing business and development planning efforts, and as the program and implementation strategy become more fully defined. Step 3 will include the creation of an Implementation Strategy with a realistic project phasing plan, schedule, and funding and development planning. This step will identify potential developers and development agreement requirements, and may also include conditional letters of interest and transitioning the project into the pre-development stage.

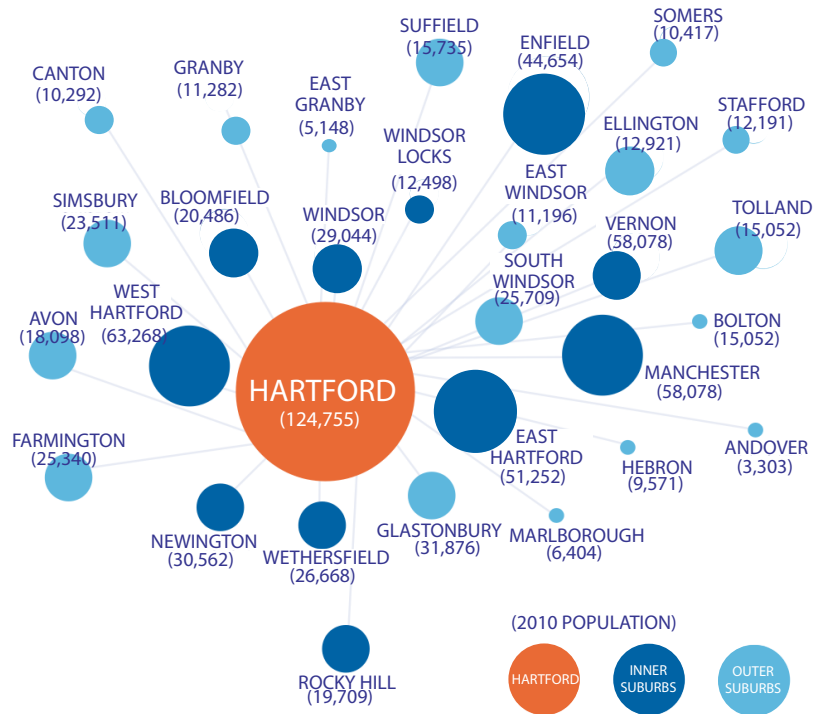
Hartford County Market Overview

Overview

The Town of Manchester is located within Hartford County, Connecticut's Capitol Region. The County is bisected by the Connecticut River, which runs roughly through the center of the state. Manchester is located east of the river. I-91 runs north-south through the state, intersecting with I-84 (a major east-west thoroughfare) in Hartford. The county spans approximately 760 square miles.

Hartford County is comprised of 29 independent towns and cities, with an estimated 2010 population of 894,014.¹ Of the Hartford County population, approximately 122,000 reside in Hartford, while the remainder resides in surrounding inner and outer-ring suburbs.

Metro Hartford Region: City & Suburbs



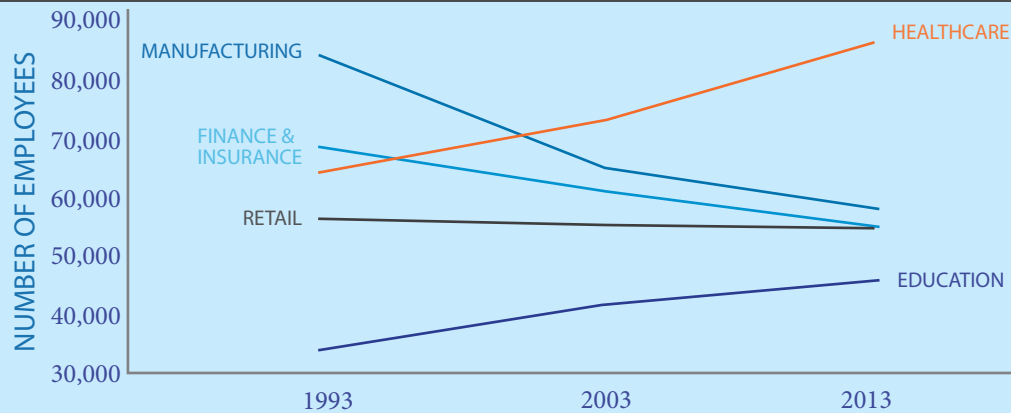
Source: Metro Hartford Progress Points, 2014

Regional Economic Environment

The Hartford region has historically been a hub for the insurance, finance, and manufacturing industries. Although these economic sectors remain major employers, they have seen a stabilization or decline in recent years. In line with national trends, employment in the education and healthcare sectors has risen drastically in the region. The regional health sciences and services sector now employs more than 62,000 people and has witnessed an increase in employment every year between 2002 and 2012, even during the economic downturn.² Meanwhile, the manufacturing sector has been in steady decline for a number of decades, as increased mechanization and offshoring of jobs to lower wage markets changed the national industrial landscape.³ Although total employment in the financial services sector decreased by 4,000 jobs between 2002 and 2012, the sector continues to play an important economic role in the county, contributing an estimated \$19 billion in total value added to the region in 2010.⁴

The Hartford region is expected to face workforce challenges and an increased burden for social services in the coming years as a result of low projected population growth, a retiring workforce, and the out-migration of the 25- to 34-year-old demographic. The state as a whole is experiencing a quickly aging population and loss of young talent. Connecticut is home to one of the oldest populations in the country, with a median age of 40 years, and experienced the highest rate of out-migration (a 30% loss) of the 25-34 age category in the nation between 1990 and 2006. By 2030, the statewide dependency ratio (the number of potential non-workers per 100 people) is expected to grow to 82 non-workers for every 100, an increase from 66 in 2010.⁵ The population in Hartford County is only projected to grow by 2% through 2030.⁶

Shifting Top 5 Job Sectors Over Past 20 Years



Source: Department of Labor, 2013 / Metro Hartford Progress Points, 2014

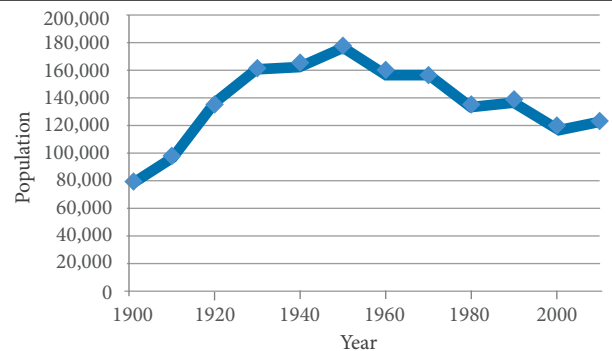
Hartford's Decline: *The "Donut Effect"*

Over the last several decades, the City of Hartford has witnessed an erosion of its core and a decreasing residential population. At its peak as the largest city in Connecticut in the 1950s, Hartford was home to over 177,000 residents.⁷ The city's largest population losses were between 1970 and 1980, a decade when many U.S. cities experienced suburban out-migration. However, the population decline was very drastic in Hartford and continued into the 1990s, when the city's population base decreased by a remarkable 13%.

The population decline occurring across American cities during this post-war era has been linked to several causes, including the rise of the automobile and suburbs, the perception of cities as unsafe or unhealthy places to raise children, and the concentration of urban poverty. The more recent population decline in Hartford since the 1990s has been accompanied by and believed to be tied to a decrease in the number of available jobs. In 1998, 30,000 fewer jobs existed in the city than in 1990.⁸ This decline over the past several decades is physically manifested across the city through a major over-building of surface parking and the destruction of urban fabric.

In recent years, city and state governments have renewed focus on revitalizing Hartford's city center, developing comprehensive plans and committing billions of dollars of investment into the core. This investment is beginning to yield results, as new residents, students and employees begin to repopulate Downtown Hartford. As of the summer of 2014, more than 690 residential units have been approved, or are currently under construction, as part of the Capital Region Development Authority's ambitious program to add more than 2,000 new residential units to Downtown Hartford.⁹

City of Hartford Population, 1900 - 2010



Source: Connecticut Secretary of the State, 2013

Commuting Patterns & Wealth Distribution

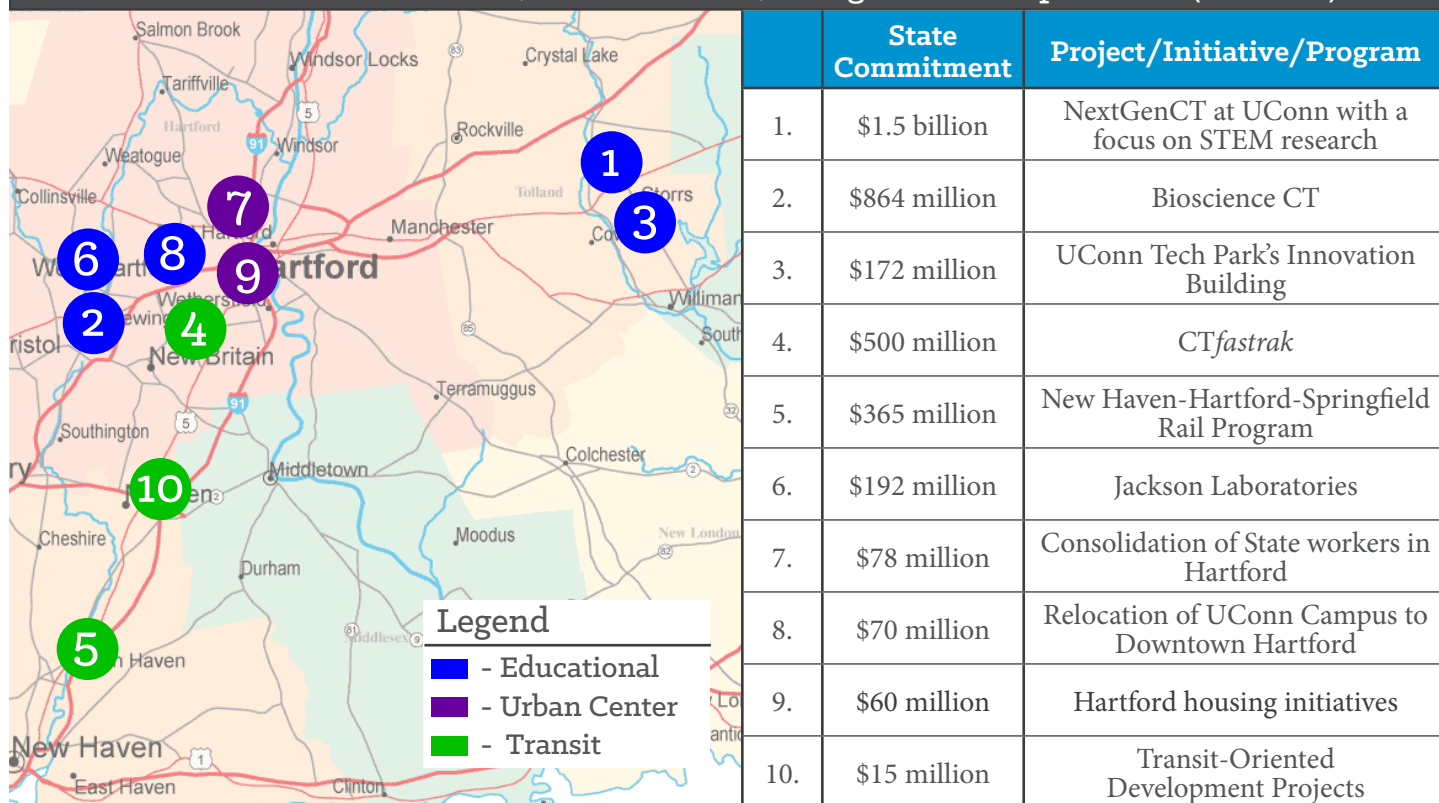
The in-migration of employees each weekday increases the Hartford population significantly, as commuters fill 83% of the 121,000 jobs located in the City of Hartford. These workers tend to be highly skilled, with many employed in the insurance or financial sectors. In contrast to the high wage Hartford workforce, the Hartford residential population tends to travel outside of the city for work to generally lower income jobs. Poverty rates for residents of Hartford are higher than any other city in the state, and at 38%, on par with some of the nation's poorest cities.¹⁰

State Commitment to the Region

Connecticut's Investment in Hartford County

The State of Connecticut has been investing heavily in the Hartford Region over the last five years. Investments have been focused on increasing the region's role as a research and innovation hub, as well as improving connections between major employment centers, and investing directly into the City of Hartford, including plans to develop a significant number of new residential units. This focus on bringing jobs, transportation, and residents into the core is expected to have positive direct and indirect impacts on surrounding communities over the next several years, including the Town of Manchester.

Investments in Education, Urban Centers, & Regional Transportation (since 2011)



Regional Transportation Investments

Understanding transit growth in a region is a key factor when evaluating real estate development potential and valuation. The state does have many positive transit initiatives underway, and there should be continued efforts by the Town of Manchester to look at opportunities to increase involvement in and maximize the connections to these investments.

CTfastrak

CTfastrak is a \$500-million investment by the state and federal governments into regional bus rapid transit. Goals of the project are to improve regional mobility and reduce congestion along the I-84 corridor between New Britain and Hartford. With more than 80% of financing for CTfastrak provided by the Federal Transit Administration, construction began in 2012 on the project, with expected completion in early 2015. There are also future plans for "Fastrak East", which is a proposed connection from Hartford, passing through Manchester en route to the University of Connecticut Storrs campus.¹¹

New Haven – Hartford – Springfield Rail Program

The proposed New Haven – Hartford – Springfield Rail Program (NHHS) would connect much of New England to the nation's growing high-speed rail network. The NHHS is a partnership between Amtrak, the Federal Railroad Administration, and the states of Connecticut, Massachusetts and Vermont. The total budget estimated for the three-phase project is \$365.6 million, of which approximately 52% will come from the federal government. With more than 90% of the funding fully awarded and committed, the NHHS rail service is expected to launch in 2016.¹²

“First Five” Economic Incentive Program

The First Five program was designed to incentivize new or existing companies to invest and grow their employment bases in the State of Connecticut. Based on the size of the investment and the economic impact, meeting a minimum threshold of 200 new full-time jobs, companies can receive significant financial incentives for creating Connecticut-based jobs.¹³

Investments in Research & Education

Next Generation Connecticut

Next Generation Connecticut is a proposal by the State of Connecticut to significantly expand educational opportunities and research in the science, technology, engineering and math (STEM) disciplines at the University of Connecticut. The long-term goals of the program are to build the state’s future workforce, create jobs and strengthen the economy. The 10-year, \$2 billion investment will add 6,500 students and 260 faculty members to UConn. The project has also involved the construction of new laboratories and teaching facilities, as well as the relocation of UConn’s Greater Hartford Campus into downtown Hartford.¹⁴

Bioscience Connecticut

Bioscience Connecticut is a state-led initiative centered on increasing strategic investment into the bioscience sector. The goal is to foster long-term economic growth in Connecticut by immediately providing thousands of construction jobs, as well as creating long-term research and science, and primary care jobs. The initiative, approved in 2011, involves \$864 million in capital expenditures to renovate existing facilities, construct new facilities and implement UConn Health Network initiatives. The program is expected to create 3,000 annual construction jobs from 2012 through 2018, and 16,400 high-quality, permanent jobs by 2037.¹⁵

Proposed Job Growth

State investments at the University of Connecticut and those directed at Hartford County-based “First Five” companies, yields the projected creation of over 4,000 new jobs within a 35-minute drive of Manchester. Existing Hartford County residents would fill some of these new positions, however many of these new jobs would be filled by people currently living outside of the region or the state. These new workers would need to decide where to live and Manchester, if property positioned, could attract some of this new regional workforce.

Combined Impact of First Five, Next Generation Connecticut, Bioscience CT

Company	Associated Program	People, Activity, & Jobs	Location	Drive time from Manchester
ESPN	First Five	200-800 new jobs	Bristol	35 minutes
CareCentrix	First Five	200-290 new jobs	Bloomfield	25 minutes
CIGNA	First Five	200-800 new jobs	Hartford	15 minutes
UConn Hartford Campus	Next Generation Connecticut	2,300 new students & 250 new employees	Hartford	15 minutes
UConn Tech Park	Next Generation Connecticut	1,000-1,300 new jobs	Storrs	30 minutes
UConn Health	Bioscience CT	1,530 new jobs	Farmington	25 minutes
Jackson Laboratory	Bioscience CT	660 new jobs	Farmington	25 minutes

Source: Somers, J. *The Day Connecticut*, 2014

Broad Street Parkade Site & Redevelopment Area

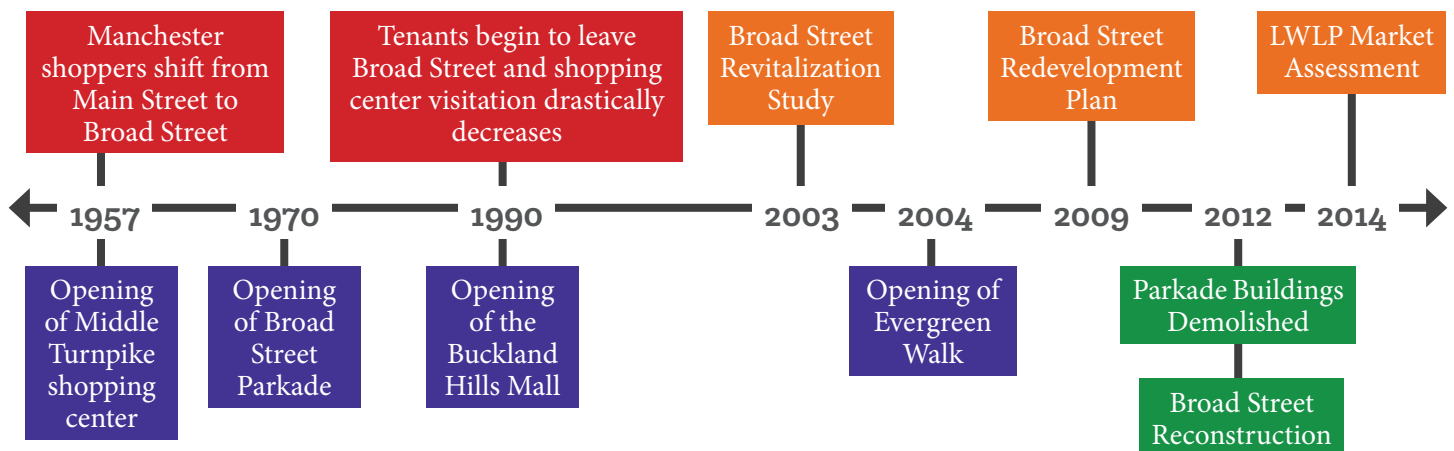
The Redevelopment Agency & The Redevelopment Area

The Manchester Redevelopment Agency (RDA) is a group of Manchester residents appointed by the Board of Directors to oversee the Broad Street Redevelopment Area's transformation from a blighted former shopping center into a new district for the Town of Manchester.

The Redevelopment Area is a 148-acre commercial district located between Manchester's Main Street and the Buckland Hills commercial district. The Broad Street area once served as the primary retail node for the Town of Manchester and the "East of the River" market. With the opening of the large, super-regional Buckland Hills shopping center and significant additional retail along I-84 in the 1990s, the Broad Street area began to decline drastically. Today, the area continues to be challenged programmatically and physically, apparent through the high vacancy rate and other perceived issues. Despite these challenges, the Broad Street area remains a fairly active district within Manchester, offering retail, services and convenience uses, such as automotive service shops, food outlets, used clothing stores, credit unions, and grocery stores.

In 2008, the RDA was charged with creating a plan for the Broad Street Redevelopment Area. The Broad Street Redevelopment Plan was subsequently adopted in 2009, calling for a mix of uses and a move away from the almost exclusively commercial character of the district. In 2011, the Town of Manchester purchased the 18-acre Broad Street Parkade Site and in 2012, demolished the remaining vacant buildings on the site. In that same year, efforts were made to improve the conditions of Broad Street, including additional landscaping, sidewalk improvements, lighting enhancements and other measures designed to improve the area's pedestrian environment.

Broad Street Parkade Timeline



Existing Site Conditions (2014)

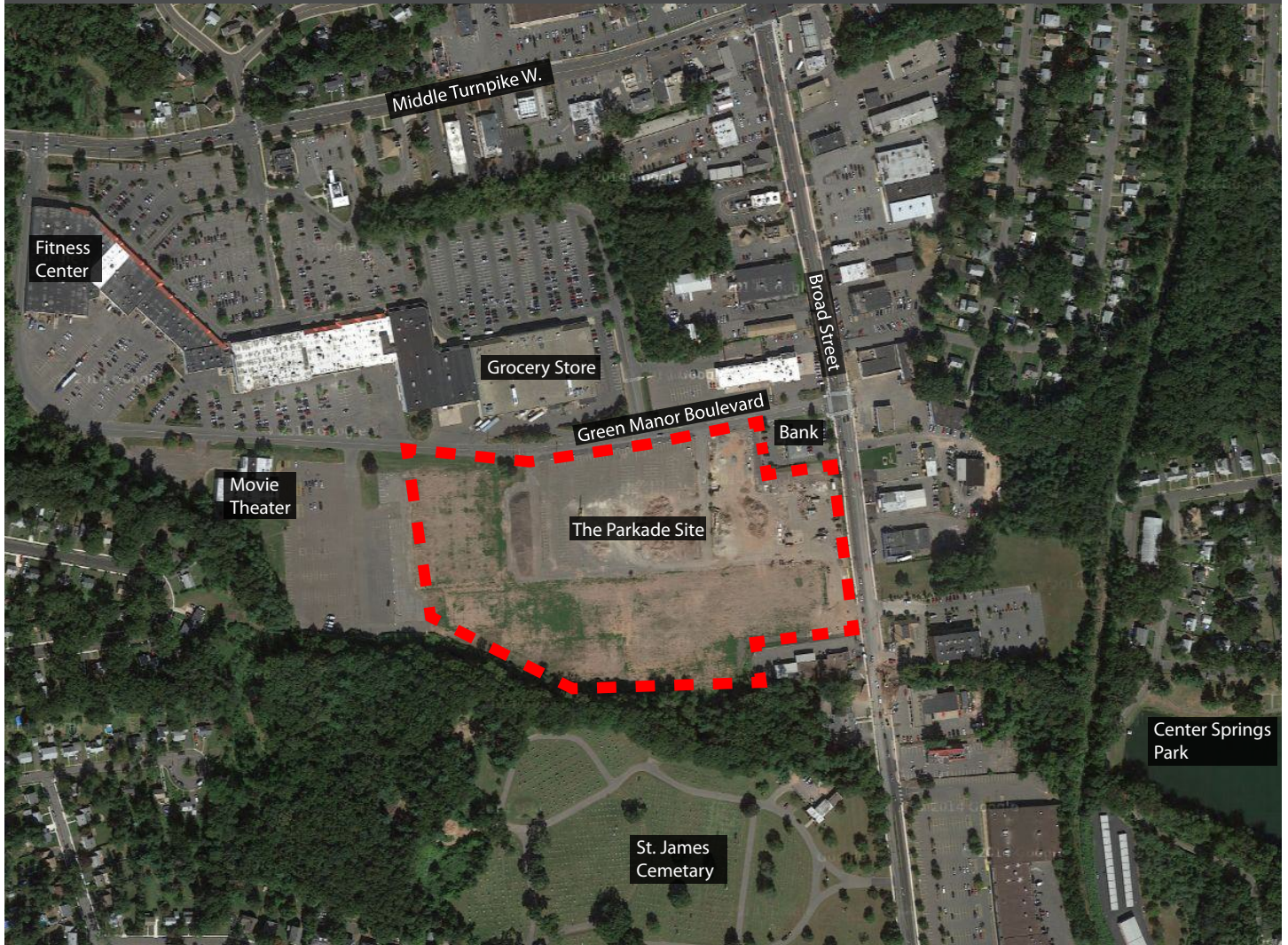


Improvements to Broad Street (2014)

Broad Street Parkade Site: Existing Physical Conditions

The 18-acre site is almost rectangular, with primary frontage along Green Manor Boulevard and secondary frontage along Broad Street. Across Green Manor Boulevard, north of the site, is the rear servicing for an aging strip shopping center with an anchor Stop & Shop, one of the town's busiest grocery stores, as well as a fitness center and other traditional neighborhood conveniences and retail. Surrounding uses along Broad Street are not densely concentrated and include a range of retail and service operators, such as an auto mechanic, a thrift store, a restaurant and a bank. The site is bordered by a brook and cemetery to the south, and a vacant lot to the west. There is a local cinema beyond the lot. Entry into Center Springs Park from the Parkade site is visually and psychologically blocked, however is within a one to two-minute walk from the site.

Aerial View of the Parkade Site & Surroundings



Challenges to Address or Overcome

In 2013, the Town of Manchester issued a Request for Qualifications (RFQ) for developers interested in the Broad Street Parkade Site. LWLP was the sole respondent to this RFQ, and expressed interest in exploring potential uses to redevelop the parcel, all in partnership with the RDA.

As part of this Reconnaissance and Market Assessment, LWLP was asked to outline some of these development challenges at both the localized and town-wide levels, which factored into this hesitance or lack of interest from all other developers. Stemming from the analysis of challenges, the opportunities for the Parkade Site, from a developer's perspective, were also identified.

Town of Manchester

- **Need for additional critical mass, activity and demand in the Town of Manchester**
 - Manchester, while home to a medium dense residential population and some labor force, has remained stagnant from a growth perspective
 - In order for the town to achieve real and perceived growth, there must be a renewed focus on attracting institutions and businesses, providing shovel-ready sites for viable projects, and increasing activity and visibility
 - As a result of the slow growth, land is readily available across the region and real estate indicators are below average for the town, especially absorption and rental rates
- **Slower development momentum in most of the “East of River” market**
 - Manchester and many towns located east of the Connecticut River are not attracting the levels of investment and development enjoyed in towns west of the river, such as Windsor, West Hartford, or those in Fairfield County, like Stamford
- **Creating a vibrant district that complements and does not compete with Downtown Main Street**
 - Manchester has the beginnings of an exciting, revitalized Downtown Main Street corridor that has the potential to draw more people, activity and visitors. Rather than create a new main street that would compete with the existing Downtown, any development should contribute to populating and increasing the success of Downtown Main Street
 - Current programming, leasing and physically is hindering Main Street from reaching its full potential
- **The retail district by the highway is a significant regional retail center and destination**
 - Manchester and regional residents are spending time and money outside of Manchester's core in the Buckland Hills area and in neighboring South Windsor
 - This not only represents retail economic leakage, but together with the existing retail uses within Manchester, it limits the potential for additional retail uses
- **Many towns and cities throughout New England are actively setting themselves apart through placemaking and branding initiatives**
 - Manchester must more clearly define its placemaking, brand and identity, and communicate this effectively to the community, the county and beyond
- **Land development and financing**
 - A challenged site within a low-growth region increases perceived risks for developers, investors and businesses. A thorough redevelopment strategy, consensus among town leadership, and long-term vision for Manchester can help to offset some of these concerns, although the market would likely continue to be perceived as higher risk than in growth regions within Connecticut or in neighboring states from New York to Massachusetts.

Parkade Site

- **The Parkade Site is not easily nor immediately accessible, nor visible, to and from nearby interstate highways, which eliminates the types of real estate uses that will require highway visibility or access**
- **There is a lack of strong proximate anchor uses (drawing and creating significant healthy traffic, economic and/or “lifestyle” potential) on Broad Street. Existing uses in the Broad Street area are not drawing the significant numbers of visitors required for certain uses that feed off existing “flow through” traffic**
- **There are a number of challenging physical conditions impacting the redevelopment of the Parkade Site, including but not limited to:**
 - The parcel has weak frontage onto Broad Street, with Broad Street currently viewed as a secondary arterial in Manchester, and the key corner piece at Green Manor Boulevard and Broad Street is not included in the parcel, further reducing visibility
 - The site is facing the “back” of the existing commercial center to the north
 - The site has more land fronting onto Green Manor Boulevard than Broad Street, making it more challenging to work with than a more square-shaped parcel with stronger frontage on Broad Street
 - The parcel lacks a direct connection to Manchester’s park and trail system, as well as other anchor uses
 - Environmental testing is needed to fully understand any potential issues related to remediation efforts and costs
- **Waiting for market to “turn” may create additional challenges**
 - Anchor tenants who are currently seeking land or existing buildings can find many alternative options elsewhere in the region. Macro challenges faced by Manchester or the region may increase over time, meaning that developing the site in the future may become more challenging, especially within an increasingly competitive region. There are always risks in real estate development associated with waiting, for example, it is unclear how long interest and mortgage rates will remain low.
- **There may be potential aversions to developing the site and conflicting desired uses within the Manchester community**
 - Lack of a coherent, unified vision and goals for the site and/or lack of support for redevelopment can be a major disincentive to potential developers as this creates additional, significant, yet unnecessary risk to land and real estate development.

Opportunities to Leverage

Town of Manchester

- Manchester is regarded as an affordable place to live and a good place to raise a family, which is reflected in the younger than average median age in the town, and will bode well for Manchester moving forward
- The park system is a built-in natural amenity and differentiator – if Manchester can physically and programmatically connect the parks and trails more seamlessly with other districts especially Broad Street and the Parkade, the development potential of the site can improve significantly
- Manchester is located proximate to major employment, post-secondary education, and state investment
- Downtown Manchester has good massing, building stock, and the right “bones” to create a thriving Main Street environment for the “East of the River” market and beyond
- There are already numerous initiatives underway across Manchester – from Downtown revitalization to park connections that would benefit the town
- In addition to park connections, creating well integrated, distinct districts throughout the core of Manchester would improve the town’s development potential, as well as Manchester’s sense of place and identity within the region

Parkade Site

- 18-acres under town ownership is a reasonably sized site to work with, and can accommodate a variety of uses as a new district within Manchester
- The location of this site means that it has the potential to be connected to existing town anchors such as Downtown Main Street, ECHN, and Center Springs Park
- The Parkade Site, if planned and executed strategically, has the ability to bring significant activity to Broad Street, and catalyze additional development to surrounding areas
- Recent infrastructure investments into Broad Street have significantly improved the development potential of the Parkade Site
- If surrounding landowners are amenable, there is potential to create a larger more holistic district that would markedly attract investment, development and improved performance.



Research & Real Estate Analysis

Uses Explored

In order to determine the highest and best use(s) for the Parkade Site, LWLP evaluated a broad range of real estate uses. From this wide-range of uses, LWLP then narrowed down options based on the goals, objectives and requirements outlined by the RDA, the Town of Manchester and Manchester community, market viability standards, and the physical realities of the Broad Street Parkade Site. Uses that were explored include:

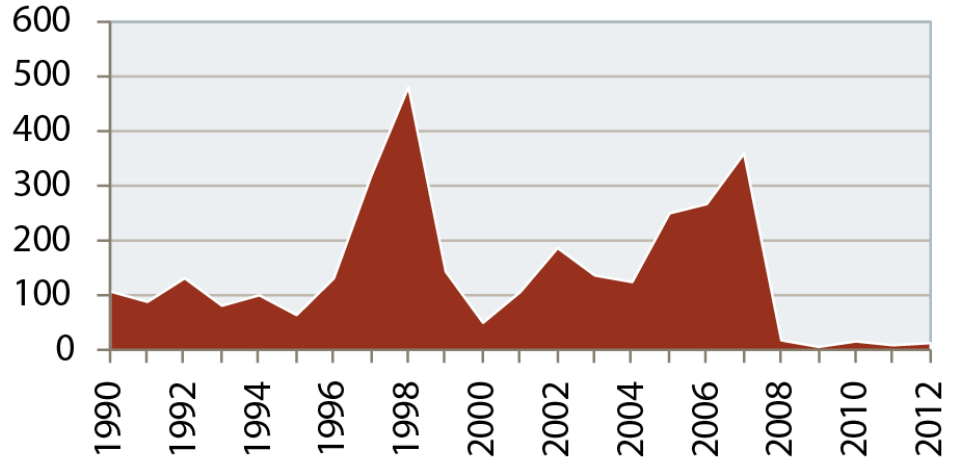
Residential For-Sale Product	Industrial
Residential Rental Product	Arts & Culture
Office	Civic
Hotel & Hospitality	Educational
Traditional Retail	Sports & Recreation
Specialty Retail	Public Space & Amenities
Medical	Community Agriculture
Entertainment	Other Uses

Residential Research

Recent Housing Trends

From January 2013 to May 2014, only 48 multi-family residential units and 7 single-family residential units were approved for development in the Town of Manchester. There is currently only one large-scale residential development under construction in the town. The Broadleaf is a \$34.6 million development and is comprised of 224 market-rate rental residential units (57 one-bedroom units and 167 two-bedroom units), 72 car ports and 432 open air parking spaces in six buildings on a 29-acre site located off New State Road. This development is being undertaken by Manchester-based Evergreen Crossing LLC, the same developer of South Windsor's Evergreen Walk, and is located in the highest growth corridor of Manchester, near the Buckland Hills and I-84 area.

Manchester Housing Permits by Year (1990 - 2012)



Source: CT Dept. of Housing / Partnership for Strong Communities, 2013

Smart Growth

The 2009 Smart Growth report authored by the Jonathan Rose Companies and Wallace Roberts & Todd LLC puts forward a compelling case for the need for “smart growth” in the Hartford County region. Smart Growth is a movement committed to sustainable growth, creating walkable, mixed-use neighborhoods through compact design, and a focus on transportation use and energy reduction. The report highlights the mismatch between previous, more traditional residential development and population trends in Hartford County, and Connecticut more broadly. It emphasizes the need for smaller housing units to meet the needs of a rapidly aging population, as well as the millennial population that Connecticut must start retaining.¹⁶

Competitive Residential Market

Residential information on home values, rental rates, vacancy and absorption rates within Manchester and the immediate trade area was compiled and analyzed based on the current metrics of the market. The following points summarize some of the key findings from this market research:

- Median home value prices in Manchester are lower than the Hartford County average, at \$214,200. Recently built homes in Manchester are selling for between \$135-\$235/square foot, and range between 1,600 square feet and 3,100 square feet in size.
- Gross residential rental rates in the Town of Manchester are slightly above the Hartford County average
- The town ranks 13th (out of 29 towns) in terms of the most expensive rental rates in the region
 - Properties studied ranged from \$0.88 to \$1.50 in rental rate per net square foot, per month, with one project achieving close to \$1.90 per net square foot
- Vacancy rates are believed to be between 3% and 5% for higher quality multi-family residential in Manchester and the surrounding region (such as some of the mill projects) – this is a healthy vacancy ratio and suggests that there is some demand in the market for this more compact urban product
- Although the affordability of Manchester is positive, from the perspective of a developer, it results in a price sensitive market and such moderate affordability levels create a ceiling on prices in the for-sale category as well as apartment rental product

Underlying Assumptions

The following assumptions should be noted when reviewing both for-sale and rental development scenarios:

- These financial analyses are dynamic, works-in-progress, high-level conceptual models, which must be continuously refined and detailed out as more information becomes available and the program is modified
- The models do not account for land costs, which can be added as required
- Apartment rental rates and vacancy rates are based on thorough market research of existing, higher-quality multi-family residential product in Manchester and environs
- Property taxes have been based on current Manchester mill rates but are subject to change through time
- The Parkade Site has not yet been tested for unit density – this density planning should occur within the next steps of work
- These scenarios do not account for any soil testing including environmental testing and potential remediation costs, which may be required in the future
- Return on Investment (ROI) and Gross Profit Margin requirements vary depending on the type of developer and investor, as well as the then market fundamentals. The targeted 7.35% ROI in the rental scenario and the targeted 30% Gross Profit Margin in the for-sale scenario reflect the requirements of a private developer and/or long-term holder.
- Phasing, absorption and other variables need to be fully tested as part of a step 2 development plan

Residential Overview (cont'd)

For-Sale Analysis

The following residential sales analysis outlines three potential scenarios for a more compact, condominium-type project: minimum, average, and maximum achievable sale prices. Typically, most developers would target a minimum gross profit margin or gross return on sales of approximately 30% in order to invest in and develop a viable residential project; however the preliminary sales analysis, found on the following page, includes an additional sensitivity analysis at 20% gross profit margin or return on sales.

Although the most aggressive (maximum) scenario does begin to come close to the required gross return on sales, this option would be less preferable to certain developers for several reasons; 1) the market demand for this type of for-sale product has not been tested in Manchester, 2) the presence of existing, affordable, and larger residential product at very reasonable prices within Manchester, and 3) there is significant competition in the for-sale product from neighboring towns and communities causing a leakage of demand from Manchester. As such, it is recommended that the RDA and the Town of Manchester should currently explore rental, rather than for-sale residential product, or explore a much more affordable for-sale product as described in this report.

Comparable For-Sale Properties from Manchester & the Surrounding Region

Property	Year Built	Sale Date	Selling Price	Size	Sale Price per sq. ft.
Birch Mountain Rd.	1998	11/27/13	\$290,000	3,100 sq. ft.	\$144/sq. ft.
Still Field Rd.	2000	7/3/13	\$322,000	2,226 sq. ft.	\$145/sq. ft.
Livingston Way	2004	3/25/14	\$372,900	2,589 sq. ft.	\$144/sq. ft.
Nina's Way	2005	4/14/14	\$256,000	1,771 sq. ft.	\$145/sq. ft.
Columbia Dr.	2005	5/19/14	\$424,000	2,935 sq. ft.	\$140/sq. ft.
Saddle Hill Rd.	2011	4/30/12	\$400,000	2,870 sq. ft.	\$139/sq. ft.
Hackmatack St.	2012	6/29/12	\$295,000	2,138 sq. ft.	\$138/sq. ft.
Hebron Ave.	2014	New Build	\$650,000	3,100 sq. ft.	\$209/sq. ft.
Briarwood Dr.	2014	New Build	\$379,000	1,622 sq. ft.	\$233/sq. ft.
Park Ave.	2014	New Build	\$357,900	2,031 sq. ft.	\$176/sq. ft.
Nott St.	2014	New Build	\$439,000	2,500 sq. ft.	\$175/sq. ft.

Source: Trulia Real Estate, 2014

Preliminary For-Sale Residential Analysis

Scenario (As at September 2014)	Minimum	Average	Maximum
Average Price Per Sq. Ft. - Residential	\$190	\$205	\$220
Average Price Per Unit	\$142,500	\$153,750	\$165,000
Gross Sale of Residential	\$142,500,000	\$153,750,000	\$165,000,000
Total Gross Sales	\$142,500,000	\$153,750,000	\$165,000,000
Residential Development Costs			
Land	\$0	\$0	\$0
Hard Costs	\$115/sq. ft. \$86,250,000	\$86,250,000	\$86,250,000
Landscaping, Servicing & Remediation	\$50/sq. ft. \$18,750,000	\$18,750,000	\$18,750,000
Soft Costs	18.00% \$18,900,000	\$18,900,000	\$18,900,000
Selling Costs	5.00% \$7,125,000	\$7,687,500	\$8,250,000
Total	\$131,025,000	\$131,587,500	\$132,150,000
Net Profit	\$11,475,000	\$22,162,500	\$32,850,000
Net Profit Over Cost	8.76%	16.84%	24.86%
Gross Profit (% of Sales)	8.05%	14.41%	19.91%
Gross Profit at 30% (Development Industry Target)	\$42,750,000	\$46,125,000	\$49,500,000
Development Gap (At Development Industry Profitability Target, 30%)	\$31,275,000	\$23,962,500	\$16,650,000
Development Gap Per Unit (At Development Industry Profitability Target, 30%)	\$31,275	\$23,963	\$16,650
Gross Profit at 20%	\$28,500,000	\$30,750,000	\$33,000,000
Development Gap (At Gross Profit 20%)	\$17,025,000	\$8,587,500	\$150,000
Development Gap Per Unit (At Gross Profit 20%)	\$17,025	\$8,588	\$150

All figures are expressed as constant 2014 dollars



Rental Analysis

In order to evaluate the general feasibility of a rental product, a potential development scenario was tested on a very preliminary basis. As such, any and all figures are bound to change. This scenario is based on a potential development program of 1,000 new residential units, with a significantly more compact and efficient average size of 750 square feet per unit, catering to the current psychographic and socio-economic demands of empty nesters, retirees and millennials. The scenario tests for Return on Investment (ROI), which is a key deciding variable for perspective developers and must be consistently tested to account for any fluctuations in market conditions.

The 5.98% ROI generated in this scenario falls short of the targeted 7.35%, creating a development gap of approximately \$23 million or \$23,000 per unit. Although this scenario is not viable in its current form, there are methods to lower costs and increase rental rates, which can be further explored if desired. There are many benefits in creating a new residential community at the Parkade Site, and it is suggested that this opportunity be further explored.

Preliminary Rental Residential Analysis		
Total sq. ft. (Gross Constructed Area)		750,000
Unit Count		1,000
Average Size (sq. ft.)		750
Land		\$0
Hard Costs	\$115/sq. ft.	\$86,250,000
Landscaping, Servicing & Remediation	\$50/sq. ft.	\$18,750,000
Soft Costs	18.00%	\$18,900,000
Total Development Cost		\$123,900,000
Gross Income	\$1.50/sq. ft.	\$13,506,084
Vacancy	5.00%	-\$675,304
Effective Gross Income		\$12,830,780
Total Operating Expenses		\$5,417,038
Net Operating Income (Before Land Costs)		\$7,413,742
Return on Investment		5.98%
Required Return on Investment		7.35%
Cost Required to Generate ROI		\$100,867,240
Actual Cost of Development		\$123,900,000
Development Gap		\$23,032,760
Development Gap Per Unit		\$23,033

All figures are expressed as constant 2014 dollars.

Buyer Groups

Buyer Group 1: Empty Nesters & Retirees (Boomers)



- Represents a significant proportion of the population (the first of the baby boomers turned 65 in 2011 and by 2050, the population over the age of 65 will account for a large 21% of the total U.S. population)¹⁷
- These customers are not likely to have children living at home
- Retired or planning to retire, many have less savings than originally anticipated
- Looking to downsize and move to smaller homes where they can be close to other people, with access to health and wellness amenities

National Trends

The older population is growing much faster than the general population. The number of Americans aged 65 or older increased significantly between 2002 and 2012, reaching 43.1 million, or 13.7% of the U.S. population, while the under 65 population grew by only 7% during the same time period.



1 of 7 Americans is
over the age of 65

Source: Administration on Aging (AOA), Department of Health and Human Services, 2012

Present & Future Living Choices

In 2013, a majority of older Americans were living with their spouses, and most were homeowners. However, as Americans age, many will be living alone and will require smaller dwellings with access to urban centers and healthcare.²⁰

Boomers: A “Different” Kind of Retiree

Baby Boomers, the large and influential demographic born between 1946 and 1964, are so different from previous generations that housing development geared towards this group is changing across the country. Boomers are expected to work longer than generations preceding them and are generally in better health and have more energy than previous generations. Unfortunately, many boomers have saved less for retirement and have a greater debt load than previous generations. A 2012 *TD Ameritrade* survey found that the average boomer is a half-million dollars short of what they need to retire.¹⁹

What are they looking for?

- Comfortable, hassle-free, back-to-basics living
- Recreation and leisure
- Social connections
- Arts, culture and learning opportunities
- Proximity or easy access to urban amenities
- Proximity to healthcare
- Living options away from hustle and bustle of large cities
- Safe and convenient neighborhoods
- Low-cost living to be able to retire and enjoy life
- Proximity to children and grandchildren, if applicable

Buyer Group 2: Young Professionals (Millennials)



- A smaller, more diverse, buyer group, entering the housing market for the first time
- Over the next decade, the number of households headed by people in their 30s is expected to increase by 2.7%²¹
- Usually one-person or two-person households
- Proximal to work places, not interested in long commute times
- Desire for affordable, eco-friendly living environment, with a sense of community and daily and weekly things to do
- Safe and social neighborhoods

What Makes This Demographic Different?

Enrolling in College at Higher Rates

A large proportion of this demographic is currently enrolled in college. Rates of college enrollment, especially among women, have been steadily increasing for the last 30 years, with a slight drop between 2011 and 2012.²²

Carrying Higher Levels of Debt

Student debt levels have more than tripled in 10 years to an average of \$29,400 per student in 2012.²³

Delaying the Purchase of their First Home

The Federal Reserve recently reported that 9% of 29- to 34-year-olds obtained a first-time mortgage between 2009 and 2011, compared with 17% a decade ago.²⁴

Delaying Marriage

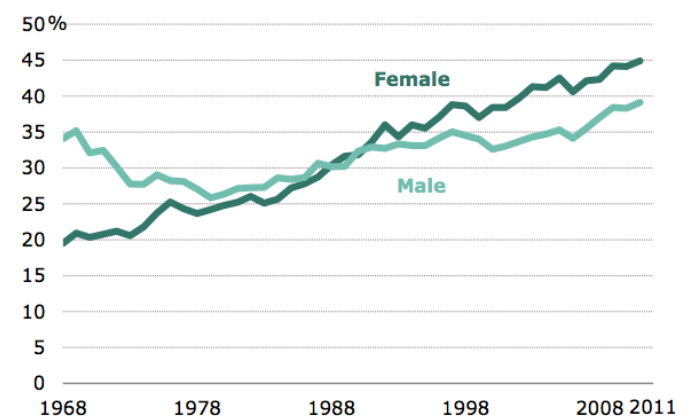
The marriage rate among young adults has dropped by more than a third since 1983. In 2012, just 25% of 18- to 31-year olds were married, down from 30% in 2007.²⁵

Driving Less

The number of miles driven (both overall and per capita) peaked in 2004 after almost six decades of increase. Young people aged 16 to 34 drove 23% fewer miles on average in 2009 than they did in 2001.²⁶

Young Adults in College, 1968 - 2011

% of 18- to 24-year-olds enrolled in college



Source: Pew Research, 2013

What are they looking for?

- Affordable living
- Recreation and leisure
- Activities and many things to do
- Arts, culture, and learning opportunities
- Proximity or easy access to urban amenities
- Proximity to work place
- Walkable communities
- Proximity to other young people

Large Format Retail

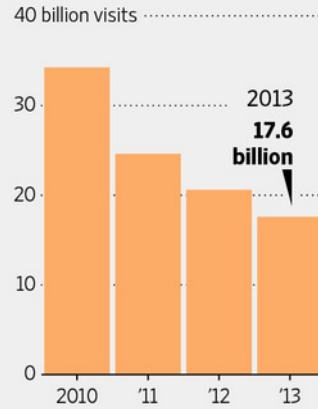
National Trends

After years of growth, the shopping mall era has significantly slowed as shoppers' habits continue to evolve and many markets begin to reach over-saturation of retail. Retail traffic decreased drastically during the financial crisis and recession and many customers have not returned to their pre-crisis shopping habits, nor is it widely agreed upon or understood if there will, in fact, be a complete shift back to pre-crisis times.²⁷

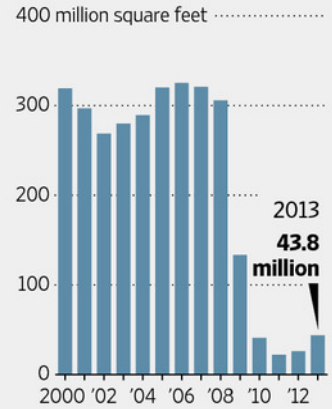
Foot traffic to malls is sharply down by approximately 50% in 2013 versus 2010, and development of newly built shopping centers has had an even more dramatic slide from almost 300 million square feet of newly built retail space per year (between 2000 to 2008) to 25 - 44 million newly built retail space per year (between 2010 to 2014).

Permanent Slowdown?

Total retail foot traffic for November and December



Amount of new retail space opened annually



Note: Traffic data is collected from 60,000 traffic-tracking devices installed at malls and large retailers. Retail space is reported for 54 of the largest U.S. markets.

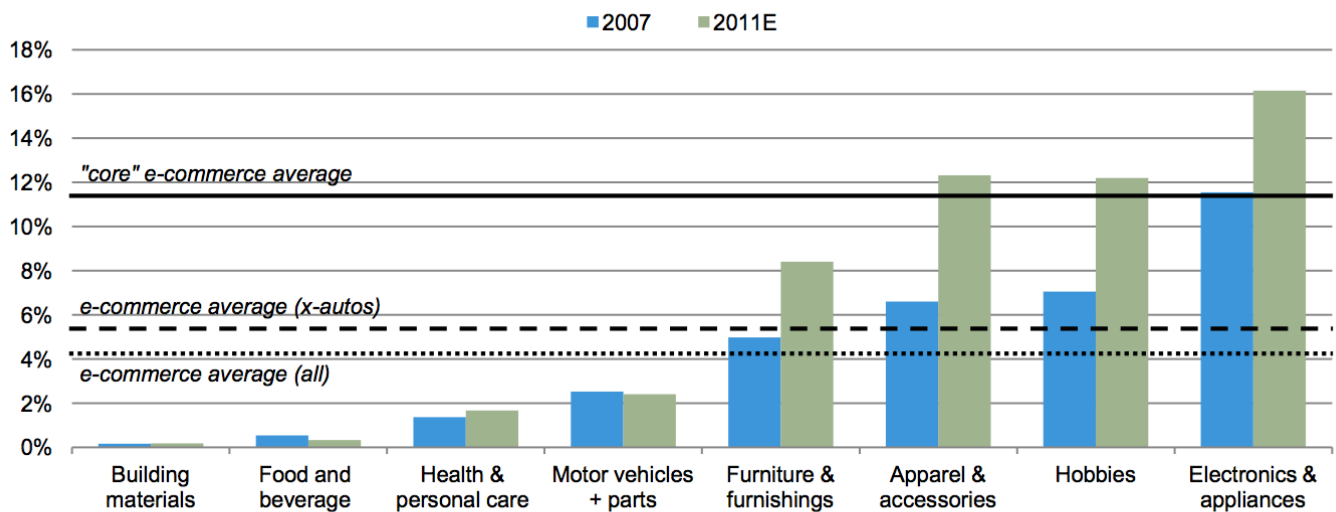
Sources: ShopperTrak (visits); CoStar Group (square footage)

The Wall Street Journal

Online Shopping

One of the reasons for this shift in shopping habits and decline of traffic and spending to traditional retail centers is believed to be the significant rise of e-retail and internet shopping. Online retail sales in the U.S. reached \$262 billion in 2013, a 13% increase from the 2012 figure.²⁸ Online sales are projected to continue to increase significantly over the next five years, hitting \$370 billion by 2017.²⁹ Between 2007 and 2011, online sales grew by 40%, while overall sales grew by less than 5% over the same period.³⁰ Within with core e-commerce categories (hobbies, electronics, apparel, and furniture), internet penetration is now at 10.5%, and is expected to continue growing as increasingly savvy internet retailers find additional ways to compete with brick and mortar shops.³¹

Online Sales as Share of All Retail Sales, Detailed Merchandise Categories - 2007 vs. 2011



Sources: U.S. Census Bureau and RREEF Real Estate.

As of December 2011.

Regional Marketplace

Another reason for decreasing sales, foot traffic and overall spending, is believed to be retail cannibalization or the abundance of competition from other centers. Cities across North America have experienced the overbuilding of retail on parcels along highways, with retail nodes of 1.5-3 million square feet becoming the norm.

The Broad Street Parkade is located close to some of Connecticut's largest retail centers, and if developed as a retail node, would likely compete with the following regional hubs:

West Hartford

Blue Back Square

- 305,000 square feet of retail in lifestyle center setting, adjacent to Farmington Ave., main street-style urban retail
- Blue Back Square is a 600,000 square foot mixed-use development with 59 condos, 48 residential rental units, as well as 100,000 square feet of office space, 71,000 square feet of medical office space, and a New York Sports Club
- Development completed in 2007, however the area continues to evolve
- Prominent tenants include: Whole Foods, Criterion Cinemas, Crate & Barrel

West Hartford Center

- Historic retail streets (Farmington Avenue and La Salle Road)
- Community hub since the late 1600s
- 200,000 square feet of retail and 200,000 square feet of office
- Mix of shops, restaurants, boutiques, office and residential

Farmington

Westfarms Mall

- 1,280,000 square foot shopping center (510,000 square feet of retail)
- Upscale, first-to-market tenants including New England's first (and Connecticut's only) Nordstrom
- Other tenants include: Tiffany & Co., Lord & Taylor, Apple, Macy's, and Michael Kors

South Windsor

The Promenade Shops at Evergreen Walk

- 379,000 square-foot lifestyle center
- Opened in 2004, expanded in 2007
- Lifestyle center is the first component of a master-planned, 1.2 million square foot mixed-use development

Manchester

The Shoppes at Buckland Hills

- Opened in 1990
- 1,047,870 square feet
- Average shoppers visit 40.2 times per year and shops for an average of 80.5 minutes

Glastonbury

The Shops at Avalon

- Planned lifestyle center
- Approved by Glastonbury Town Plan and Zoning in 2013
- 13-acre site
- 56,000 square feet of new development and 11,600 of existing building

The Shops at Somerset Square

- 115,000 square foot lifestyle center
- 26 retailers, restaurants, and services surrounding an outdoor town square

Key Takeaway

Taking into consideration shifts in national shopping habits, the highly competitive local market and the location of the Parkade Site, additional large format retail is not recommended at the Parkade Site.

Small Format Retail

Downtown Main Street: An Opportunity for Positive Change

Manchester's Main Street has suffered from the historic shift from smaller, locally-based retailers in a downtown core, to large-scale shopping centers and big box developments built "out by the highways" that has negatively impacted, and in some cases decimated, main streets across the nation. Customers, however, have begun to seek out unique and authentic experiences in main street and town square settings, and with a renewed focus on supporting shopping local, farm-to-table foods and activity-based retail concepts, main streets across the country have begun to revitalize and flourish.

Similarly, there has been a focus in Manchester on improving Downtown Main Street to once again become the central spine and natural gathering place for Manchester residents, employees and visitors. LWLP noted the following challenges and opportunities for Main Street Manchester:

Downtown Main Street Challenges

1. Of 94 Downtown Main Street establishments with street frontage, 41% are service-based and only 34% are retail,³² this program is inconsistent with thriving main street environments
2. Few anchor tenants and lacks a cluster of retail operators
3. There is a low average daily traffic of 17,000 vehicles per day³³
4. There is fragmented ownership/leadership for Downtown Main Street revitalization – common goals and vision, together with an implementation plan, must be achieved
5. \$1.3 million leakage in sales from 1-mile trade area associated with food and beverage³⁴
6. Physicality must be improved – there are gaps in the Main Street urban fabric, including one-sided retail, limited cross-spine action, and challenges with other physical elements

Downtown Main Street Opportunities

1. Main streets are coming back across the nation and there is an opportunity for Downtown Main Street to become an eclectic and special node "East of the River"
2. Downtown Main Street has a historic building stock and large sidewalks
3. A growing food and beverage sector on Downtown Main Street has brought some activity in the evenings
4. Beginning to concentrate uses (i.e. Manchester Community College, restaurants, proposed library)
5. More activities should be programmed in order to bring people downtown
6. With ample parking (315 excess spaces),³⁵ the town does not have to immediately build out additional spaces

Key Takeaway

Certain types of development at the Broad Street Parkade Site, coupled with strategic programming, leasing and physical solutions along Main Street could significantly improve the Downtown experience and economic performance. These solutions would diversify options along Main Street, create additional demand and encourage the increased flow of people and activity in the Downtown area.

It is suggested that any "specialty" retail development that occurs in Manchester should be concentrated along Main Street, with the exception of some secondary or complementary uses that may serve the Parkade Site development.

National

As the nation continues to slowly recover from the recession, office vacancy rates have declined, but new supply levels remain low. Newly built product is being delivered based on build-to-suit office needs rather than speculative build, and tenants are more efficiently using space, therefore occupancy gains remain relatively limited. Intellectual capital, energy and education (ICEE) markets remain the leaders in the market recovery.³⁶ The national recovery is also significantly affected by global market uncertainty and risks, such as European and Asian economies, energy and financial markets, and many other global factors.

Greater Hartford

The overall office vacancy rate in Greater Hartford has fluctuated between just over 21% to under 17% over the last three years and was measured at 17.3% in the first quarter of 2014.³⁷ This improvement was attributed to the consolidation of several state government offices in the region, as well as some office migration into the core. There remains a substantial amount of available Class A office space throughout the region, including almost 1 million square feet in Hartford's central business district and more than 1.5 million square feet in Windsor, where average asking rents are competitively low at \$15.6 per square foot.³⁸

Greater Hartford's Eastern Market

In 2013, Greater Hartford's Eastern Market (Glastonbury, East Hartford, Manchester) showed overall negative absorption of 19,254 square feet. Additionally, several tenants are moving from this market in 2014, including the State of Connecticut, Bank of America, and CohnReznick, leaving behind 222,000 square feet of space.³⁹

Greater Hartford Office Market Snapshot (Q1 2014)

Market	Total Office Space			Class A Office Space		
	Total Office (Sq. Ft.)	Vacancy	Avg. Asking Rent	Total Class A (Sq. Ft.)	Vacancy	Avg. Asking Rent
Hartford CBD	7,234,504	18.0%	\$21.30	5,522,875	17.9%	\$22.80
Hartford Periphery	1,963,705	10.0%	\$17.10	360,182	15.1%	\$21.30
Farmington	2,582,458	14.6%	\$21.10	1,827,622	18.3%	\$21.50
Windsor	2,112,527	18.2%	\$15.80	1,671,947	18.2%	\$15.60
Glastonbury	1,531,983	17.4%	\$21.90	1,122,030	16.1%	\$23.00
Rocky Hill	1,556,383	12.5%	\$20.20	892,339	12.8%	\$22.20
East Hartford	1,529,532	21.7%	\$20.40	878,342	24.1%	\$21.90
Manchester	174,958	7.9%	\$18.00	30,000	23.5%	\$19.00

Source: CBRE, 2014

Key Takeaway

Considering the slow suburban office growth in the county and the off-highway location of the Parkade Site, traditional office is not a recommended use for the site. Additionally, a traditional office development would be financially challenging considering the very low net effective office rents. If a catalytic, non-traditional office tenant were interested, this might be a suitable use to explore, however these tenants can be challenging to find.

Hotel

Greater Hartford Hotel Overview

Greater Hartford Existing Hotel Performance

	Past 3 months	Past 12 months	2013
Occupancy	54.4%	56.9%	55.4%
Average Daily Rate (ADR)	\$101	\$102	\$100
Revenue per Available Room (RevPAR)	\$54.94	\$58.03	\$55.40

Source: MetroHartford Alliance, 2014

What Do Hotel Operators & Developers Seek Out in a Location?

Highway Visibility, Immediate Ingress, Egress and Access to Major Highways

Downtown Location
(for hotels catering to business travelers or conferences)

Exciting and Dense Mixed-Use Districts
(for urban-oriented, higher-end hotels)

Average Daily Rates & Occupancy Thresholds
(occupancies of 75%+ / ADR's of \$135 +)

New Hotels Planned for Greater Hartford

Cambria Suites at Evergreen Walk

110 rooms, 800 square feet of meeting space

Delamar Hotel at Blue Back Square

99 hotel rooms and 12 extended stay suites

Key Takeaway

Given weak regional hotel RevPAR performance, a very discriminate hotel investment market, and the internalized location of the Site, new hotel construction is not recommended for the Parkade Site.

Sports and recreation facilities can vary from smaller-scale to much larger, regional models. These typologies have varying size requirements, locational necessities, financing structures, and potential for profitability. The models explored for Manchester are as follows: super-regional sports facility, medium-scale sports facility, community center-type facility, and integrated sports, health and wellness concept.

Sports & Recreation Models

Super-Regional Sports Facility

Vision

If implemented properly, a super-regional sports complex can draw people from across the state and beyond to become Connecticut's biggest and best "Sports Village"

Requirements

- Viable and achievable business plan
- Funding
- Indoor/outdoor environment
- Highway proximity/visibility
- Ingress/egress and access
- Large footprint (generally 30 acres +)
- Large regional draw area
- Existing building or substantial new build investment
- Substantial parking space
- Elite/pro-team or association commitments

Opportunities

- Potential to become a major destination within Manchester and Connecticut
- Encourages additional development
- Becomes a unique amenity to local residents and visitors

Challenges

- Lack of highway visibility and access
- 18 acres too small a parcel, limits parking capacity and size of building footprint (should be at least 30 acres)
- Vision for facility not aligned with size of Parkade Site
- Traffic can negatively impact surrounding uses
- Challenges in creating a viable development program and ongoing operations, successful financial models for these facilities do not generally include community components, most are membership based, or charge premium prices for court/field time

Examples

- Spooky Nook, PA
- Great Park, CA
- Hershey Centre, Canada

Medium-Scale Sports Facility

Vision

A potential public, private or public-private complex serving the local community and some surrounding population

Requirements

- Can often be accommodated on 10+ acres of land
- Highway proximity/ visibility
- Usually specialized in certain sports with affiliated teams

Opportunities

- Facility of this size and type would fit into Broad Street Parkade Site footprint
- Potential private partnerships
- Successful facilities generally have specialized programs, usually associated with one sport with some additional supporting uses
- Specialized programs to serve local and extended trade areas

Challenges

- No existing building, would require significant investment
- Substantial local competition from facilities serving 1-hour trade area
- Would not be able to draw from larger area with generalized program, limited local population to draw from
- Difficult to make financially viable, often requires public funds (many existing facilities are struggling)
- Does not achieve vision of desired sports complex

Examples

- Star Hill Family Athletic Center, Tolland
- Chelsea Piers Connecticut, Stamford

Sports & Recreation (cont'd)

Sports & Recreation Models (cont'd)

Community-Center Type Facility

Vision

A great community gathering place that serves Manchester residents and some neighboring communities

Requirements

- Very flexible: can be tailor made for specific community needs

Opportunities

- Can leverage public funding and be driven by vision rather than profit
- Does not require elite sport team commitments or specialized sports programs
- Can be located at an existing school to leverage existing recreational assets (e.g., outdoor sports fields)
- Offers space for students and/or general community for a variety of sports and recreational activities

Challenges

- Acquiring public funding or private partnership
- Does not achieve vision of desired sports complex

Examples

- YW-YMCA
- Hillhouse High School, New Haven

Integrated Health & Wellness

Vision

Weave health and wellness principles and opportunities into every aspect of a development

Requirements

- No requirements, integrates health and wellness into all aspects of development

Opportunities

- Creates a health and wellness lifestyle rather than specific activities contained in one centralized facility
- Numerous low-cost options (trail systems, public spaces, outdoor equipment) can be utilized to reinforce vision
- Completely flexible programming and development
- Requires less space and is less parking intensive than some of the other visions
- Can build off Manchester's existing health and wellness assets
- Can include a local, specialized or community center-type facility

Challenges

- Does not necessarily provide the one large indoor concept that may be desired
- Must create a program that works through all four seasons

Examples

- Burlington, VT
- Providence, RI

Potential Manchester Opportunity

The vision of a sports and recreation use put forward by the Manchester community varies from a community-center model to a super-regional sports facility. If a super-regional sports facility is desired, it is recommended that the Town of Manchester seek out a larger parcel than the Parkade Site, with immediate highway accessibility and visibility. A mid-sized sports facility is not recommended for the site, as many of these exist and serve the trade area within a one-hour drive of the Parkade Site. A local, community center-type facility or integrated health and wellness program are both highly recommended as a part of the Parkade Site redevelopment.

If a super-regional facility is of interest, it is suggested that the vision and program consider the following:

Vision: Connecticut's largest indoor/outdoor sports and recreational village, located just off the highway, attracting visitors from across the state offering:

- Indoor and outdoor fields
- Indoor and outdoor courts
- Skate park
- Climbing walls
- Aquatic center
- State-of-the-art fitness equipment
- Prestigious sports science training/performance center
- World-class sports bar, juice bar, and cafe
- Wellness hotel and spa
- National clinics and conferences
- Regional tournaments
- Camps, leagues, academies
- Child and adult competitive leagues
- Meeting and event spaces
- Partnerships with elite teams and athletes



Educational Anchor

What is an Educational Anchor?

Educational anchors can take many forms depending on site size, market conditions, and public investment climates. They can take the form of university districts, satellite campuses, colleges, or specialty trade schools, among other iterations.

This use, along with medical or other non-traditional uses, cannot be evaluated in the same way as traditional real estate uses, as expansion and development decisions are made through often complex bureaucratic processes, and deals are often executed based on timing and availability of funding. Thus, rather than focusing on certain real estate indicators, these uses must be evaluated based on national and regional trends, as well as face-to-face discussions with institutional decision-makers.

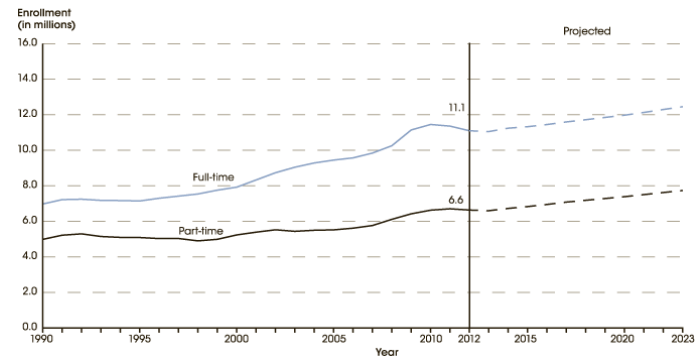
National Postsecondary Trends

Total undergraduate enrollment in U.S. colleges and universities increased by 30% between 2000 and 2012, growing from 13.4 million to 18.3 million. Enrollment increases were even higher for women, who now make up more than half of all undergraduate students.

Increasing competition and shifting educational landscapes have led postsecondary institutions to seek out additional revenue streams:

- Increasing enrollment with a focus on out-of-state, or international students
- Increasing corporate involvement and partnerships
- Developing satellite and specialized-school campuses to attract additional students

Actual and projected undergraduate enrollment in degree-granting postsecondary institutions (by attendance status: Fall 1990–2023)



Source: NCES, 2010

Connecticut Postsecondary Trends

Enrollment Levels are Increasing



The State is Investing in Innovation

The UConn Technology Park is a planned major expansion to the Storrs campus. The Tech Park will focus on promoting university-industry partnerships and is forecast to create between 1,000 and 1,300 jobs. The State of Connecticut has allocated \$172 million to develop the Innovation Partnership Building, the first project at the UConn Technology Park.

Key Takeaway

These institutions can revitalize neighborhoods by bringing in additional daytime activity from students, staff and faculty. Many of these institutions also offer night courses, ensuring that the site is active for many hours of the day. Institutional anchors, if implemented strategically, can support spin-off development such as specialty housing and retail, and in some cases, have transformed towns and cities.

What is a Health & Medical Anchor?

Health and medical anchors, much like educational anchors, can take on many forms depending on site size, institutional space needs, and public investment capacity. Medical anchors might include satellite campuses for regional hospitals, shared medical and wellness facilities, combined spaces for individual practitioners, and many other options. These institutions bring in high-wage medical staff and researchers, as well as patients and other visitors to the site and surrounding areas and often resulting in spin-off development.

National Spending on Health Care is Increasing

U.S. health care spending has increased steadily over the past half-century, rising from 5% of the GDP in 1960 to 17.2% in 2012. Annual spending in 2012 reached an historical high of \$8,915 per person.⁴⁰

Patient Protection and Affordable Care Act

By 2019, the new Patient Protection and Affordable Care Act is projected to increase the number of insured persons in the country by 32 million. The full effects of the law on the healthcare industry remain yet to be determined. However, 32 million additional insured people are certain to increase the employment and space requirements of the healthcare industry.⁴¹

Supply & Demand

The American Association of Medical Colleges projects a shortage of 42,000 primary care physicians in 2020.⁴² American medical school enrollment is slowly increasing and a number of new medical schools have opened in recent years, while some existing schools are expanding, including the creation of satellite campuses.⁴³ However, it is widely believed that medical needs of the population will continue to increase at exponentially higher rates than can be supported by current physician supply – therefore, this will continue to be a significant need and growing industry into the foreseeable future.

Connecticut Health & Medical Industry Trends

- An aging Connecticut population will continue to drive demand for medical services, as those over 65 years of age have three times as many office visits per year as people under 45.⁴⁴ By 2030 more than 21% of the state population will be over the age of 65, compared with 13.8% in 2000.⁴⁵
- In 2010, the health services industry employed 62,000 people in the Metro Hartford Region, representing 14% of private employment⁴⁶
- The growth, privatization and merger of healthcare institutions in Connecticut is expected to continue as these institutions begin to operate more as businesses to keep up with demand

ECHN

ECHN is one of the town's top employers and has the potential to become more of a district and employment destination. The Yale-New Haven Health System and Tenet Healthcare Corporation merger in March 2014, and acquisition of Waterbury Hospital, Bristol Hospital and the Eastern Connecticut Health Network will have major impacts on healthcare delivery in Manchester and across Connecticut. With their partnership now in place, there may be opportunity to explore a greater presence for ECHN in the town.

Broad Street Development Options

Development at the Broad Street Parkade Site should have the potential to truly benefit Manchester and ensure that the town is uniquely positioned within the region. The Reconnaissance and Market Assessment has resulted in the following three proposed development options for the Parkade Site: Medical and Educational District, Mixed-Use New Urbanist Village, and a Hybrid Mixed-Use Village and Institutional District.

Given the size of the site and its location within the town, the local and regional market conditions, trade area analysis, financial modeling, stakeholder input, and many other factors outlined in this assessment, LWLP believes that these three options currently represent the best visions and uses for the Parkade Site.

1. Medical & Educational District



2. Mixed-Use New Urbanist Village



3. Hybrid Mixed-Use Village & Institutional District



Medical & Educational District

Manchester would become home to a first-class education and/or medical district creating a new economy and catalyzing additional development, such as specialty housing, retail, and other ancillary uses. Typologies explored include: specialty or satellite campuses, university-industry partnership facilities, a shared medical and wellness campus, and innovation-focused institutions.

Vision

An economic driver and anchor for the town, the Medical and Educational District would bring additional employment, users and activity to Broad Street and the Town of Manchester.

Rationale

Medical and educational developments are high economic impact uses, drawing employees, students, visitors, and others on a daily basis. Medical and educational institutions also attract investment, innovation and spin-off projects in a neighborhood, town or city. If implemented strategically and smoothly, they can also become catalytic, generating demand for additional development projects. These resilient, economically stable anchor uses receive significant public and private investment and endowment, and are expected to remain leading industries well into the future. LWLP has spoken to several healthcare and educational institutions over the past four months, and believes that there is reasonably strong interest in exploring the development of medical and/or educational facilities on and around the Parkade Site.

Differentiator

Unlike standalone medical or educational facilities and buildings, this medical and educational mixed-use development would become an integrated district that is well connected with the surrounding uses along Broad Street, ECHN, Center Springs Park and Downtown Main Street. It must tie into Center Springs Park and the existing ECHN medical area to form a place with maximum potential and benefits for Manchester.

Challenge

Concluding agreements with a medical and/or educational anchor can be challenging, as decision-making within these institutions can be a complex and slow process. However, appropriate timing, committed leadership on all sides, and the availability of shovel-ready projects/sites can assist with otherwise challenging deal making. Anchor institutions may be attracted to other developable towns and sites in the region, such as those located in urban areas, those with highway access, those that can provide excellent lifestyle and housing for their doctors and researchers, and those close to the institution's existing facilities.

Benefits

The medical and educational district would bring new economic development and jobs to Manchester, catalyzing rather than competing with existing development in the town. The district would encourage spin-off development, such as specialty housing and retail, additional office and laboratory space, and other projects that are leveraging medical and/or educational institutions. Medical and educational anchor institutions usually work with and are integrated into communities to create shared value in terms of added social, economic and community benefits. Medical and educational industries are also considered to be highly resilient, as they have remained strong economic generators and job providers throughout recessions, wars, and other unforeseen changes to the social or economic well-being of the country. The healthcare and educational sectors have historically adapted to economic restructuring and the ongoing changing needs of the workforce, and would likely continue to do so. Many towns and cities that have otherwise struggled, remain on relatively steady economic footing because of the presence of an anchor educational and/or medical institution.

Mixed-Use New Urbanist Village

The Mixed-Use New Urbanist Village would be an intimate, lifestyle-oriented development. This residential and recreational community would be programmed, designed, positioned, and marketed to offer economically-conscious young professionals, baby boomers and retirees the lifestyle they desire – focusing on healthy and active living, close connections to the park system and other natural advantages, four-season activities, a compact walkable neighborhood with a strong sense of a social community.

Vision

A predominantly residential development with a focus on health, wellness, and sustainability, the Manchester Village will incorporate the principles of New Urbanism including compact neighborhood design and walkability, setting itself apart from a majority of other residential development in the State of Connecticut.

Rationale

Given that traditional market-rate multi-family rental or for-sale residential housing is not achievable for the Parkade Site without large public subsidies, this concept aims to create a much more viable and differentiated product. Proposed unit sizing, in addition to construction and finishing techniques could reduce costs and increase the per-square-foot value of the residential properties. Strong marketing, healthy-living amenities and New Urbanist planning can also drive demand for this product based on its unique offering and positioning within the competitive landscape.

Differentiator

Not only would the aesthetics and identity of this community be unique to Manchester, but the amenities offered – from naturalized parks and recreation trails, to a handful of destination shops and daily social events – would help to create a unique sense of place that serves all residents of Manchester. The units would incorporate the latest in energy efficient design and innovative green features, reducing consumer costs and utility bills.

Challenge

While the village could become a great new community within Manchester, its mainly residential use limits the long-term positive impact it could have on the town. Economic activity associated with the development would be less widespread when compared with the other options, which include many more permanent jobs, and uses that would attract a variety of visitors to the town. Additionally, even at hypothetical zero land costs and reduced construction costs, a development gap would likely remain and would need to be filled in order for this development to be financially viable enough to entice investment from a private developer. There is still much uncertainty in the local, regional and national housing markets and no residential development is a guaranteed success, especially in a slow growth market such as Hartford County.

Benefits

This option provides existing residents and employees a new and exciting residential quality of life at reasonable prices. The option would bring additional residents to Manchester and would improve the character of Broad Street. The village presents a unique opportunity to leverage the proximity and connections to Manchester's high quality recreational assets, including Center Springs Park. By creating amenities, services and health and wellness experiences that are unparalleled by any other developments in Hartford County, the village would differentiate itself and increase demand for residential units. By delivering a mix of high-quality, compact, residential units at significantly lower rental price points, the village would provide a better value proposition that currently exists within the region and would allow the development to remain highly competitive. The incorporation of energy-saving and eco-friendly features and construction techniques would appeal to consumers economically and environmentally.

Hybrid Mixed-Use Village & Institutional District

The hybrid option includes a mix of residential, recreational, medical wellness and education uses. The development program could take on many forms, including:

- Institutional Uses + Sports and Recreation Complex (local or associated with institution)
- Institutional Uses + Village
- Village + Sports and Recreation Complex (local-scale)

Vision

The hybrid option would ideally have a mix of institutional (medical, education, or others), and supporting uses, such as residential, retail, and public space. It creates a district that serves and is complementary to existing and future districts in Manchester, and would allow for a truly unique live-work-learn-play environment within Manchester.

Rationale

This option would have the greatest balanced impact on the town, generating significant new opportunities for employment, living, learning and recreating in Manchester, and drawing the most significant economy, investment and people to the area. While the required overall financial investment would be higher in this scenario, there is also more opportunity for institutional investment, public and/or private partnerships and ongoing value creation.

Differentiator

Through the creation of an integrated mixed-use neighborhood, Broad Street and the Parkade could become the town's newest, walkable and sustainable healthy living and learning community, setting itself apart from the countless standalone institutional facilities or other mid-sized towns struggling to become relevant for younger populations as well as to thrive economically.

Challenge

At 18 acres, capacity would be limited for the amount of achievable mixed-use development. However, based on discussions with several landowners, there is consideration to participate financially and/or otherwise in such a development, making a larger land assembly feasible. A complete district master plan, along with parking and transportation plans, would have to be produced in order to support the mobility and parking required and maximize site potential without creating too much density. Many other potential challenges associated with the hybrid option may become better known as the vision, scope, size and programming of this option becomes more fully defined with key stakeholders.

Benefits

This hybrid option has the potential to spur wider economic development, while meeting the needs and objectives of a diverse group of Manchester stakeholders. The long-term benefits of this option include but are not limited to additional residents, abundance of quality permanent jobs, and an overall thriving, unique and activated district that belongs to Manchester. This district would be a true mixed-use development, with opportunities for Manchester residents, employees and visitors to live, work, learn, and play, now and for decades to come.



Placemaking in New England & the Northeast

What is “The Story” of Manchester?



Throughout the region, towns and cities are defining their personalities, placemaking and brand, and establishing niches. Whether defined as an economic center, college town, suburban residential enclave or tourist destination, these towns and cities are putting themselves on the map. Manchester boasts beautiful parks, historic landmarks, and affordable living, but the town's identity is arguably not as clearly defined when compared with many other New England towns and cities. What does Manchester want to be known for, and how will the town reinforce its identity and brand across New England, the Northeast, and beyond?



Some Personality-Filled Places: New England & the Northeast

Boston, MA: City of Great Neighborhoods

Boston's varied neighborhoods include a substantial student population of more than 250,000, as well as one of the nation's highest concentrations of high-tech workers. The city also boasts a variety of great culinary neighborhoods and iconic retail streets.

Burlington, VT: Rustic Mountain College Town

Burlington is one of New England's gems, with its revitalized, iconic, pedestrianized main street and the energy infused by its substantial student population. The city's vibrant core of shops, restaurants and programmed activities, combined with University of Vermont facilities, and Burlington's down-to-earth, farm-to-table, slow-food culture, contribute to the city's year-round economy.

Chester, CT: Quaint Small Town Charm

Chester is one of many quaint Connecticut towns that appeal to residents and visitors seeking authentic and peaceful New England charm with a picturesque town center. Although it is a small, rural town, Chester is full of unique experiences and things to do.

Farmington, CT: Healthcare & Research Hub

The UConn Health Center is at the core of Farmington's growing research and educational sector and currently employs 5,000 people. New research facilities, such as Jackson Laboratory, will bring additional research and healthcare jobs to the community.

Glastonbury, CT: Affluent Community Living

With one of the highest median household incomes in the region, Glastonbury is a popular bedroom community of just over 30,000. The family-friendly town has a well-regarded public school system, retail amenities, and many outdoor and recreational activities.

Hartford, CT: Urban Hub

Hartford, like many cities in the Northeast, struggled during the second half of the 20th century. However, the city has some strong assets including its compact, walkable downtown, public green space and riverfront attractions, as well as a strong employment base and a potentially growing downtown residential population.

Mystic/Stonington/Niantic, CT: Seaside Village Charm

Connecticut's southeastern region is filled with seaside villages that draw tourists seeking charming main streets, great seafood and historic maritime sights. Visitors come from a wide market, including those who arrive by sea.

New Haven, CT: Intellectual & Cultural Hub

With Yale University and the growing Yale-New Haven medical district, along with other schools and bioscience growth, New Haven is a mecca for research, healthcare, and educational workers. The city also houses world-class museums, history, heritage, theaters and cultural institutions, and has recently been recognized as a culinary powerhouse.

Northampton, MA: New England Main Street

Northampton is home to Smith College, a small liberal arts college that is part of a consortium of five campuses, catering to 30,000 students throughout western Massachusetts. These colleges and their associated populations contribute greatly to the success of Northampton's classic New England main street, which is programmed with truly great mom and pop retailers and restaurants, and exciting events and festivities.

Providence, RI: College Charm, History & Waterfront

Providence is home to the Rhode Island School of Design and Brown University. The city is steeped in historic charm and its vibrant downtown districts cater to students, residents, and visitors alike.

Stamford/Norwalk/Westport/Greenwich, CT: Extended NYC Market

These towns along the Long Island Sound make up one of the wealthiest regions in the nation, and are fundamentally an extension of the New York City market. In addition to their strategic location, directly connected to Downtown Manhattan via the Metro North Train line, these towns offer charming waterfronts, town centers, beautiful and diverse living options, and a high quality of life.

West Hartford, CT: Urban Village

West Hartford's traditional "town center" is a very walkable and aesthetically pleasing collection of shops and restaurants, enjoyed by people of all ages. Blue Back Square, a recent mixed-use development, has added to West Hartford's draw with a mix of healthcare, office, entertainment, housing and retail uses.

Portland, ME: Authentic Outdoor Adventure

Portland is Maine's largest city and combines a mix of historic port amenities, outdoor adventure, New England flavor, and great seafood.

Saratoga Springs, NY: Revitalized Main Street & Tourist Mecca

Although Saratoga's main tourism draw is the Saratoga Race Course, the town offers visitors much more than horse racing, such as world-class music concerts, outstanding liberal arts college with Skidmore, event and festivals. Main Street delivers a walkable eclectic mix of restaurants, hotels, inns, health and wellness services and activities, and retail shops housed within historic buildings.

Mansfield, CT: "College Town"

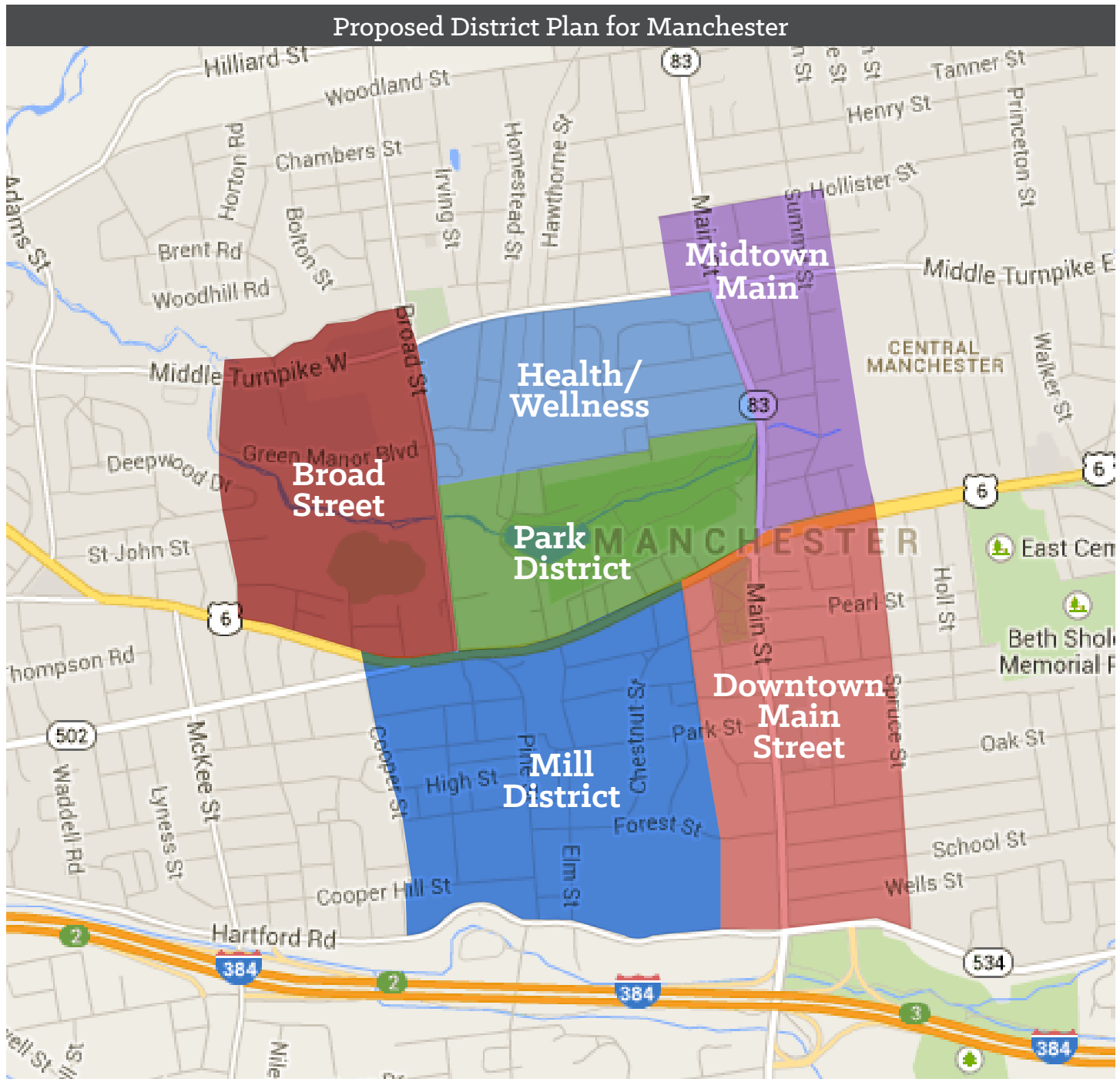
The University of Connecticut's Storrs campus in Mansfield, CT, once a small agricultural school, has grown to become the state's largest post-secondary institution, with a diverse program offering and research focus. Storrs Center, a new town center with a mix of shops, restaurants, offices, homes and green spaces, has helped to transform Mansfield and the campus into a more exciting and livable destination "college town".

Windsor/Windsor Locks/East Hartford, CT: Airport & Employment Zone

Bradley International Airport is at the core of Windsor's employment zone, which also includes manufacturing, warehousing, and a variety of businesses. The town also has a specified Airport Development Zone with various tax incentives. East Hartford is also a significant employment center, with large-scale manufacturing operators such as Pratt & Whitney and Coca-Cola.

Manchester can and needs to become a place of well-connected, complementary districts that offer an improved quality of life for all residents and employees, for the health of the private and public sectors, for young and old, today and tomorrow.

The creation of complementary districts at Broad Street and other strategic areas would ensure that the Town of Manchester moves forward with a cohesive placemaking and development strategy, and master vision and plan. The town should not be thought of as a collection of individual neighborhoods, but rather an interconnected holistic system of interwoven neighborhoods and districts, which includes Broad Street, the Health and Wellness District, Midtown Main, Downtown Main Street, the Mill District and the Park District. Tying the town's many assets together would contribute to leveraging a successful and economically viable development at Broad Street, and more importantly, become catalytic for future development or redevelopment opportunities elsewhere in Manchester.



Broad Street

Whether the district becomes a best-in-class medical and educational district, a unique New Urbanist village, or a combination of these uses, the reimagined Broad Street needs to become a sustainable and exciting place to live, work, recreate and/or visit. The district includes the potential for a new residential population, learning and wellness centers and additional quality job generation, as well as spin-off development in neighboring areas. Broad Street would be well connected to existing assets and reinforce other districts through the addition of new populations, investment, and activity. The Broad Street District would encourage health and wellness through proposed uses, programming, and innovative design features.

Midtown Main

A distinct portion of Manchester's iconic thoroughfare, Midtown Main will play an increasing role in connecting the town's experiential districts, and becoming a unique district with a distinctive personality, which is yet to be determined. Midtown Main connects the Health and Wellness District to Downtown Main Street and includes an important access point to Center Springs Park, a key component of the Park District. The district is also connected to Manchester High School, the town's most widely attended high school and a key recreational asset. The district currently contains a large number of surface parking lots and auto-centric uses, providing a strategic opportunity for future development.

The Mill District

With over 200 historic buildings, including mills, worker houses, churches, and schools, the Cheney Brothers Historic District has been recognized by the National Historic Landmarks Program. In addition to the district's historical significance, the mills are also a key provider of higher-density living options for Manchester's increasingly diverse population. The Mill District includes some of Manchester's significant arts and cultural institutions including Cheney Hall, The Fire Museum, The Cheney Homestead Museum, and Old Manchester Museum. This district would continue to play a key role as both a residential neighborhood and community arts and cultural hub, a real celebration of Manchester's heritage.

The Park District

A well-connected and clearly designated collection of recreation assets, Manchester's parks and trails network is a true gem in Connecticut. At the heart of this district is Center Springs Park, with connections to the Cheney historic rail and bikeway, the Bigelow Brook, and Center Memorial Park. Residents, as well as regional sports enthusiasts, would utilize Manchester's recreational paths, trails, and facilities to keep fit and have fun. Recreational assets would have a greater presence in Manchester as the concepts of health and active living are further encouraged. In order to fully realize the potential of Manchester's recreational and wellness nodes, improved connections, as well as additional lighting and safety features would be incorporated. Lastly, the Park District would be activated through a year-round program of activities and events to encourage the broad participation of an increasingly healthy and active population.

Health & Wellness District

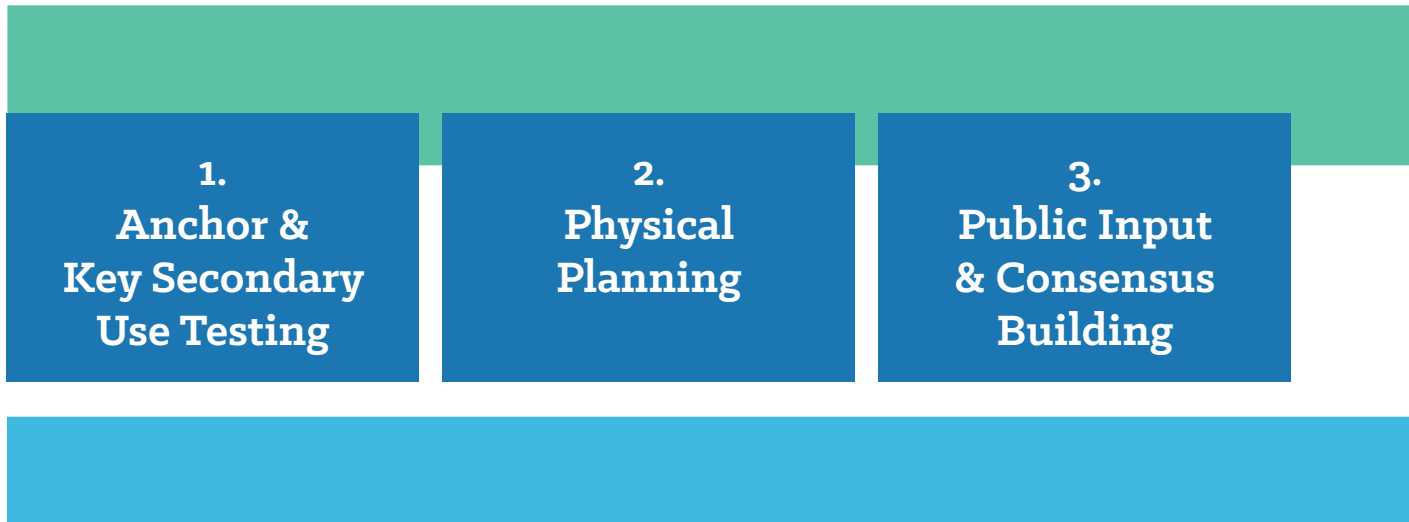
A key employment and activity node in the Town of Manchester, the Health and Wellness District would be an increasingly important hub that is well connected to the town's recreational areas and neighborhoods. The district would encourage health and wellness, preventive care, and indoor-outdoor healing through ongoing and increased initiatives, as well as events and programming. The district would have increased visibility and presence within the town and broader region.

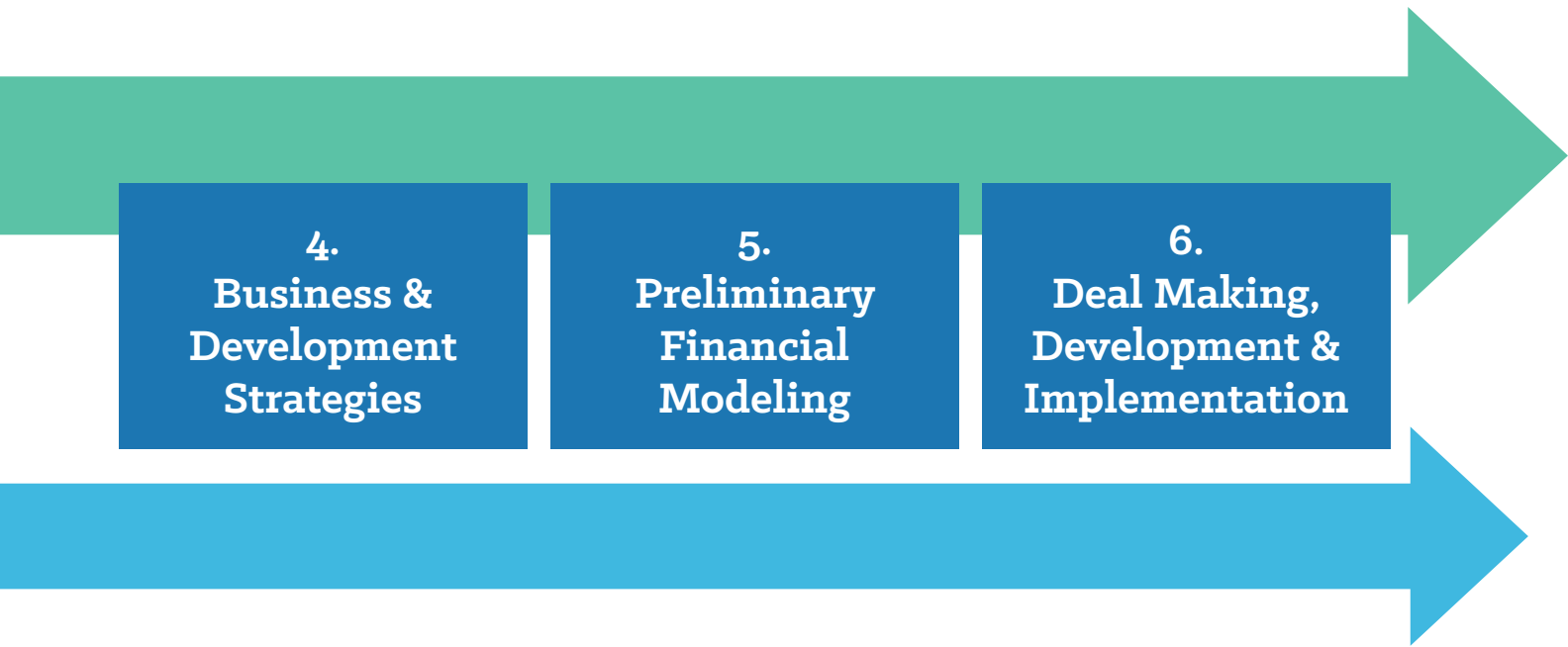
Downtown Main Street

A vibrant and exciting place for residents, visitors, and workers to enjoy, Main Street Manchester would join other New England towns as an essential destination. With innovative programming and physical enhancements to restore broken urban fabric, Downtown Main Street would function as a continuous and comprehensive year-round district. Programs to increase and elevate events and festivities in the area would add a sense of excitement and contribute to town pride. Finally, clustered restaurant and retail uses would encourage pedestrian and cycling activity, and contribute to Manchester and the district's sense of place.

Next Steps

Based on the RDA and the Town of Manchester's desire to move forward with potential implementation of any of the proposed or other development options, it is recommended that the next steps for the Broad Street Parkade Site include additional research and planning, as well as detailed discussions with potential partners in order to better understand tenant interest, financial feasibility, deal structures and business rational. Details of the preferred development option will be clarified and refined and feedback from the community will be solicited throughout. It should be noted that LWLP is open to revising the mandate or suggested next steps based on the RDA and Town's needs.





Appendix A: List of Resources

End Notes

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Stakeholder Meetings

- Board of Directors
- Downtown Special Services District
- Economic Development Commission
- Youth Commission
- Local real estate developers
- Land owners
- Business owners
- Local real estate brokers
- Retail managers
- Capital Region Development Authority
- State of Connecticut
- ECHN
- Manchester Parks & Recreation

Appendix B: New Urbanism

What is New Urbanism?

“New urbanism” is actually a movement based on “old urbanism”, focusing on people and community, rather than perceived efficiencies, and a preference for mixed-use rather than single-use development. New Urbanism recognizes that walkable, human-scaled neighborhoods are the building blocks of sustainable communities and regions. The movement advocates that communities should be designed for people, focusing on the pedestrian as opposed to the car, and that cities and towns should be shaped by universally accessible public spaces and community institutions. Local history, climate, ecology and buildings should also be celebrated.

Some Key Principles of New Urbanism

- Transit, pedestrian and bicycle systems should maximize access and mobility while reducing automobile dependence
- Neighborhoods should be compact, pedestrian friendly, and mixed-use
- Streets should be designed to encourage walking
- Many activities of daily living should occur within walking distance, allowing independence to those who do not drive, especially the elderly and the young
- Neighborhoods should include a broad range of housing types and price levels, bringing together people of diverse ages, races and income
- A range of parks should be distributed within neighborhoods and districts
- Conservation areas and open lands should be used to define and connect different neighborhoods and districts
- Safety and security are essential for the revitalization of urban places – the design of streets and buildings should reinforce safe environments

For more information of New Urbanism, visit The Congress for New Urbanism at www.cnu.org

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Broad Street Parkade Site
Manchester, CT
Reconnaissance & Market Assessment
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